

Corporate Sustainability REPORT 2009

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Sustainability is a long standing accomplishment - an art achieved by nature. Its whole exists through the success of individual living systems balancing each other. As business is a part of human culture, we are part of this ancient rhythm to continue or to interrupt. At Promega our core culture embraces the concepts of sustainability as we strive to create long-term success by embracing opportunities and managing risks derived from economic, environmental, and social progress.

"Sustainability is not simply a way to conduct business; it is the only long-term way to conduct business within a finite and interconnected biosphere."

In July 2009, Promega launched a formal Sustainability Program by publishing our first annual report and developing a baseline of key performance indicators. A program of this magnitude is not something that grows overnight, and this launch was only the beginning. Over the last year, extensive time and effort has been put into developing a robust network for tracking our progress on key performance indicators, analyzing and initiating projects to reduce environmental impacts, and improving the awareness internally on sustainability. At Promega we feel that sustainability is not something that can be added on the side. A successful sustainability program requires a new approach to the way we do business on a daily basis.

Since July key individuals globally have been identified to champion this program and ensure its global consciousness. Cross functional sustainability teams have been created and are starting to address some of the more complex challenges facing our company. Processes have been developed for more accurate and timely tracking of data on key indicators at all global locations. Information has been gathered to increase the scope of recognized impacts by tracking areas such as distribution. We have plans in place to address some of the more complex gaps like our use of packaging materials. And programs have been initiated to increase the awareness and understanding of sustainability internally. Thanks to these efforts we are seeing significant progress toward all of our sustainability targets and program goals that are discussed in this 2009 Corporate Sustainability Report

Despite the advances this year, we recognize that sustainability is a process of continuous improvement, and our focus is on long term gains over short term wins. We feel sustainability is necessary to the advance of society, protection of the environment, but most importantly, it is simply the right thing to do. The term "sustainability" can be misleading. We talk in terms of preservation of our environment so that our children and their children can enjoy the same quality of life we do rather than being saddled with deprivation of resources and a level of unbalance. But we've got it all wrong if we want our children to have the same life as ours.

We want the lives of our children to be even better than ours...just like the threats in our parents' and grandparents' lives are unheard of in our life. Yet, if our children are to have a better life, then they need the chance to find new answers, make new discoveries and continue to reveal and involve the understanding nature has held throughout time. We may not have the answers for our children, but it's up to us to preserve the source of knowledge for our children to tap.

Nature is the ultimate teacher, therapist, doctor, innovator, and scientist. Nature knows what to do and how to adapt. For those who have taken the time to listen and observe, they have brought us a better life. Just a few examples include:

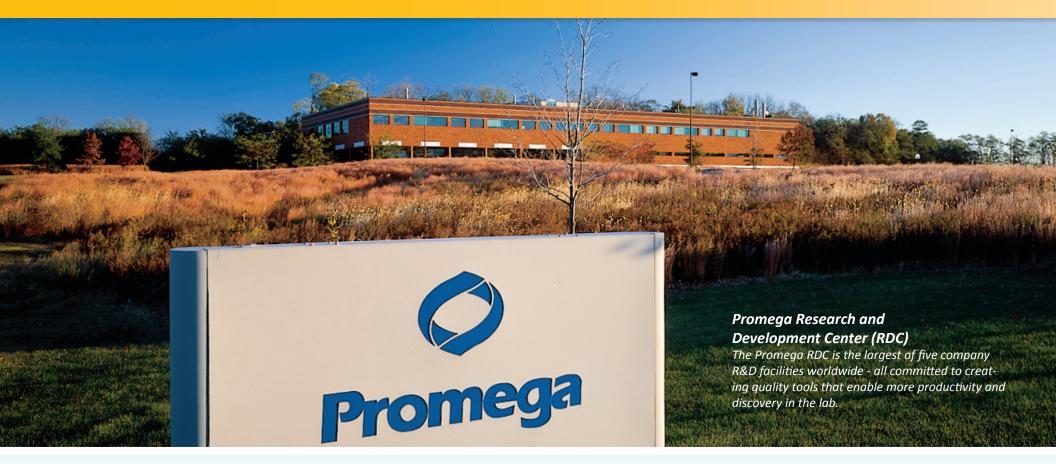
- A deafening clapping sound that passengers experienced when Japan's bullet train emerged from the tunnel was silenced with a design from nature. Mimicking how the kingfisher can seamlessly dive into the water without a splash, engineers created a nosecone for the train in the same shape as the bird's beak. Now the train can transfer from tunnel to open air without a sound.
- Considering the comment of a milkmaid who never feared small pox because she had "cowpox"; this observation led to the development of a vaccine against an often fatal disease.
- What started as a search to keep algae off submarines now helps hospitals fight bacteria without fostering a "super bug". Scientists identified the one slow moving creature in the sea that doesn't foul - the shark. The secret was in the skin, more specifically the dermal denticles which inhibit the growth of microorganisms. Today that skin pattern is used in materials to help prevent the transference and growth of bacteria in healthcare environments.

Janine Benyus remarked "In 3.8 billion years, life has learned to do some amazing things – fly, circumnavigate the globe, live at the top of mountains and the bottom of oceans, lasso solar energy and light up the night, and make miracle materials like skin, hair, horns and brains. In fact, organisms have done everything we humans want to do, but without guzzling fossil fuels, polluting the planet or mortgaging their future. So, yes, we're part of nature, but we're a very young species trying to get it right."

Sometimes in science we think we're on the final frontier, only to realize discovery is in its infancy. Accomplishments like sequencing the human genome were believed to be the last step to understanding life, and now we see we're just beginning as epigenetics suggests there are many things in addition to our genetic structure that structure our existence. The edge of science is peering into some fascinating possibilities – fungi cleaning up toxic waters, skin cells repairing or replacing a damaged heart, enriching inner peace with our own naturally occurring chemistries.

This is why we need to sustain and respect the nature that exists today. Nature knows a lot more than we do....and if we can't figure out what it's telling us, perhaps our children can.

William A. Linton, Chairman and CEO



Corporate *mind*

Overview

Promega Corporation, which has its headquarters in Madison, Wisconsin, USA, is a privately held company with a global reach that includes branch offices in 13 countries and manufacturing facilities in San Luis Obispo and San Jose, California, USA; Shanghai, China; and Seoul, South Korea. From 2008 to 2009, company revenues grew by more than 5% to 220 million dollars (US), with approximately 9.5% reinvested in research and development. The company has 954 FTE positions worldwide, and 47% of the full-time employees are women.

Promega is governed by a Board of Directors, the Corporate Leadership Team and global Branch Managers as structured below. This team is responsible for setting strategy and organizational oversight and includes 23 individuals, of which 21% are women. Compensation is tied to individual and overall corporate performance.



To provide the most innovative biological reagents and integrated systems used in research and applied technology worldwide.

-- Promega Corporate Mission Statement

Corporate Values

In carrying out our mission, we strive to preserve and pursue these core values:

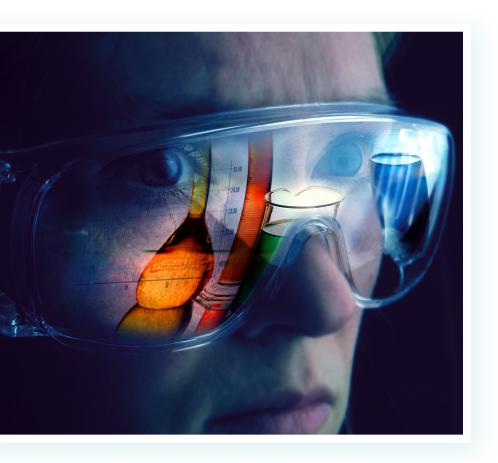
- Honesty, integrity and respect for all employees, customers and suppliers.
- Open access to information for all employees.
- Balance of work and life activities.
- Recognition and reward of achievement through creativity, risk taking, process improvements, and innovation.
- Adaptability and flexibility in the workplace.
- Contribution to the advancement of science and to the improvement of life in the world community

Promega is an equal opportunity employer and we follow a global code of conduct of which people are reminded of annually. This code of conduct is also always available and accessible on the corporate intranet site.

Corporate Vision

Promega Corporation is built on a vision where

- Innovative research tools accelerate scientific discovery,
- Life science research can lead to the cure and prevention of many diseases,
- The work environment nurtures creativity,
- The corporation appreciates and values the contributions of each employee.



Creative Approach

Scientists must maintain imagination in their work if they are to discover what is unknown. In response to the needs of such individualists, we hold a long and creative tradition of doing what is best vs. what is expected. That independent spirit led to a number of firsts that continue for Promega in each of its multiple roles as a business, a member of the community and an employer.

In Business: Promega is one of the largest privately-held life science companies in the world. In an environment where acquisition is the norm, we have maintained independence and selective, global partnerships. As an example, we work with proteomics experts at the Kazusa Institute in Chiba, Japan (the sister state to Wisconsin) and with thought leaders in life science research at the University of Wisconsin-Madison.

For the Community: Promega appreciates that the strength of the surrounding community contributes to the success of business. As such, it's important to give back and to return the support to those around us. Focusing on key contributors such as education, science and creativity, we sponsor numerous community initiatives.

As an Employer: Historically ranked as one of the top 10 places to work in the industry, Promega supports the strength and contribution of the individual. It is a business that understands that life is a balance of work, family, and personal growth. Employees work in nonhierarchical space to foster creativity. We support staff by creating workspaces with features such as original art, 3rd spaces to evolve thinking, and restored prairies and woodland trails. In summary, our work environment encourages individuals to explore new ideas, enrich their capabilities and rise to new challenges.

Supply Chain Management

With the exception of distribution, we did not attempt to factor impact of our supply chain in 2009. Nor have we reached out to our suppliers to embrace the philosophies of sustainability. This continues to be an area of improvement for us. We did complete an analysis of our corporate supplier based on proximity to determine the percentage of local suppliers used. Over 57% of our purchases are from suppliers within 250 miles of headquarters, not including wholly owned subsidiaries (Figure 6).

Value of Purchases By Distance

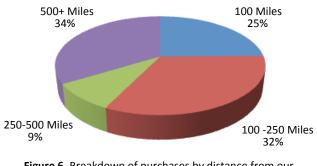


Figure 6. Breakdown of purchases by distance from our global headquarters.

Product Offerings

Manufacturing over 85% of its products, the 2,000+ product offerings from Promega are used in Basic Research, Drug Discovery, Forensics and Paternity Testing, and Clinical Diagnotics.

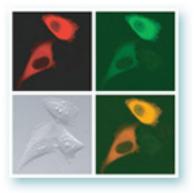
Product reach

Overview

What started as the production of enzymes for researchers has evolved to offering over 2,000 products for a broad array of scientific research applications. Promega products continue to be key in advancing life science research and industries. Through our extensive investments in research and development and commitment to quality, we provide valuable tools to our customers and aid progress toward a better future. Our products and services are used primarily in the following areas:

Basic Research

Primarily conducted in academic and government labs around the world, basic research focuses on unraveling the complexities of life at the cellular and genetic level. From cancer to stem cells, scientists seek to understand the basic processes of life, how disease occurs, and ideas related to prevention and cure.



The HaloTag[®] Protein Purification System addresses common problems associated with purification of recombinant proteins. It is an exciting resource for researchers working with difficult-toexpress proteins.

Forensics and Paternity Testing

Tools used for DNA typing are now an essential part of solving crimes. These tools help sort through evidence to identify victims and suspects. They are the same tools used in other related applications, including determining paternity and other familial relationships and i dentifying victims of natural disasters.

New PowerPlex[®] ESX and ESI Systems allow amplification of the European standard set of STR loci. With a suite of four STR kit configurations, forensic laboratories can choose the format that best meets their needs and provide consistent data across borders.

The PowerPlex[®] 16 HS System, recently approved by the FBI, was optimized to increase success rates with challenging forensic samples.

Hospital and Clinic-Based Diagnostics

Molecular tools contribute to diagnostic testing for organ transplants, infectious disease and genetic screening. This is one of the fastest growing markets for our products.



Maxwell[®] 16 IVD System addresses the pressure to deliver quick results, especially when determining organ compatibility or diagnosing infectious disease. The benchtop automation system for rapid nucleic acid isolation is fully compliant with the European Union IVD Directive and supports European clinical laboratories as an accessory device for performing transplant HLA testing and diagnostic testing for molecular pathologies and infectious disease.

HaloTag, Maxwell and PowerPlex are registered trademarks of Promega Corporation. ADP-Glo is a trademark of Promega Corporation. Products may be covered by pending or issued patents or may have certain limitations. Please visit our Web site for more information.

Drug Discovery

Identifying compounds for drug development that combat sickness starts at a cellular level. Scientists need tools to test thousands of different compounds at one time. In what can be a decade-long search for a single drug, scientists in drug discovery face pressure to deliver results quickly and with accuracy.

The ADP-Glo[™] Kinase Assay is a universal tool for working with kinases. This assay provides the same quality data as the gold-standard isotopic assays but without the hazard of radioactivity.





Promega in the Real World

As is the nature of life sciences, Promega tools are used in the exploration, discovery and practice of improving human life. Following are just a few examples of work done in 2009 that incorporated support from Promega technologies.

Responding to Tragedy—Identifying Victims of the Air France Crash

On May 31, 2009, Air France flight 477 was leaving Rio de Janeiro for Paris. Flight 477 crashed 40 minutes later, and the tragedy shook the entire world. With no survivors, and so many unknowns, families could only hope for some sort of closure. In an attempt to aid those families of victims, Promega provided support to Brazilian labs that were working on the case. DNA identification tools were donated to help identify remains.

Committing to Finding the Lost-Retooling the Missing Persons Database in China

In 2000, the Ministry of Public Security of China initiated a project to crack down on the abduction of women and children. At the time, the data collection for the DNA Database of National Public Security was limited because of the technologies available. In 2009, facing 3,000 new missing persons reports each year, the Ministry decided to rebuild the Missing Persons Database with the much-improved technologies of today. As part of that initiative, Promega donated the most contemporary tools used in DNA identification today to assist in China's efforts.

After one year, 55,000 names were added, leading to identification of hundreds of missing women and children. In addition, China established standards for all the labs across the country to facilitate faster response and identification

Responding to a Pandemic—Testing for H1N1 During the Initial Onset in Mexico

OCA Hospital was one of the select labs allowed to work on H1N1 samples in Mexico when the pandemic started to emerge. Realizing speed was crucial in processing samples, OCA explored the possibility of developing a faster process to identify H1N1 samples. The lab contacted Promega and requested the Maxwell® Viral Total Nucleic Acid Purification Kit for conducting the testing. The kit proved to be helpful in accelerating the testing process. Maxwell kits were donated, which allowed the lab to process the deluge of samples that they received, and the scientists could focus on the science. Working with the University of Mexico and the Ministry of Health, OCA became a significant contributor to mapping the DNA of the H1N1 virus. Mapping the virus was the first critical step toward developing a vaccine.

Investments for the Future

With significant dedication to research and development, our scientists create groundbreaking technologies to support increasingly complex scientific experiments and methods. In 2009 over \$21 million was invested in research and development, and 34 new patent applications were filed. Promega has extensive intellectual property as a result of investments in research and development.

In addition to developing our own intellectual property, we work with academic institutions and other entities to license and develop promising technologies. As a member of the Wisconsin Alumni Research Foundation Research Tool Subscription Program, we have the opportunity to take a first look at new technologies from the university.

Patents (issued and pending applications):

Genomics	273
Proteomics	46
Cellular Analysis	302
Genetic Identity	129
TOTAL	750

Quality Process & Product

We are continuously striving to hold our operations to higher standards by seeking external verification and certification of our systems. Promega Madison was first certified to international standards for quality management systems in 1998 and is currently certified to the ISO13485 standard, required for the development, manufacture, testing and delivery of medical devices around the world. Just recently, Promega's Korean operations earned ISO13485 certification, increasing the total to 11 of 16 locations certified worldwide. The ISO series of quality management system standards are developed and maintained by the International Organization for Standardization. In addition, European branches are registered to sell certain IVD devices in their territories

We take great pride in the products we produce and take care in providing customers with safety data, as well as comprehensive technical data sheets on the use of our products. This information is either shipped with the product, available on our web site or through an iPhone application, or explained at the time of service delivery. A high level of integrity is applied in all product claims and use information as the incident table below indicates.

	2007	2008	2009
Incidents of non-compliance regarding product health and safety codes	0	1	0
Incidents of non-compliance regarding product informa- tion and labeling regulations	0	0	0
Incidents of non-compliance with marketing communica- tion regulations	0	0	0
Number of substantiated complaints regarding breaches of customer privacy and loss of customer data	0	0	0
Fines for non-compliance of laws and regulations con- cerning provision and use of products or services	0	0	0



Planet aware

Overview

As a company steeped in the life sciences, Promega realizes the importance of preserving the earth's ecosystems. Promega has a long history of community involvement and environmental responsibility; as a result in July 2009 we launched our formal global sustainability program. Promega is committed to addressing a wide range of environmental impacts, from reducing our emissions to using fewer natural resources. Additionally, the Promega community seeks to better understand and reduce our impact on the global environment. In our first report, we committed to a number of goals by the year 2012, and we have already started to make strong progress toward those goals (Table 1). As we move into 2010, we will continue to pursue our 2012 targets through initiatives indentified in the sections below. In addition we plan to improve how we collect and analyze data, better understand our impacts, and increase awareness on the philosophies of sustainability.

Table 1. Progress Toward 2012 Goals

	2012 Reduction Goals	Units	2008 Usage Per Million In Revenue	2012 Target Per Million in Revenue	2009 Usage Per Million in Revenue	Status Toward Goal
Electricity	10%	kWh	72,786	65,507	67,271	76%
Natural Gas	10%	therms	2,949	2,654	2,746	69%
Greenhouse Gases	10%	tons	87	78	79	85%
Waste	10%	cubic ft	844	760	817	32%
Water	10%	gallons	69,677	62,710	61,706	114%
Total Paper	50%	reams	601	541	101	832%

Responding to Climate Change

Climate change is one of the biggest challenges facing today's society, and at Promega we are striving to reduce our greenhouse gas emissions in all aspects of our business operation. By compiling an inventory of our direct emissions from fuel combustion and indirect emissions from purchased electricity, transportation and distribution, we have been able to recognize our largest sources of emissions (Figure 1).

Our improved understanding of the sources of our greenhouse gas emissions has helped drive the 8% reduction in greenhouse gas emissions in 2009 as indexed to revenue (Figure 2). Electricity usage and air travel were the biggest contributors to this improvement.

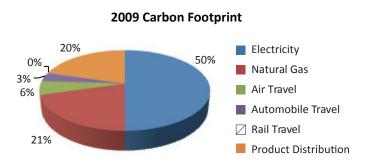


Figure 1. Composition of Promega Carbon Footprint.

Greenhouse Gas Emissions

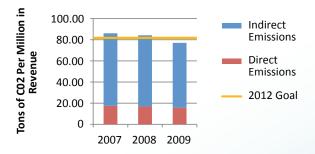


Figure 2. Progress to 2012 goal of reducing greenhouse gas emissions.

Energy Consumption

Energy consumption is a necessary part of any business, but with improved energy efficiency and use of renewable energy sources, we can reduce the effects of our activities on climate change. Currently, energy use contributes to over 70% of our annual global greenhouse gas emissions and therefore forms a primary improvement focal point for us. In 2009 we saw a significant reduction in BTUs as indexed to revenue compared to 2007 and 2008 (Figure 3).

Electricity

Electricity is the largest individual contributor to our carbon footprint and accounts for nearly half of our 2009 greenhouse gas emissions. Due to overall focus on reduction of electricity, 2009 consumption resulted in a gross reduction of 3% over 2008 usage or 7.5% as indexed to revenue (Figure 4). Since nearly all activities require electricity, it continues to be our broadest area for environmental impact improvement. We are thrilled with our 2009 progress toward goals, and once we have a richer understanding of specific impacts, our long-term goals will be revised to reflect this new understanding.

- Over 90% of total electricity is consumed at Promega Corporate and manufacturing headquarters in Madison, Wisconsin, where 2009 initiatives resulted in a reduction of over 270,000 kWh in electricity usage.
- Promega Biosciences, San Luis Obispo, saw electricity usage decrease by 12% in 2009, equaling a savings of over 190,000 kWh due to investments in a new air-handling system, more efficient lighting, and other programs implemented by their "Green Team".
- A move to virtual servers was primarily completed in 2009. This change has the potential to reduce energy consumption by 250,000 kWh in 2010.
- Currently 82% of all servers are virtual, and new servers will be evaluated as they are replaced.

2010 projects targeted to further reduce our energy usage:

- Installation of photovoltaic solar panels on a new building to provide surplus clean energy back to the energy grid.
- Implementation of technology to allow computers to be shut off overnight and remotely turned on for updates.
- Evaluation of more efficient air-handling and lighting systems.

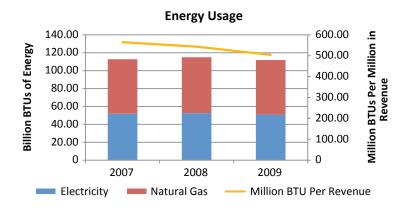


Figure 3. Energy composition and usage at Promega indexed to revenue.

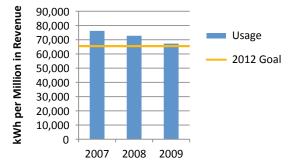


Figure 4. Electrical usage indexed to revenue in relation to our 2012 goal.

Global Electricity Usage

Global Natural Gas Usage

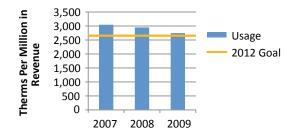


Figure 5. Natural gas usage indexed to revenue and status toward 2012 goal.

Natural Gas

Natural gas, our largest source of direct air emissions, contributes to nearly a quarter of our global greenhouse gas emissions. Natural gas is essential for heating and manufacturing, and we already have started to invest in projects that will reduce our dependency. In 2009 our gross natural gas consumption decreased by 2% and 7% indexed to revenue (Figure 5). To reduce further impacts from natural gas use, we have begun using renewable energy sources in some instances for water heating, better managing our heating requirements, and focusing on more efficient equipment.

- In March of 2009, a solar water heater was installed at our corporate headquarters. This heater is capable of heating 200 gallons of water per day without emitting any greenhouse gases.
- Promega Benelux in Leiden, Netherlands, achieved a 22% reduction in natural gas usage in 2009.

We currently are researching more efficient boilers at our Promega Global Headquarters that also will help reduce our natural gas usage. Our direct air emissions outlined below are from heating, emergency generators and business operations in North America (Table 2). All of these emissions are below threshold levels set by local and federal organizations. In 2010 we will evaluate options to reduce these emissions even further.

Table 2. Du	rect Air Emis	sions Summa	ry (lons)

	NOx	N2O	со	CO2	SO2	РМ	VOC	Pb	НАР
2009	2.54	0.04	2.05	2,237	0.01	0.17	1.93	0.00	0.19
2008	2.54	0.04	2.11	2,329	0.01	0.17	2.16	0.00	0.16
2007	2.64	0.00	2.08	2,587	0.03	0.21	1.19	0.00	0.05

Distribution

We have increased the scope of measured greenhouse gas emissions by including impacts from distribution. Data from 2009 was collected on the weight, distance, and mode of transportation of all shipments in North America and to distribution facilities globally. Data on shipments outside of the US were estimated based on North America calculations as factored to revenue. Due to product requirements for temperature regulation and customer expectations, over 90% of our shipments are sent via air. In 2009, product distribution accounts for approximately 20% of our carbon footprint.

- Promega realized significant reduction in emissions from distribution in 2009.
 Specifically the transition to use of a Pallet Shipper for international shipments to distribution sites, implemented in late 2008, resulted in the following changes:
- Smaller and lighter shipments that use 50% less dry ice.
- Significant cost savings on freight and packaging of \$330,000 annually.
- Reduced carbon footprint on shipments to our distribution hubs by 15%, preventing over 95 metric tons of carbon dioxide from being emitted.

This significant impact is thanks to our global logistics team who are continually searching for more efficient and environmentally friendly ways to get our products to our customers.

To provide more environmentally friendly solutions with our current onsite stocking program, Promega Helix is being launched to further minimize environmental impacts. In addition to the benefits from consolidating shipping, unavoidable greenhouse gas emissions will be offset by distribution of Helix units, Promega products and energy usage.

Supply Chain Management

With the exception of distribution, we did not attempt to factor impact of our supply chain in 2009. Nor have we reached out to our suppliers to embrace the philosophies of sustainability. This continues to be an area of improvement for us. We did complete an analysis of our corporate supplier based on proximity to determine the percentage of local suppliers used. Over 57% of our purchases are from suppliers within 250 miles of headquarters, not including wholly owned subsidiaries (Figure 6).



Figure 6. Breakdown of purchases by distance from our global headquarters.

Business Travel

As a global company, travel is essential to building strong customer relations and general business operations. Reducing travel to customer sites is difficult, but with the rollout of video conferencing systems at every Promega location, business travel has been reduced (Figure 7). Business travel via air, automobile, and rail make up about 10% of our current carbon footprint.

Air Travel

In 2009, air travel decreased by over 1.2 million miles and prevented over 200 metric tons of carbon dioxide from being emitted (Figure 8). In Europe, branches are using more environmentally efficient high-speed rail in lieu of air travel to reduce carbon emissions (Table 3). While rail travel contributes only a small portion to our carbon footprint a platform for tracking its usage worldwide has been added in 2009.

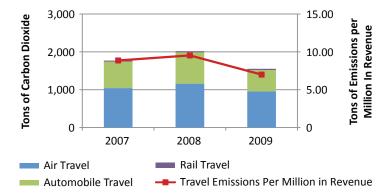


Figure 7. Sources of emissions from business travel and emissions indexed to revenue.

Business Travel Carbon Footprint

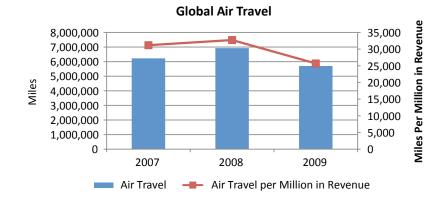


Figure 8. Gross air mileage and mileage indexed to revenue.

Table 3. Top Performing Location In Air Travel ReductionFrom 2008 to 2009

Locations	Reduction in Distance
Spain	61%
France	38%
Australia	30%
Promega Headquarters (Madison)	21%
Italy	16%

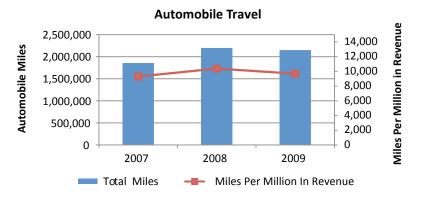


Figure 9. Gross fleet travel and fleet mileage indexed to revenue.

Automobile Travel

Reduction in environmental impact of automobile travel has been accomplished by moving toward more fuel-efficient fleets at several locations worldwide. In the United States our enrollment in Emkay's GoGreen fleet program enables increased use of hybrids and other high-efficiency vehicles. Through this program we also plant trees each year to offset any unavoidable greenhouse gas emissions generated from our fleet travel in the United States.

- Our fleet travel in the United States decreased by 12% in 2009 (Figure 9).
- We offset over 250 tons of CO2 from unavoidable travel by tree planting efforts with Emkay's GoGreen program.
- We will be installing charging stations in our parking structure to encourage employees to purchase hybrid and electric vehicles.

Preserving Natural Capital

Since its founding, Promega has promoted the philosophy of preservation, prevention and recycling to create a more sustainable future. We recognize that less is more when it comes to resource consumption and waste production. We place high value in the preservation of natural surroundings through restoration projects that promote biodiversity to building designs aiming to minimize environmental impact. Promega headquarters in Madison, Wisconsin, is one example where the Promega BioPharmaceutical Technology Center (BTC) overlooks a restored natural prairie. We have supported numerous restoration projects that started nearly twenty years ago and continue today with over 25 acres restored around the Promega campus.

In 2009 we planted trees through the Nature Conservancy to support "green" sales campaigns and promotions including our GoTaq[®] Green campaign and Customer Care Week in which a tree would be planted for every qualifying purchase made during the campaign. Nearly 5,000 trees were planted.

Also, by incorporating environmentally friendly and socially beneficial options in our European Promega Points Program, we provide opportunities for customers to use their rewards to support community and environmental organizations.

Paper Usage

In evaluating paper usage, Promega lives the mantra of "Reduce, Reuse, Recycle". Our adoption of emerging media channels has enabled better communication with our customers while at the same time reducing our impact on the environment. Whether it is via our iPhone application, blog, electronic catalog or online support, we are communicating more efficiently.

We placed high expectations on our paper reductions by setting a goal of 50% reduction by 2012 (Figure 10). However, the more we began to understand our total usage, the greater the opportunities became. We have transitioned all of our paper catalogs, instruction manuals, and print marketing to electronic formats and already realized an 82% reduction in paper usage.

In addition, we are evolving to use more electronic invoices. We currently reach approximately 25% of customers in Europe with electronic invoices and are hoping to reach more customers in 2010. Additionally, we are challenging all Promega locations to set printers for automatic duplexing and transition to 100% recycled paper where possible. These efforts provide value to the environment by reducing air emissions, combating deforestation, and limiting waste.

Global Paper Usage 100 200 100 0 2007 2008 2009

Figure 10. Global paper usage indexed to revenue and status toward 2012 goal.

Table 4. Global Paper Usage

	Unit of Measure	2007	2008	2009	Percent Reduction
Plain Paper	Reams	10,470	9,609	8,576	-11%
Printed Paper	Reams	102,775	117,489	13,783	-88%

Additional information has been gathered and included for 2007 and 2008 resulting in a variation from the numbers reported in our 2008 Corporate Sustainability Report.

Waste

Results of our efforts to "Reduce, Reuse, Recycle" can be measured in part by our waste impact (Figure 11). Internally, our employees are increasingly focused on using recycled materials and recycling as much as possible.

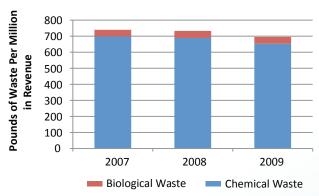
- Continuing a program that Promega initiated over twenty years ago to minimize Styrofoam[®] waste in landfills, we returned and reused over 17,000 Styrofoam[®] boxes in 2009.
- In 2009 we began using biodegradable air pouches for shipments of products. The pouches can be recycled; however, if they are disposed of they will biodegrade within one year. These air pouches have the potential to keep approximately 1,300 lb of plastic out of the landfill each year.
- Our cafeteria has transitioned to the use of Spudware and other biodegradable materials.

Being in the biotech industry our manufacturing processes often require that we work with potentially hazardous substances. We recognize the responsibility that comes with the use of these products and strive to improve processes to reduce waste while ensuring that, at the end of their life, these products are disposed of responsibly (Figure 12).

In 2010, we will be working with Waste Management to better understand our nonhazardous waste streams, develop improved recycling programs, and ensure the most environmentally friendly disposal of hazardous materials.



Figure 11. Composition of non-hazardous solid waste and progresstoward 2012 goal.



Hazardous Waste

Figure 12. Composition of hazardous waste indexed to revenue.

Water Usage

At Promega we recognize that water is essential to life, and yet fresh water is one of the most precious resources. We are committed to reducing our water use from all sources whether used in manufacturing processes, landscaping, or daily office activity (Figure 13). Also, by insuring that our water is treated properly after use, we can reduce impacts on the environment.

Many of the Promega facilities worldwide incorporate design features to minimize water use and insure proper disposal of water:

- Our Madison-based global headquarters building uses rainwater collection, allowing runoff to drain to prairie and rain gardens for natural filtration.
- The corporate park of our offices in Sydney, Australia, uses rainwater collection for cleaning, toilet water, and irrigation of plants.

Packaging

Capturing environmental impacts of our product and shipment packaging continues to be a challenge for us. We strive to balance the need to ensure that our products have essential protection during transit around the world with the goal of minimizing the environmental impact of packaging and shipping.

Although our initial analysis indicates that plastic encompasses about half of our packaging purchases (Figure 14), corrugate for shipping and paperboard used in product packaging represent our best opportunity for improvement. Over the next year we will be working to identify the amount of each material used to establish a comprehensive packaging impact baseline and set goals for reduction.

Global Water Usage

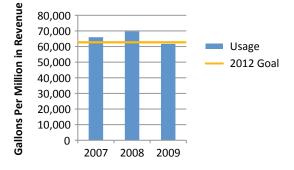


Figure 13. Historical water usage indexed to revenue and progress toward 2012 goal.

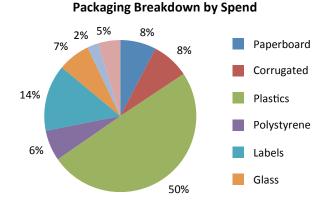


Figure 14. Composition of packaging purchases in 2009 by material type.

Mind and Body Examples of enriching both professional and personal, here employees are offered hands on training with new products and luanch time yoga classes.

People care

Overview

Promega recognizes that our people provide an intangible value to our company, and we aspire to support their professional development and advancement. We aim to provide an exciting and challenging work environment where individuals can be innovative, awarded for their contribution, and achieve a work-life balance.

Our people are the basis of our success. Our aim is to attract, develop, and retain the best talent and create an environment that enables each employee to contribute to our collective success. This goal is especially challenging and critical in turbulent

economic times. We also understand that life is a balance of work, family, and personal growth, and we support our employees in managing this balance. In general, the Promega work environment encourages individuals to explore new ideas, enrich their capabilities and rise to new challenges.

Promega has 954 employees worldwide (full-time equivalent). Women represent 47% of our workforce. In 2009 we experienced a turnover rate of 11.8% and have no incidents of discrimination or violations involving rights of indigenous people.

Employee Wellness

The heart of social responsibility at Promega lies in the focus on support of continuous learning and education. Recognizing that today's students are our future, we reach out to develop and support a multitude of learning opportunities for students of all ages. Providing opportunities for individuals to "learn how to learn" is key in today's rapidly changing world.

Benefits

Promega has a comprehensive benefits programs including medical, dental, and vision coverage available to all full time employees and their families. Short- and longterm disability insurance, tuition assistance, and paid time off are additional benefits that are available to all full-time employees. These benefits add 22% to employee compensation programs. While benefits vary by branch based on country norms in that location, the health and safety of our employees is of the highest importance.



Wellness

Mental and physical wellness is an important part of the culture at Promega. To insure that our employees are happy and healthy, Promega offers a multitude of wellness programs designed to encourage a healthy lifestyle.

- Working Environment—We support our people by creating workspaces with features such as original art, third spaces to evolve thinking, and restored prairies and woodland trails. Employees work in similar, nonhierarchical space to foster creativity.
- Onsite Gym and Spa Facilities—At our corporate offices, the campus includes basketball and volleyball courts, walking/jogging/biking paths, and each building is equipped with exercise centers that provide fitness classes. At locations where facilities do not accommodate onsite centers, gym subsidies are provided.
- In 2009, the Zen Zone was opened. It consists of three zones designed to promote health in body, mind, and spirit.

Earth — Exercise, yoga practices and massage, and alternative medical practices such as acupuncture and aromatherapy.

Water — Cleansing through separate men's and women's showers and saunas.

Air — Meditative practices using the steeping pool and Hammam steam room.

- Promega has an avid "Bike to Work" group in Madison, Wisconsin. In 2009 this group biked over 8,000 miles and prevented over 4 tons of carbon dioxide from being emitted. Bike to Work programs are in development at various branches as well.
- Promega Corporate is a nonsmoking campus to prevent the health hazard associated with secondhand smoke.



Health and Safety

A healthy and safe working environment for our employees is crucial to the success of our company and long-term employee satisfaction. With the most stringent commitment to our employees we strive to not only comply with but exceed required regulations. In 2009 we experienced only 8 OSHA-recordable accidents globally. Promega continues to strive to reduce the occurrence of occupational injuries through continuous improvement in our Employee Health and Safety Department and commitment to continuous training.

Education, Training and Development

Employee development and empowerment is given high priority at Promega to help our employees further follow their passions. To match a world that is constantly changing, evolving and advancing, our programs are designed to provide information on the latest technologies, scientific trends and customer needs in order to stay competitive in the marketplace. We are well aware that our people determine the quality of our products and services, so investing in them is an investment in the future.



We currently do not have a system to capture all the hours spent on continuing education, development and training, but globally we invest nearly \$800 annually per employee not including employee time. Better tracking of specific training hours is an area for future improvement in reporting.

Scientific Training is an area of significant investment at Promega. The Scientific Training Department designs, develops, and implements scientific training for employees around the globe. Both live classroom and virtual

classrooms are used for training. In 2009 over 340 employees attended formal training sessions, up 4% from 2008. With dedicated training departments and comprehensive training facilities in the United States and now in Europe we make every effort to provide employees with the resources they need to advance their career Promega made significant investments in 2009 to establish a training facility in Lyon, France, to address the training needs of European, Middle Eastern and African employees. The Promega Europe Training and Applications Lab (PETAL) was opened in spring 2009 to help us better reach out to these employees. PETAL will help reduce the travel due to its central location in Europe, and with video conferencing equipment scientists and trainers are able to participate from offsite locations.

Diversity

Promega has a highly diverse team from all parts of the world. Our corporate office and branch teams reflect the demographics of the country in which they are located. As such, our global organization reflects many cultures around the world. Women represent approximately 47% of the worldwide workforce and 46% of management positions.

Human Rights

Promega places the highest value on human rights and follows all regulations regarding employment. We have zero tolerance for violations of human rights from our international suppliers. Issues that we take very seriously include:

- protection of children from exploitation
- protection of all workers from compulsory labor
- payment of at least legal minimum wages
- safe working conditions

Promega complies with all local workplace regulations and insures that our employees and community members are treated with respect and dignity.



Community touch

Overview

Through shared commitment and knowledge with our community partners, we can achieve exceptional things. Promega is committed to making a positive difference in our surrounding community. We focus resources and employee talents on two key priorities:

Commitment to Education - Promega recognizes that supporting education can be one of the best investments for a better and more sustainable future. By supporting future leaders and young scientists in today's classrooms we strengthen the communities in which we operate and provide a lasting value for society. *Community wellness and arts* – Promega embraces the concept of partnering with local and global community members to build strong and vibrant communities and improve the quality of life.

Globally, our branch locations partner with local organizations in over 12 countries to find unique ways to be active community members and responsible corporate citizens.

Commitment to Education

The heart of social responsibility at Promega lies in the focus on support of continuous learning and education. Recognizing that today's students are our future, we reach out to develop and support a multitude of learning opportunities for students of all ages. Providing opportunities for individuals to "learn how to learn" is key in today's rapidly changing world.

Expanding Educational Opportunities

Promega founded and is the primary sponsor of the BioPharmaceutical Technology Center Institute (BTCI), a nonprofit 501c3 organization. Promega supports the BTC Institute in its mission to enhance the quality of education in the life sciences and build communities through the development of lifelong learning.



"The support received by Promega through contributions, the use of Promega facilities, and employee involvement are all essential to the success of the BTC Institute. This relationship between Promega and the BTC Institute has created an innovative network of collaborations, resulting in educational value and opportunities for the local community."

-Karin Borgh, Executive Director BTCI

Promega recognizes the financial challenge that schools are facing today and has developed programs to support education by providing tools for teachers and professors. The organization's educational resources include complementary lectures, labs and teaching guides on topics ranging from DNA purification to emerging infectious disease. Promega offers a Training Support Program in the United States that allows instructors to receive 50% off Pro-



mega products for laboratory courses. This program is available to instructors teaching laboratory-based courses at high school, undergraduate, or graduate institutions in the United States.



The Promega @cademy is a program that provides non-commercial live webinars to customers and scientists throughout Europe at no cost. The Promega @cademy covers a wide range of scientific topics, from basic concepts to highly technical research presentations. This channel of communication allows unique interactions between young and senior scientists. To date there have been nearly 250 attendees on 17 webinars covering topics in genomics, proteomics, genetic identity, and cellular analysis.

Not only does Promega support education and learning opportunities with monetary scholarships and support, but also with scientific staff resources. In 2009, Promega scientists spent over 1,200 hours supporting educational programs.

Community Wellness and Arts

Promega seeks to be an active participant in the communities in which we work and live by supporting community development, health and human services, arts and culture as well as environmental organizations.

Arts and Culture

Supporting the arts has been a longtime commitment for Promega. The combination of art and science in studies of nature has been examined repeatedly in history. Promega continues to embrace this philosophy with a number of programs.

Rotating public art exhibits on the Promega campus serve a dual purpose of sharing the creativity of neighboring artists while introducing the community to international perspectives. Throughout the years, exhibits have featured work of artisans from Wisconsin to Cuba.

Promega supports numerous cultural venues in the community such as the Madison Contemporary Art Museum and the American Player's Theater.





Community Development

Promega seeks to be an active participant in the community with continued support of health and human services, civic organizations, basic human needs and community development.

Promega is a significant supporter of the Woods Hollow Children's Center, which was developed to provide affordable and vital early childhood education and care for the community surrounding our headquarters in Madison, Wisconsin.

Public libraries exist in most nations of the world and are often considered an essential part of having an educated and literate population. Promega is a significant supporter of the new public library in Fitchburg, Wisconsin.

Promega employees worldwide participate in programs in the communities where they live and work. Through United Way or Community Shares, Promega Madison employees can contribute to the nonprofit organization of their choice with matching funds from Promega. Branches worldwide have unique programs suited for their communities.

REPORT PARAMETERS

Our sustainability progress is calculated on a calendar-year basis, with information in this report covering January 1, 2009, to December 31, 2009. This is the second Corporate Sustainability Report following our initial report released in July 2009. This process of reporting will continue on an annual basis. Our report focuses on the environmental and social impacts of Promega operations worldwide using the foundations established by the Global Reporting Initiative's G3 Guidlelines. We have seen an increase in the scope, materiality and comprehensiveness in this report but recognize that we have significant room for growth. By establishing a process for gathering data worldwide we have seen improved accuracy and transparency. Information has been gathered from Promega branches and subsidiaries worldwide with the exception of Promega Sunnyvale (formerly Turner Biosystems) due to its recent acquisition. Additional and more accurate information has been gathered, causing some variations from reported indicators in 2008, and these have been noted where appropriate. Estimations using revenue as a factor for the previous year's indicators have been made where information was unavailable.

Areas that have not been measured in this report due to lack of current information are:

- Packaging We are in process of understanding gross packaging material usage by type and the impacts from these activities.
- Staff Commute
- Effluents to Water
- Supply Chain Analysis

Carbon footprint calculations were made using the emission factors provided by the <u>World Re</u><u>sources Institute Greenhouse Gas Protocol</u> on energy and business travel. The reported emissions from distribution were calculated with the conversion factors provided by <u>Defra's 2008</u> <u>Greenhouse Gas Conversion Factors</u>. Finally, the <u>Environmental Defense Fund Paper Calculator</u> was used for calculating the life cycle impacts due to paper usage. Current and previous year's carbon footprints were calculated using the most updated information and current emission factors listed above.

KEY INDICATORS

	2007	2008	2009
Revenue	\$199,654,333	\$211,617,676	\$221,869,082
Investments in EHS	\$778,526	\$1,097,182	\$990,750
Investments in R&D	\$19,254,083	\$20,812,467	\$21,087,014
Increases to Shareholder Value	16.51%	17.23%	19.00%
Number of Employees	932	966	954
Employee Compensation	\$64,323,513	\$69,931,856	\$72,840,709
Compensation per Revenue	32%	33%	33%
Employee Compensation and Benefits	\$ 78,653,497	\$ 85,719,056	\$ 89,126,693
Compensation and Benefits per Revenue	39%	41%	40%
Percentage of Women in Total Workforce	45.8%	45.6%	47.0%
Percentage of Women in Management	44.2%	42.8%	46.4%
Staff Turnover Rate	8.11%	8.12%	11.83%
Average Training Investment Per Employee	\$ 916	\$ 1,083	\$ 790
Community Contributions	20.1%	16.4%	18.6%
Education Contributions	79.9%	83.6%	81.4%
Occupational Accidents	9	8	8
Accidents Per Million Working Hours	4.80	4.30	4.11
ENERGY CONSUMPTION:			
Electricity (kWh)	15,220,298	15,402,711	14,925,387
Natural Gas (Therms)	608,050	624,077	609,215
Greenhouse Gas Emissions (Tons of CO2)	17,694	18,342	17,597
Emissions Per Million in Revenue (Tons of CO2)	88.62	86.67	79.31
Water Consumption (Gallons)	13,172,568	14,744,942	13,690,591
Printed Paper (Reams)	102,775	117,489	13,783
Plain Paper (Reams)	10,470	9,609	8,576
SOLID WASTE:			
Incinerated (Cubic Feet)	5,637	6,263	3,799
Land filled (Cubic Feet)	82,448	86,366	94,038
Recycled (Cubic Feet)	83,875	85,968	83,507
Chemical Waste (Pounds)	139,383	145,785	144,839
Infectious Waste (Pounds)	8,307	9,316	9,431
Styrofoam Boxes Returned	13,327	16,718	17,193



The Global Reporting Initiative (GRI) is the world's most widely recognized sustainability framework for organizations to use when measuring and reporting on economic, environmental, and social performance. Our 2009 Corporate Sustainability Report is based on the GRI G3 Guidelines and the following table has been developed to help users locate specific information in the report.

Section #	Disclosures	Link to Report			
1. STRATEG	1. STRATEGY AND ANALYSIS				
1.1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy	CEO Letter			
1.2	Description of key impacts, risks, and opportunities	Landing PagePlanet aware			
2. ORGANIZ	2. ORGANIZATIONAL PROFILE				
2.1	Name of the organization	Corporate mind			
2.2	Primary brands, products, and/or services	Product reach			
2.3	Operational structure	Corporate mind			
2.4	Location of organization's headquarters	Corporate mind			
2.5	Number of countries where the organization operates	Corporate mind			
2.6	Nature of ownership and legal form	Corporate mind			
2.7	Markets served	Product reach			
2.8	Scale of the reporting organization	Corporate mind			
2.9	Significant changes during the reporting period	Report Parameters			
3. REPORT	3. REPORT PARAMETERS				
3.1	Reporting period	Report Parameters			
3.2	Date of most recent previous report	Report Parameters			
3.3	Reporting cycle	Report Parameters			
3.4	Contact point for questions regarding content	Feedback			
3.5	Process for defining report	Report Parameters			
3.6	Boundary of the report	Report Parameters			
3.7	Specific limitations on the scope of the report	Report Parameters			
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities and outsourced operations	Report Parameters			
3.9	Data measurement techniques and the bases of calculations	Report Parameters			
3.10	Explanation of restatements of information provided in earlier reports	Report Parameters			
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	Report Parameters			
3.12	Table identifying the location of the Standard Disclosures in the report	This Index			

Section #	Disclosures	Link to Report			
4. GOVERN	4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT				
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	Corporate mind			
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	Corporate mind			
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	Corporate mind			
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance	Corporate mind			
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	Corporate mind			
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	Product Reach> Quality Assurance			
5. MANAGI	5. MANAGEMENT APPROACH AND PERFORMANCE INDICATORS				
	Economic Performance				
EC 1	Direct economic value generated	Key Indicators Table			
EC 3	Coverage of the organization's defined benefit plan obligations	People care			
EC 6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	Corporate mind> Sustainable Supply Chain			
	Environmental Performance				
EN 3	Direct energy consumption	Planet Aware> Responding to Climate Change Issues> Energy Usage			
EN 4	Indirect energy consumption	Planet Aware> Responding to Climate Change Issues> Energy Usage			
EN 5	Energy saved due to conservation and efficiency improvements	Planet Aware> Responding to Climate Change Issues> Energy Usage			
EN 8	Total water withdrawal	Planet Aware> Preserving Natural Capital> Water Usage			
EN 13	Habitats protected or restored	Planet Aware> Preserving Natural Capital			
EN 16	Total direct and indirect greenhouse gas emissions by weight	Planet Aware> Responding to Climate Change Issues			
EN 17	Other relevant indirect greenhouse gas emissions by weight	Planet Aware> Responding to Climate Change Issues			
EN 18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Planet Aware> Responding to Climate Change Issues			
EN 19	Emissions of ozone depleting substances	Planet Aware> Responding to Climate Change Issues			
EN 20	NOx, SOx, and other significant air emissions	Planet Aware> Responding to Climate Change Issues			
EN 22	Total weight of waste by type and disposal method	Planet Aware> Preserving Natural Capital> Waste			
EN 23	Total number and volume of significant spills	Planet Aware> Preserving Natural Capital			
EN 26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Planet Aware> Distribution			
EN 27	Packaging materials that are reclaimed				

Section #	Disclosures	Link to Report			
5. MANAG	EMENT APPROACH AND PERFORMANCE INDICATORS (CONTINUED)				
	Environmental Performance (continued)				
EN 28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. No fines or non-compliance with environmental regulations in 2009	Planet Aware> Responding to Climate Change Issues> Energy Usage			
EN 29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	Planet Aware> Distribution			
EN 30	Total environmental protection expenditures and investments by type	Key Indicators Table			
	Labor Practices & Decent Work				
LA 1	Total workforce by employment type, employment contract, and region	People care			
LA 2	Total number and rate of employee turnover by age group, gender, and region	People care			
LA 3	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People care> Benefits			
LA 7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region	People care			
LA 11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	People care			
LA 12	Percentage of employees receiving regular performance and career development reviews	People care			
LA 13	Composition of governance bodies and breakdown of employees per category	People care> Diversity			
	Human Rights Performance				
HR 4	Total number of incidents of discrimination and actions taken	People care			
HR 6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	People care> Diversity and Human Rights			
HR 7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor	People care> Diversity and Human Rights			
HR 9	Total number of incidents of violations involving rights of indigenous people and actions taken	People care			
	Society Performance				
SO 1	Nature, scope, and effectiveness of any programs and practices that access and manage the impacts of operations on communities, including enter- ing, operating, and exiting	Community touch			
SO 2	Percentage and total number of business units analyzed for risks related to corruption.	Community touch			
SO 7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Community touch			
	Product Responsibility Performance				
PR 2	Incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of out- comes	Produce reach> Product Responsibility			
PR 4	Incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	Produce reach > Product Responsibility			
PR 5	Practices related to customer satisfaction	Produce reach			
PR 7	Incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Produce reach> Product Responsibility			
PR 8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Produce reach> Product Responsibility			
PR 9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Produce reach> Product Responsibility			

