

“Our Challenge as a corporate citizen is to continuously reduce the impact of our operations on the environment while accommodating growth in demand for the products we make and sell.”

Environment, Health & Safety at Arlon

Arlon's philosophy is that corporate citizenship extends beyond merely the pursuit of profits. Sustainable corporate citizenship includes an acceptance of responsibility for the impact of the company's operations on the surrounding community, welfare of the people who consume its products, consumption of scarce natural resources, and health and safety of employees.

Arlon's manufacturing facility and head office is based in Southern California, and has operated successfully for three decades in compliance with some of the most complex and stringent environmental, safety, and labor regulations in the world. Arlon's compliance with federal, state, and local regulations incorporates both the letter and intent, which we challenge ourselves to exceed. However, no matter how stringent the regulations, compliance can never substitute for proactive corporate policy and practice. Our overriding challenge as a corporate citizen is to continuously reduce the impact of our operations while accommodating growth in demand for the products we make and sell.

Arlon's program for Environment, Health, and Safety is divided into seven main areas, each of which has specific policies and practices that support the challenge of corporate citizenship and environmental impact reduction: *Air Emissions, Hazardous Waste, Materials Handling, Recycling, Employee Safety, Energy Conservation, Product Safety*



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Air Emissions

Policy Summary:

Arlon will fully comply with all federal, state, and local air emission regulations. Additionally, the elimination of all heavy metals in pigments and stabilizers used for cast products expands Arlon's commitment to environmental responsibility to meeting the global RoHS requirements.

Arlon's main production facility is located in Southern California's South Coast Air Quality Management District, which incorporates some of the world's most stringent requirements for air emissions from manufacturing facilities.

Arlon Practices:

- **Solvent Capture:** Volatile organic solvents are used in the production of adhesive coated vinyl films. To provide best available technology (BAT) environmental compliance, Arlon utilizes full 100% capture of solvents on each of its production lines. These captured solvents are then routed through a thermal oxidizer where they are oxidized to ordinary water and carbon dioxide.
- **Thermal Oxidizer:** The current oxidizer was installed in 1996 at a cost of approximately \$1.2 million, and periodic source tests are run to ensure optimum performance.
- **Capital Improvements:** In efforts to improve our environmental performance, reduce emissions, and reduce natural gas consumption, Arlon completed a capital project that improves its oxidizer efficiency. Included was the replacement of current process and oxidizer gas burners with new technology gas burners that operate at lower temperatures and therefore consume significantly less gas per operating hour and produce one tenth of the NOx/SOx air contaminating byproducts.
- **Industrial Hygiene Survey:** To best protect employee health while on the job, Arlon conducts a biannual industrial hygiene survey. Within this survey, operators are monitored for exposure to organic solvents, controlled substances, noise, and other industrial exposures. These results are then used to define and redefine personal protection equipment requirements by work area to ensure that Arlon provides the best possible work environment for its employees.



Arlon's Thermal Oxidizer used to meet South Coast Air Quality standards

Air Quality Permit
Issued by California
South Coast Air Quality
Management District



Hazardous Waste

Policy Summary:

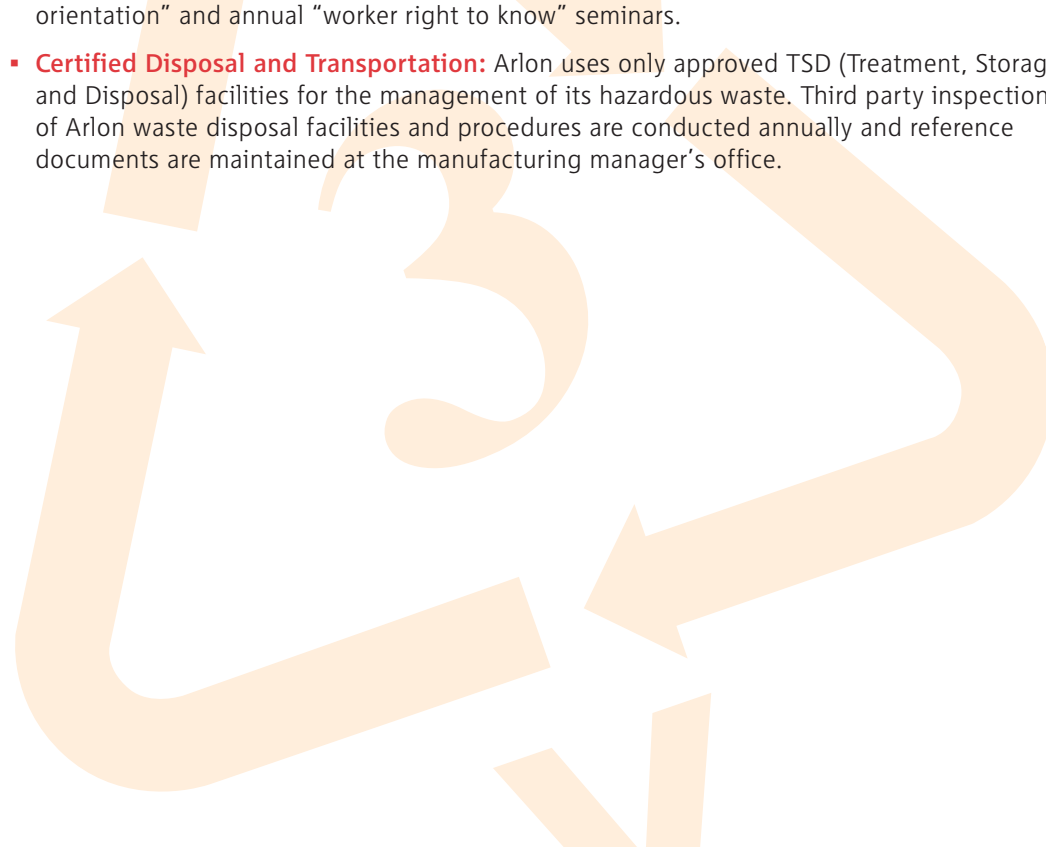
Arlon's policy is to reduce and minimize the generation of hazardous waste through internal reclaim and where possible, use of non-hazardous materials. All waste generated after minimization is collected, stored, and disposed of in full compliance with federal, state, and local regulations using experienced and certified carriers and disposal facilities with annual third party review. A 'cradle to grave' responsibility is taken for all hazardous materials that are used or generated as part of the production process.



Liquid waste drums at collection point

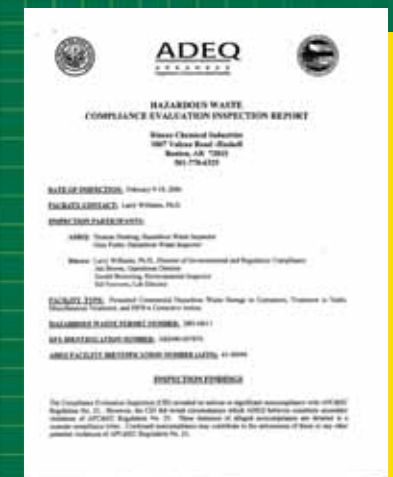
Arlon Practices:

- **Liquid Waste Minimization:** Arlon incorporates as standard practice the reclaim and distillation of all generated wash solvent. Arlon has installed a state of the art distillation and tote washing system designed for maximum output while minimizing operator exposure to cleaning solvents. As a result, Arlon has been able to reduce its generation of liquid hazardous waste by approximately 60 percent.
- **Safe Storage and Handling:** All hazardous waste is labeled with required accumulation information and staged in specific "satellite" accumulation areas throughout the various process areas. Storage of waste prior to shipment is conducted in approved designated areas only. Training for the proper internal handling of hazardous waste is conducted in "new hire orientation" and annual "worker right to know" seminars.
- **Certified Disposal and Transportation:** Arlon uses only approved TSD (Treatment, Storage, and Disposal) facilities for the management of its hazardous waste. Third party inspections of Arlon waste disposal facilities and procedures are conducted annually and reference documents are maintained at the manufacturing manager's office.



Distillation unit used to minimize liquid waste generation

Recent third party inspection letter



Materials Handling

Policy Summary:

Arlon policy is to move, transport, or contract movement of both hazardous and non-hazardous raw materials and finished products in a way that minimizes accidents, injury, contamination, environmental damage, and misuse. Safe materials handling is part of a 'cradle to grave' responsibility taken for hazardous materials that are used or generated as part of the production process.



Protective gloves worn during handling of chemicals

Arlon Practices:

- **Hazardous Material Shipment:** As a standard business practice, Arlon has the need to ship hazardous materials across the country using a qualified transportation service. In order to maintain full regulatory compliance for shipment and transportation, Arlon has established Standard Operating Procedures (SOP) listing all packaging and documentation necessary for full compliance shipment of hazardous materials. Employees that are involved in packaging and shipment of hazardous materials are trained and updated on correct use of these procedures.
- **Internal Handling - Safe Practices:** Great care is taken to ensure the safety of Arlon employees during the storage and handling of hazardous materials, including use of protective clothing and respiratory apparatus. All chemicals used both in the process and for cleaning are stored in appropriate class 1, division 1 locations. Standard Operating Procedures have been developed specifically to give guidance for the proper handling and dispensing of all hazardous materials. Training is also provided in specific topics that relate to general materials handling such as lifting and loading, forklift handling, and warehouse stacking.
- **Employee Training:** Training for the proper handling and dispensing of hazardous materials is conducted during new hire orientation, on the job, and annually as part of documented ISO 9001 procedures and work instructions. All employees receive specialized training for specific job tasks in their respective areas, and Worker Right to Know and Material Safety Data Sheet training are an integral part of our training process. As standard operating procedures are revised, employees are retrained to the applicable revisions, with special care being taken in the areas of operation that handle and dispense hazardous materials.



Forklift drivers receive specialized training

Standard operating procedure for hazardous materials shipment



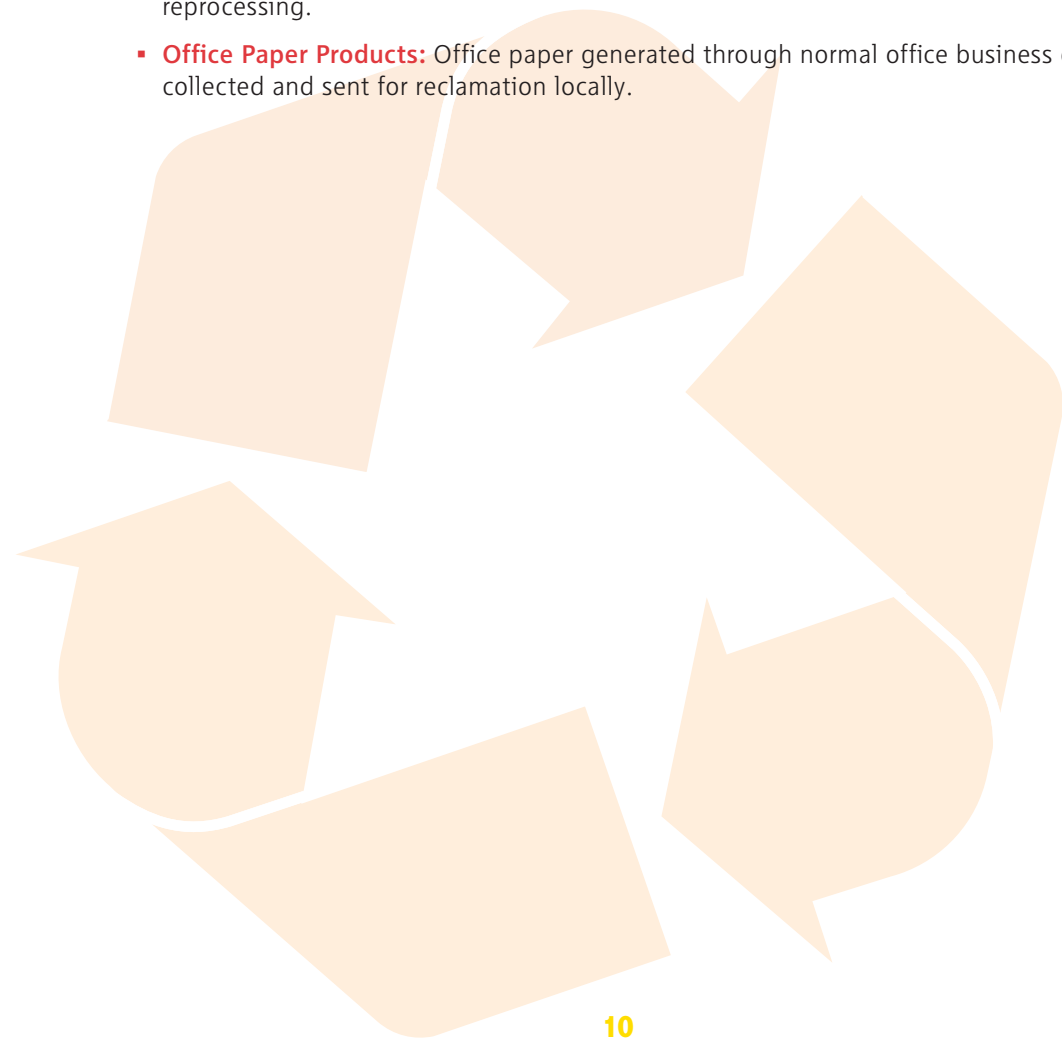
Recycling

Policy Summary:

Arlon's policy is to minimize its net consumption of resources through aggressive recycling programs for process, packaging, and incidental materials with established programs throughout the plant, office, and laboratory facilities. Arlon is introducing process changes that will generate recycling rates in excess of 95% of all packaging and synthetic materials used in the total facility.

Arlon Practices:

- **Corrugated Recycling:** Arlon recycles approximately 45 tons of corrugated materials annually. Corrugated packaging material is collected from all inbound raw material shipments in each consuming location. At the point of collection all cardboard is compacted, bailed and sent to a local reclamation site for reprocessing.
- **Wood:** Arlon recycles approximately 65 tons of wood materials annually. Wood is collected from all inbound raw material packaging in each consuming location. Wood products (primarily pallets and overseas packaging) are collected and sent to a local reclamation site for reprocessing.
- **Synthetic Materials:** Arlon recycles approximately 570 tons of synthetic roll goods annually. Synthetic roll materials such as polyester or oriented polypropylene are byproducts of the Arlon production process. These materials are first reused onsite and when these materials have reached their life expectancy they are collected in roll form and sent to a reclamation site for reprocessing.
- **Office Paper Products:** Office paper generated through normal office business operations are collected and sent for reclamation locally.



Arlon recycles approximately 570 tons of synthetic roll goods annually as generated by its coating processes.

Energy Conservation

Policy Summary:

In a continuous effort to conserve energy, Arlon has worked closely with power production companies and outside vendors to minimize energy waste. Arlon treats energy as a scarce resource and recognizes its responsible role as a manufacturer to use energy efficiently and ultimately reduce consequent carbon emissions and consumption of non-renewable resources.

Arlon Practices:

- **Lighting:** Arlon has retrofitted the lighting system throughout the facility with new light bulb and ballast technology that provides more light output with less energy, lower heat output and reduced maintenance. Sensors are also actively employed to selectively turn off unnecessary lighting.
- **Heat Recycling:** Waste heat from the air emission thermal oxidizer is recycled to augment the heat demand for production line ovens.
- **Thermal Oxidizer Upgrade:** The oxidizer upgrade project was initiated with the twin goal of nitrous oxide (NOx) reduction and energy conservation. The project includes burner improvements, natural gas injection, and additional heat recycling to the production ovens.
- **Thermostat Heat Controls:** Air conditioners have been retrofitted with state-of-the-art programmable thermostats that make seasonal temperature adjustments and shut down zones outside normal working hours.
- **Skylights:** Arlon has installed skylights with photo sensor controls throughout its warehouse, the provision of which has saved over 30% on electricity consumption.



Product Safety

Policy Summary:

Arlon is committed to making environmentally safe products.

Arlon Practices:

- **Heavy Metals Content:** Arlon High Performance, DPF 6000, Dazzlers, and Translucent products contain no cadmium or lead based pigments or stabilizers. At high exposure levels, both cadmium and lead have been shown to have adverse health affects on people exposed to them; this is frequently termed heavy metal poisoning. Arlon uses high quality organic and non-heavy metal inorganic pigments, which have no known adverse health affects, in the production of all its cast films.

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