



SUSTAINABILITY REPORT 2006

Facility at Marlborough, Massachusetts



**Circuit Board Technologies • CMP Technologies • Microelectronic Technologies
Packaging and Finishing Technologies • Flat Panel Display Technologies**

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Sustainability Report Objective

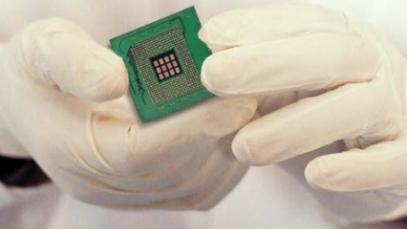
Rohm and Haas Electronic Materials is a world leader in developing innovative material solutions for the electronic and optoelectronic industries. Focused on the circuit board, semiconductor and advanced packaging industries, our products, technologies and solutions are vital elements in creating and producing electronic devices. Everyday, we bring inspiration, science, responsible care for our environment, technology and innovation together for people around the globe. We drive the convergence of materials and innovation.

At Rohm and Haas Electronic Materials we are committed to using the breadth of our portfolio, the talent of our people, and our unparalleled ability to serve customers regardless of geography. We respond quickly to the most demanding challenges, bringing you dynamic technologies and products, exactly when and where you need them.

Rohm and Haas Electronic Materials has made many positive contributions when it comes to protecting our people, growing our profits and preserving our planet. We are working to fully integrate sustainable development into our current business strategies so we can meet or exceed the expectations of our stakeholders. This report provides our key stakeholders information related to our 2006 economic, social and environmental performance at Rohm and Haas Electronic Materials Marlborough facility.

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MESSAGE FROM THE BUSINESS GROUP DIRECTOR

ROHM AND HAAS ELECTRONIC MATERIALS COMPANY PROFILE



I'm pleased to update you on our progress in sustainability at Rohm and Haas Electronic Materials. This report focuses on our progress and challenges at the Marlborough site under the three pillars of sustainability – people, profitability, and the planet. However, where applicable, this report highlights performance measures for the global Electronic Materials business group.

People – Safety Performance

Rohm and Haas Electronic Materials finished 2006 with a worldwide OII rate of 0.53, representing 16 recordable injuries. This is essentially flat compared to the prior year OII rate of 0.54. We have made steady improvement to reduce our injury rates over the last several years but continual improvement is needed to achieve our goal of zero injuries. In fact, 24 of 30 Electronic Materials sites in 2006 had no recordable injuries. That's six more sites that achieved zero injuries versus the previous year. It is a trend we'll continue to pursue.

Profitability – Business Performance

We were very pleased with our 2006 financial performance. It was a year of records for our business, as we posted outstanding results quarter to

quarter. Our business recorded sales of almost \$1.6 billion, a 17 percent increase versus the previous year.

Regionally, Rohm and Haas Electronic Materials' revenue in North America grew 7 percent in 2006. Sales in the Asia-Pacific region increased 19 percent in 2006, reflecting the overall strength of the electronics industry in Asia. Our sales in Europe grew 10 percent compared to the previous year.

Planet – Environmental Performance

The final pillar of sustainability rests on environmental performance – essentially, respect and protection of our planet for future generations. On this front, all Electronic Materials sites are working to integrate our Environmental, Health, and Safety (EHS) and Product Stewardship programs into a comprehensive management system known as Responsible Care 14001 (RC14001). Our facilities in Marlborough and North Andover, Massachusetts, and in Newark, Delaware, received

certification to RC14001 by an independent auditor.

Each year, the American Chemistry Council (ACC) runs a Responsible Care® Energy Efficiency Award Program which gives members an opportunity to nominate exceptional successes in conserving energy, reducing costs and mitigating carbon dioxide emissions. I am also pleased to report that the Marlborough facility, along with five other Rohm and Haas facilities in the U.S., won a 2006 ACC Energy Efficiency Award.

Looking ahead, our goal is to continue making progress against the three pillars of sustainability. Introducing new, sustainable products, and operating our sites in a manner that is free from significant risks to our neighbors, the environment, and future generations, will continue to be a priority for our business.

Dr. Yi Hyon Paik
Business Group Director
Rohm and Haas Electronic Materials



Marlborough Facility



Pilot Plant



UHP Facility



Advanced Technology Center

Facility Overview

The Marlborough facility is Rohm and Haas Electronic Materials' largest manufacturing site worldwide and corporate headquarters for the Rohm and Haas Electronic Materials business. Our 110-acre site operates 24 hours a day, seven days per week, and is the workplace of approximately 600 employees. The facility manufactures products for Circuit Board Technologies,

The Marlborough facility is Rohm and Haas Electronic Materials' largest manufacturing site worldwide and corporate headquarters for the Rohm and Haas Electronic Materials business. Our 110-acre site operates 24 hours a day, seven days per week, and is the workplace of approximately 600 employees. The facility manufactures products for Circuit Board Technologies, Microelectronic Technologies and Packaging and Finishing Technologies. The Marlborough site also has the largest Research and Development staff for the company. Other operations at the Marlborough site include raw material and finished-product warehousing, applications laboratories, clean rooms, a pilot plant, an ultra-high-purity manufacturing facility (UHP) and an Advanced Technology Center (ATC).

Guiding Principals

The convergence of materials and innovation Rohm and Haas Electronic Materials is a world leader in developing innovative material solutions for the electronics and optoelectronics industries. Our products, technologies and solutions are vital elements in creating and producing smaller, faster, more powerful electronic devices, such as cell phones, digital cameras, and laptops.

To meet the exacting product roadmaps of our customers, we are fully-staffed with local sales support, manufacturing facilities, and technology centers. This means we can respond quickly to our customers' needs through our four independent business units:

Circuit Board Technologies: creating solutions for an evolving electronic world by providing materials and fabrication services for the global circuit board market, including metallization, imaging, embedded passives and optoelectronics.

CMP Technologies: creating the near flawless surfaces required to make faster, more powerful and more advanced semiconductor chips. Our products, polishing pads, slurries and pad conditioners are used in the fabrication of almost every type of electronic chip made today.

Flat Panel Display Technologies: creating novel process chemicals and a complete suite of innovative specialty display films for the flat panel display industry to use in today's most advanced liquid crystal displays (LCD), plasma displays and touch screens, making the perfect picture possible.

Microelectronic Technologies: using the science of materials, the power of collaboration with partners, customers and colleagues to harness advances in lithography and, in turn, improve the speed and power of semiconductor devices. Our products include 248 nm and 193 nm photoresists, anti-reflectant coatings and aqueous-based developers.

Packaging and Finishing Technologies: linking innovation to performance by delivering integrated materials and surface finishing processes in electronics, optoelectronics and industrial applications. Reliable interconnects for electronic packaging, EMI shielding and corrosion resistance are just a few examples.

We are committed to making our worldwide operations and products free from significant risks to the health and safety of our employees, customers, contractors, the general public, and to the environment.

Management Commitment

We commit to provide safe and secure workplaces and to protect employee health and the environment. This commitment is communicated to employees and the community. Management of Rohm and Haas Electronic Materials commits resources in order to:

- Comply with all applicable health, safety, and environmental regulations, as well as all internal policies, procedures and with other requirements to which we subscribe.
- Manage our business in accordance with the Responsible Care® Guiding Principles.
- Pursue continual improvement in our EHS programs.
- Pursue pollution prevention programs that make sound economic and environmental sense.

Measurement

We maintain systems to measure and evaluate safety, health, and environmental performance and to identify areas for continual improvement in all of these areas. We annually set objectives and targets that support our business and operational strategies and demonstrate continual EHS improvement. We conduct audits to assist management in assessing compliance with the safety, health, and environmental regulations, policies and procedures applicable to the company's operations, and products.

Employee Participation and Accountability

We provide opportunities for employees to participate in the process of improving the safety, health, and environmental performance of company operations.

Each employee is responsible for maintaining a safe and healthful workplace and for protecting the environment in accordance with his or her job duties. Each employee is held accountable for adherence to all applicable procedures.

Training and Awareness

Employees are provided with the information and training needed to protect themselves, their co-workers, and the environment from potential hazards associated with company operations.

All other stakeholders, such as contractors, suppliers, customers, etc., are provided training when necessary.

Management of Change

New or changed processes, products, and their intended applications are reviewed for safety, health, and environmental risks, prior to introduction or implementation.

Operating Hazards

We assess the hazards associated with our operations and identify potential risks by analyzing hazards. We modify operations to reduce significant risks taking into account technical and economic factors.

Employee Health

We provide programs to assist employees in maintaining good health.

Stakeholder Involvement

We will be responsive to the concerns of our stakeholders and share information on the potential hazards of our operations.

Pollution Prevention and Sustainable Development

We will strive to prevent or reduce pollution from emissions, discharges, and wastes and will promote resource conservation throughout the life cycle of our products. We will incorporate sustainability considerations into our business processes.

Product Safety and Stewardship

We assess, manage, and provide information on the potential health, safety, and environmental impact of our products, and take steps to continuously improve and protect the environment and stakeholders (e.g., employees, customers). We make Responsible Care®, health, safety, and environmental protection an integral part of our product lifecycle management.

All Rohm and Haas Electronic Materials employees and contractors are responsible for being aware of the policy statement and incorporating it into the conduct of their jobs.



Pierre Brondeau
 President and CEO
 Rohm and Haas Electronic Materials

Each year Rohm and Haas Electronic Materials develops a global set of environmental, health and safety (EHS) objectives and targets. The businesses, sites, departments and individual employees then set their own EHS goals that are consistent and aligned with the overall global objectives and targets. The table below outlines some of the EHS objectives and targets that were established for calendar year 2006 at the Marlborough site and the associated results.

Objectives and Targets	Results Achieved
Reduce work-related injuries and illness. Goal is Zero – Occupational Injury and Illness (OII) for Electronic Materials worldwide.	The 2006 OII rates for the Marlborough facility and Electronic Materials worldwide were 0.79 and 0.53 respectively. In response to the higher rate in Marlborough, we refocused our Safety Journey programs, and continued our efforts to promote an interdependent safety culture.
Comply with all applicable health, safety, and environmental regulations. Receive no violations or penalties from regulatory agencies. Corporate business unit target of <4 reportable releases per quarter.	All required reports were submitted for the Marlborough facility. We had one reportable release to the City of Marlborough in our wastewater effluent. No penalties were issued from agencies in 2006.
Continue implementation of First Line Leader (FLL) training and development of a comprehensive Operator, Maintenance, Technician (OMT) training program on-site as part of our Safety Journey program. Update the written Safety Journey Plans.	The FLL and OMT training programs were completed and very well received by our employees. Updates to our written Safety Journey Plans were also completed.
Expand ISO 14001, Environmental Management System (EMS), to Responsible Care 14001(RC14001). Marlborough site and Electronic Materials business third party scheduled to be certified in 2006.	A comprehensive management system that adds health, safety, security, and product stewardship to our existing EMS structure was developed. RC14001 certification for Marlborough site and Electronic Materials business was obtained May 2006.
Eco-Efficiency Improvements – 1% reduction from previous year for energy and water consumption.	Total Energy (gas and electric) consumption: 5% reduction 2006 vs. 2005 Water Consumption: 35% increase 2006 vs. 2005. We attribute this increase to several factors: 20% increase in production, faulty meters, and erroneous data on water bills. We now take our own meter readings to verify data and we've developed an improvement plan.
EPA's National Performance Track program: Energy Challenge – Reduce Greenhouse Gas (GHG) emissions by 5% on an absolute basis from base year 2003. Reduce use of Acetone by 10% on a normalized basis from base year 2003. Reduce cleaning solvents by 5 tons on a normalized basis from base year 2003.	<ul style="list-style-type: none"> ■ GHG reduced by 2.5% on absolute basis, 11% reduction when normalized by production. ■ Reduced usage by 45% normalized by production. ■ Reduced usage by 95 tons normalized by production.



Strategic and effective management systems are the foundation to sustainable business growth. The Rohm Haas Electronic Materials Marlborough facility was one of the first photoresist suppliers to obtain certification to the ISO 14001 Environmental Management System (EMS) Standard back in October 1998. In 2006, we received certification to the Responsible Care® 14001 Technical Specification (RC14001) from Det Norske Veritas (DNV) for Rohm and Haas Electronic Materials Business Group and Marlborough facility. This technical specification, developed by the American Chemistry Council, incorporates health, safety, security, as well as product stewardship activities into an existing environmental management system. Our RC14001 certification allows us to demonstrate conformance to the ISO 14001:2004 standard along with conformance to Responsible Care® requirements. All the Electronic Materials sites worldwide will be working towards RC14001 certification in the coming years.

An important part of a Responsible Care Management System is determining how the activities, products and services at a facility can significantly impact the health, safety, and security of our stakeholders as well as the environment. The term used to describe these sources is a significant environmental, health, safety or security aspect. The Marlborough facility has completed a comprehensive review of our activities, products and services and determined the following are the significant aspects at the Marlborough facility:

Significant Health and Safety Aspects:

- Contact with hazardous chemicals
- Inhalation of hazardous chemicals
- Physical hazards
- Electrical hazards
- Thermal hazards
- Ergonomics
- Hazardous noise
- Mechanical hazards
- Oxygen deficiency
- Electromagnetic non-ionizing hazards

Significant Environmental Aspects:

- Emissions to air
- Wastewater discharges
- Storm water management
- Waste management (hazardous waste, solvent recycling)
- Hazardous materials management
- Resource use (energy, water)
- Transportation of hazardous materials

Significant Security Aspects:

- Unauthorized access
- Theft of assets
- Unauthorized use of equipment/chemicals
- Workplace violence

Our economic performance continued strong in 2006. It was a year of records for our business, as we posted outstanding, often record-breaking results quarter to quarter. Not surprisingly, the year turned out to be the best ever for Rohm and Haas Electronic Materials with sales of almost \$1.6 billion, a 17 percent increase versus the previous year. Excluding restructuring charges for both 2005 and 2006, we delivered earnings of \$234 million, up 44 percent compared to 2005.

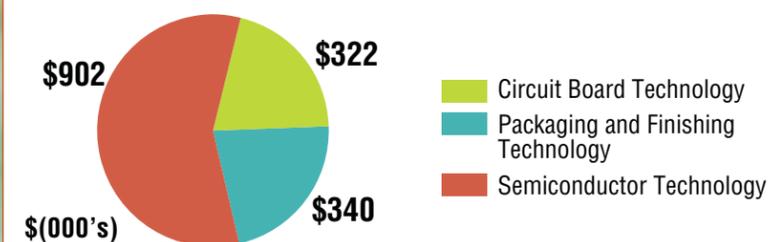
Regionally, Rohm and Haas Electronic Materials' revenue in North America grew 7 percent in 2006 (excluding the impact of precious metals in our Packaging and Finishing

Technologies business). Our sales in Europe grew 10 percent compared to the previous year and the Asia-Pacific region saw a sales increase of 19 percent in 2006, reflecting the overall strength of the electronics industry in Asia.

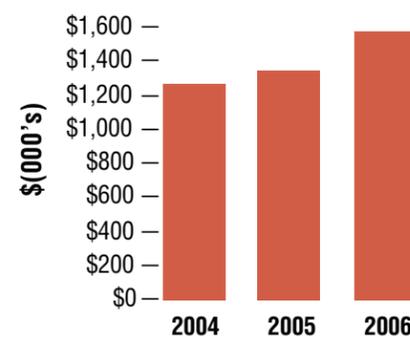
Although we had our share of challenges and adjustments in 2006, we remained sharply focused on key objectives. These included strengthening customer relationships and key engagements, excellent service, differentiating technology, selective geographic expansion, and operational efficiency.

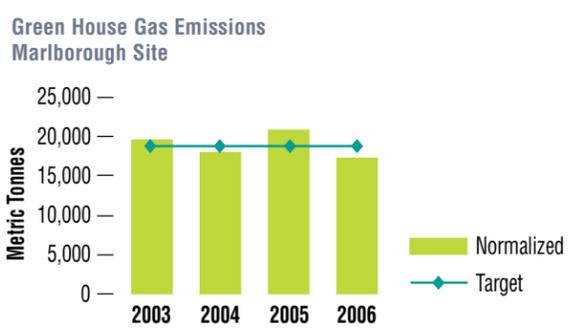
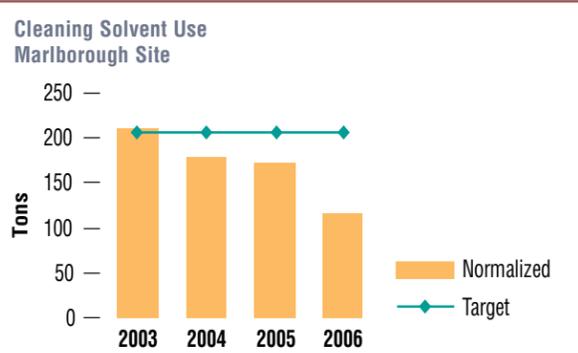


2006 Net Sales by Business Unit



Net Sales 2004–2006





*Results are normalized based on production data. More details on EPA's Performance Track program can be found at www.epa.gov/performance-track/

The Rohm and Haas Electronic Materials Marlborough facility was part of the first group of companies selected by the EPA to participate in the National Performance Track program in late 2000 and we have proudly maintained our membership ever since. The EPA Performance Track program is designed to recognize and encourage facilities that have a sustained record of compliance, employ environmental management systems (EMS), and are committed to continue improvements in environmental performance. This voluntary program defines what it means to be a top environmental performer and provides incentives to motivate further improvements.

We were honored to receive national recognition for our environmental accomplishments by receiving the Performance Track 2006 Environmental Performance Award for our performance during the 2004 calendar year at the Marlborough facility. The Performance Awards are

given annually to recognize Performance Track members that have demonstrated exemplary environmental performance during their participation in the program.

The graphs show our results against our three-year target value for commitments made in 2003 and reporting years 2004–2006.

EPA has approved our renewal application for membership for another three years, and our new environmental improvement targets for 2007–2009 are as follows:

- Reduce water consumption by 15 percent – EPA's Water Challenge Commitment
- Reduce the biological oxygen demand in our wastewater effluent by 17.5 percent
- Reduce the wastewater shipped off-site from our pilot plant by 10 percent

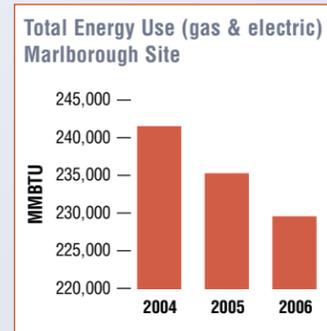
As in the past, we will keep you posted on our progress in achieving these environmental improvement targets.

A key part of our sustainability strategy is strong focus on eco-efficiency. The term “eco-efficiency” was coined by the *World Business Council for Sustainable Development* (WBCSD) in its 1992 publication “Changing Course.” It is based on the concept of creating more goods and services while using fewer resources and creating less waste and pollution.

Energy

At the Marlborough facility and across the entire Electronic Materials business, we are continually challenged with balancing our business growth with our demand for energy. The Marlborough facility has implemented many energy conservation programs over the years to minimize our demand for additional energy; such as retrofits to lighting systems, installing motion sensors and advanced combustion control systems, “free cooling” with plate and frame exchangers, expanding night and weekend setbacks for areas and equipment, just to name a few. One of our biggest reductions in natural gas usage came from turning off a thermal oxidizer for most of our pilot plant batches. As part of our research for energy-saving opportunities, we discovered our thermal oxidizer required a significant amount of natural gas to maintain a high destruction temperature. After a comprehensive review, and numerous stack tests, we successfully modified our air quality permit with the Massachusetts Department of Environmental Protection to allow for intermittent use of our thermal oxidizer since our

in-line condensers and pollution prevention activities provided significant reductions in emissions.



Energy Fair

We hosted an Energy Fair to increase employee awareness for energy conservation at the Marlborough site as well as to offer conservation ideas for homeowners. Local vendors such as National Grid, NStar, Mass Technology Collaborative, and the Alternative Energy store came to the site with educational materials as well as discounted energy-efficient lighting for employees to purchase for their homes. Over 700 energy-efficient bulbs and 100 efficient light fixtures were purchased by Marlborough employees in just 2 hours. Our employees learned about the Marlborough site utility costs, past and current energy projects, and how their individual actions can help make a difference for our business, their wallets, and the planet.

As part of the Energy Fair, we also ran a contest to find the best energy conservation idea from our employees. We received several valuable ideas from employees in many different departments across the site. The winning idea was

from an employee in Circuit Board Technologies R&D, who discovered that several high-energy-consuming ovens were being left on for many days but not all the units were being utilized. We estimate that turning off the ovens when there's no product being tested will **save more than 30,000 kilowatt hours** of electricity per year.

The Marlborough facility participated in EPA's New England Performance Track Energy Challenge which asked facilities in the region to commit to a 5 percent reduction in greenhouse gas (GHG) emissions by December 2006, using 2003 as a base year. We achieved a 2.4 percent reduction in GHGs on an absolute basis, even though we experienced an increase in production levels compared to the base year. When we normalize our results based on our production levels in 2003, we reduced GHGs by 11 percent, or more than 2300 metric tons of CO₂ equivalents (MTCO₂E). To put it more simply, **this reduction equates to taking 500 passenger cars off the road, or providing 300 homes with electricity for a year.** Our success in reducing our GHG emissions also led to our selection as one of the winners of the 2006 American Chemistry Council Responsible® Care Energy Efficiency Awards.

Water

As a specialty chemical supplier to the electronics industry, water is a critical raw material in our business. We

acknowledge that population growth and economic development have placed significant stress on many of our natural resources and ecosystems. Using water responsibly is a key factor in our sustainable development efforts and protecting our supply is the right thing to do for our business, our community and our planet. As part of the Performance Track program, we have volunteered



Diane Sutch and Terry Brennan buying energy efficient lamps at the Energy Fair.

to participate in EPA's Water Challenge to reduce our use of water by 15 percent on a normalized basis by 2009 using 2006 as our base year. We will be reporting our progress annually on the EPA's Performance Track website, www.epa.gov/performance-track/.

REDUCE, REUSE, RECYCLE

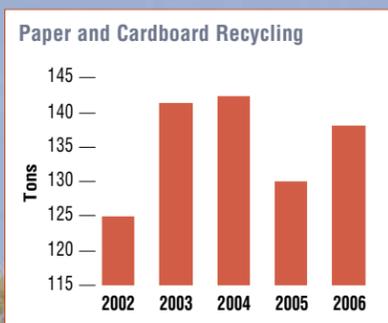
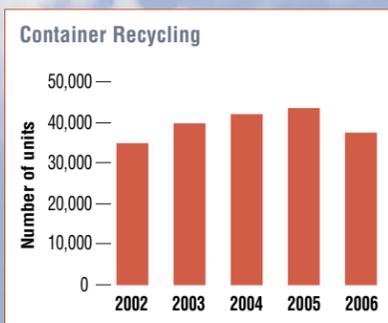
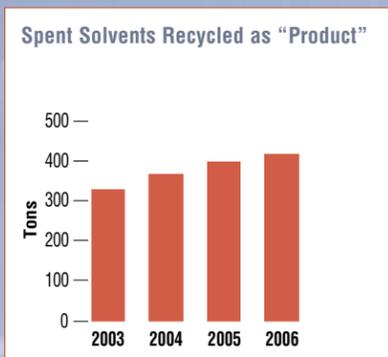
Reducing solid waste continues to be a priority for our state and the Rohm and Haas Electronic Materials business. The Massachusetts Department of Environmental Protection has established a goal to reduce solid waste by 70 percent by 2010 (established in the Solid Waste Master Plan: 2005 revision). We are committed to supporting this goal by producing the highest quality products without adversely impacting the quality of air, water, or land in our community. Recycling waste material conserves natural resources, saves energy, and prevents pollution. The Marlborough site continues to do its part by recycling many solid waste materials.

The recycling totals for calendar year 2006 for our largest waste streams are as follows:

- **13.6 tons of paper**
- **37,100 steel and plastic containers**
- **124 tons of cardboard**
- **25,000 lbs. solvent on-site**
- **825,000 lbs. of solvent off-site***

We also recycle, reuse, or donate the following items: fluorescent light bulbs, computers, monitors, pallets, scrap metal, packing peanuts, toner cartridges, and cell phones. Recycling these waste streams means less waste going to combustion facilities and landfills, and a reduction in the overall ecological footprint for Rohm and Haas Electronic Materials.

* Because the quality of our spent solvents exceeds many quality specifications for virgin materials, other businesses are able to use our spent cleaning solvents as raw materials for their products. The quantity of spent solvent recycled as a product increased by 4 percent in 2006 versus 2005.



TOXICS RELEASE INVENTORY

The Emergency Planning and Community Right-to-Know Act (EPCRA) Section 313 requires federal and state agencies to annually collect data on releases and transfers of certain toxic chemicals from industrial facilities, and make the data available to the public in the Toxics Release Inventory (TRI). Our total 2006 federal reportable releases to air, water, and off-site treatment facilities were 70 tons, a 9 percent increase from the previous year. We attribute the increase to several factors: an increase in production volumes due to the closing of operations at a manufacturing site in England, changes in waste treatment equipment, and a new enterprise software system. We are currently performing a detailed analysis of our data sources and manufacturing processes to investigate opportunities to minimize releases even when our production levels increase. We are committed to reducing the TRI releases from the

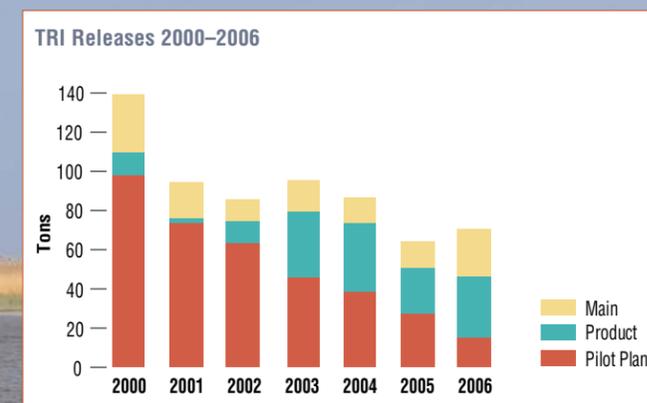
Marlborough site by designing new products with less hazardous substances and increasing production efficiency to minimize waste generation.

The chart below breaks down the total releases from the Marlborough facility into three areas: manufacturing operations (Main), disposal of products (Product), and releases from pilot plant operations. Releases from the disposal of products are primarily attributed to customers' closing facilities in North America and product obsolescence. The following actions have helped us to minimize the amount of product going to waste:

- Implemented improvements in our forecasting system,
- Worked with customers on stock agreements, and
- Consolidated warehouse locations.

We will continue to focus on these initiatives to significantly reduce the volume of product that must ultimately be disposed.

TRI releases to the air and water from this site were less than 5.3 tons per year. The remaining reportable releases are those that are shipped off-site to be recycled, recovered for energy, or treated by other methods, such as incineration. Refer to EPA's website, <http://www.epa.gov/tri/>, for more specific information on Toxics Release Inventory Program.



*Results are normalized based on production data. More details on EPA's Performance Track program can be found at www.epa.gov/performance-track/

PROTECTING OUR PEOPLE HEALTH AND SAFETY

In 2006, Rohm and Haas focused on two important facets of safety – occupational safety and process safety.

Occupational safety includes remaining vigilant during our workdays and in our personal lives, making safe choices when performing tasks and looking out for one another. Our Operator, Mechanic and Technician (OMT) Training in 2006, allowed employees to recognize the important role behavior plays in reducing injuries and occupational illnesses by understanding the link between safety beliefs, practices and results. First line leaders delivered this training and instilled in their peers the Rohm and Haas fundamental safety beliefs.

During 2006, we updated our Ergonomics program. Recognizing that 25–30 percent of all injuries are ergonomically related each year, we focused our efforts on developing a more proactive approach. The program requires the development of a process for identifying, evaluating and controlling ergonomic hazards. Employees have embraced the new program as evidenced by their active participation in training, workstation self-evaluations, and the formation of laboratory ergonomic teams.

Our Heat Stress Monitoring program was revamped in the summer of 2006 for applicable areas in manufacturing. This program consists of employee training in the recognition and prevention of heat-related illnesses and the utilization of specialized heat stress monitoring equipment. The equipment continuously monitors heat stress levels in the manufacturing areas and compares the levels with a table that outlines appropriate work/rest cycles.

A renewed emphasis on our approach to process safety management saw the issuance of a new Process Safety Management Standard. This corporate standard provides a unique framework for proactively identifying potential process safety risks and the prevention of incidents. The Marlborough site is currently updating our programs for conformance with this new global standard.

Wellness Programs

The Marlborough site offered several wellness programs in 2006 to help keep our employees fit, healthy and safe.

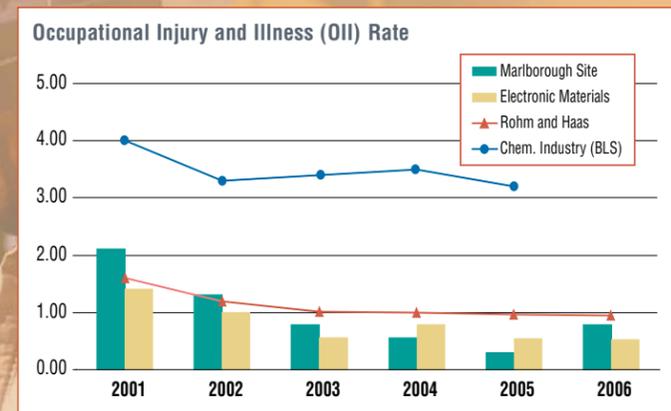
- Fitness Center:** Our fitness center on-site offers a variety of fitness classes as well as equipment and training to improve employees' personal fitness programs. In December, we ran a Fitness Day, with our company physician providing educational sessions regarding health and fitness, aerobics demonstrations, nutrition information, chair massage and more.

- "Biggest Loser Club":** A weight-loss competition, inspired by the NBC show "The Biggest Loser," caught on at our facility, from workers who are concerned about their health and waistslines. The goals of the club are to improve overall health as well as appearance. Nutrition and fitness seminars were included as part of the program.
- Dana Farber Research Project on Men's Health:** The Marlborough site participated in a Dana Farber study to develop a computer-based educational program that will promote informed decision-making about prostate cancer screening among employed men ages 45 to 65.
- Women's Heart Health Program:** An information session was held on-site to give women a personal and urgent wake-up call about their risk of heart disease. The program encouraged women to talk to their doctors about heart disease risk factors and to take action to prevent or control these risk factors.

Occupational Injury and Illness Rates

The Occupational Injury and Illness (OII) rate is a results measure that serves as a downstream indicator of a company's safety performance. The rate, as specified by the Bureau of Labor Statistics, measures the number of recordable injuries or illnesses per total number of man-hours worked. This rate is standardized against 200,000 man-hours – which is an approximation of the number of hours worked by 100 workers in one year.

Our results in 2006 showed a slight increase of the OII Incident rate (0.79) for the Marlborough site. This equates to five recordable injuries compared with two in the previous year. We held a Safety Day in early 2007 to refocus our efforts and reiterate our safety belief that the health and safety of our people is valued above all else. Globally, our OII Incident rate was flat (0.53) for 2006, and 24 of the 30 Rohm and Haas Electronic Materials sites finished 2006 with zero injuries. Our goal remains one of an injury-free workplace by continuously improving our safety and health programs.



PROTECTION OF OUR EMPLOYEES AND COMMUNITY

The Emergency Response Team (ERT) volunteered its support to the local community by working with the newly formed Marlborough Medical Reserve Corps (MMRC). The MMRC was formed in 2006 in response to President Bush's request that all Americans volunteer to help their country and community. The ERT works with the Local Emergency Planning Committee (LEPC) to offer assistance to the Marlborough community during times of crisis that may include response to a pandemic flu outbreak.

In 2006 the Marlborough ERT conducted its 8-hour HazMat training with the assistance of the Massachusetts Firefighting Academy. Four state firefighters were on-site to train the team on such topics as incident command structure, hazardous material identification and spill containment, incident pre-planning, and utilizing the site Emergency Response Plan.

Emergency response activities in 2006 also included more training on the National Incident Management System (NIMS).

Although most emergency situations are handled locally, there may be a major incident that will require assistance from other jurisdictions. The NMIS offers a unified approach to incident management, standard command and management structures. It also places emphasis on preparedness, mutual aid and resource management. The NIMS was developed so responders from different jurisdictions and disciplines can work together to respond to natural disasters and emergencies, including acts of terrorism. In 2005 the entire team was trained according to NIMS 700, and in 2006 the ERT Captains attended NIMS 100 (incident command and common incident tasks) training with the Marlborough Fire Department. Our commitment to Marlborough continues with our participation in developing strategies to make our community a safer place to live and work.



Above and below: ERT training session with Massachusetts Fire Academy.



The ERT conducts monthly training including practice drills with the LEPC.

In 2006, the Rohm and Haas Electronic Materials business in Marlborough actively demonstrated a responsible commitment to our local communities. We continue to build on the excellent foundation we have established in support of programs and events in Marlborough and surrounding communities. The Rohm and Haas Electronic Materials facility, through the joint efforts of our company and employees, donated more than **\$160,000 to local charities, schools, and associations.** Our communities know that we can be relied on to make a difference.

Rohm and Haas Key Partners

United Way: Each year all our U.S. employees have the opportunity to make contributions to non-profit organizations through the United Way. The Marlborough campaign resulted in nearly \$90,000 being raised from the company contribution and employee pledges. We also participated in the Backpack-to-School program providing 70 local school children with backpacks filled with school supplies.

FIRST Robotics: Through active employee leadership and financial support, we are a key sponsor of the "For the Inspiration and Recognition of Science and Technology"

(FIRST) program at Algonquin Regional High School in Northborough. Team 1100 was comprised of 35 students with mentorship provided by five of our employees.

Camp Invention: We support this regional summer educational enrichment program for primary-level teachers, future educators and children entering grades 2-6.

Local Community Programs

Assabet River Consortium: The Marlborough site has served as the industry representative to this consortium of six municipalities. The purpose of the consortium is to plan for watershed conservation and permitting discussions with the U.S. EPA.

Arts Alliance: We sponsor cultural programs aimed at youth and families offered by this local arts organization based in Marlborough and surrounding communities.

Blood Drives: During 2006, our employees donated 148 pints of blood to the MetroWest Hospital Blood Donor Program. Since the inception of this program in 1992, our Marlborough employees have donated more than 1,800 pints of blood.

Boys and Girls Clubs of MetroWest: We continued being a major financial contributor to the growth and development of the Club's programs supporting local youth.

Evening of Giving: Our role as a major sponsor of this fundraiser for the Marlborough/Hudson Homeless Shelter has continued. One hundred of our employees and their guests participated in this event.

Marlborough Local Emergency Planning Committee: We actively participate on this committee in a capacity that represents Rohm and Haas. We also provide our expertise and sponsor training for the committee.

Marlborough Regional Chamber of Commerce: We remain an active business leader through our participation on the Board of Directors of the Marlborough Regional Chamber of Commerce. In 2005, we received the Chamber's award as the "Business of the Year" as recognition of our ongoing contributions to the City of Marlborough.

Marlborough Youth Sports Programs: The company sponsored youth sports teams in baseball, football, lacrosse, soccer and softball.

MetroWest/495 Transportation Management Association (TMA): The Marlborough site is a member and serves on the Board of Directors for this organization. The purpose of the organization is to promote transportation solutions for the regional area.

Museum of Science: We funded enrichment programming for the Marlborough Intermediate Elementary School with programs focused on electromagnetism and motion for fourth and fifth grade students.

Northborough Junior Woman's Club: We sponsored the club's "Women In Science & Math Conference" to help middle school young females explore careers in science and math.

Organization for the Assabet River: Our funding of an environmental education project enabled local high school students to teach children about watershed use and protection through hands-on workshops held at a local beach.

Employee Driven Programs

Boston Marathon: Several employees ran in the April 2006 Boston Marathon, many on behalf of fundraising causes. They were supported by both employees and the company in their efforts.

Canned Food Drives: We continued to respond to the increasing demand on the Marlborough Food Pantry with our canned food drives that saw our food collections increase by 10 percent from 2005 and also included over \$1,300 dollars in employee financial donations.

Hat and Glove Drive: For the second year, we held a hat, glove and coat drive that filled 12 bags with warm clothing in addition to 140 coats.

Holiday Hopes and Stockings: This program is a year-end holiday staple and in its 10th year. Employees brightened the holidays by providing gifts for 100 local children as well as 50 teenagers and adults, through this program with the Marlborough Community Services organization.

Reading Is Fun (RIF): For several years, one of our employees has taken fellow employees to a local grade school where employees participate in this event by reading books to a group of young children.

Society for Women Engineers (SWE): We sponsored an annual student networking event held at M.I.T. in Cambridge, that featured one of our female employees as a guest speaker on a discussion of non-traditional engineering careers.

U.S. Military in Iraq: Our employees continued their donations of food, reading material and supplies to soldiers stationed in Iraq. Since its inception in September 2004, about 2,700 pounds of supplies have been sent to

soldiers that include relatives of our employees and a current employee whose reserve unit was called up in 2006.

Partnerships in Education

We strengthened our relationship with **Marlborough High School** in 2006 by sponsoring the school newspaper, *The Panther*, having our employees serve as judges at two Science Fairs, and helping students in the Business Professionals of America group attend their national conference. We provided summer employment to two graduating seniors. We continue to offer two scholarships in the name of Charles R. Shipley to graduating seniors going on to college with science or engineering majors. Our site hosted two meetings of the school administration.

University Relations remain an important program for our business. In 2006, we sponsored activities with Northeastern University's chapters of The American Institute of Chemical Engineers (AIChE) and The Society of Women Engineers (SWE). Our Cooperative Education program saw students from Cornell University, University of New Hampshire, Northeastern University, University of Ottawa, Rutgers University, and Temple University work in our Technology organizations.



SPC Michael Waskewicz with his aunt Colleen Paydos, CBT Administrative Assistant.

Our volunteers work with students, coaching them through the design process, engineering, and building of a competition-ready robot.



SUSTAINABLE PRODUCTS

GREEN CHEMISTRY IN THE ROHM AND HAAS ELECTRONIC MATERIALS BUSINESS

We continued our commitment to promote the principles of Green Chemistry (a set of twelve principles that reduces or eliminates the use or generation of hazardous substances in the design, manufacture and application of chemical products) by conducting another seminar for our North America Electronic Materials Technology staff in March 2006. We were honored to host two distinguished speakers for our event, Dr. John Warner, Director of Green Chemistry at the University of Massachusetts, and Dr. Berkeley Cue, retired Vice President of Research and Development for Pfizer. The seminar included opening remarks from Rohm and Haas' Chief Technology Officer, Dr. Gary Calabrese. Managers from our Microelectronic and Circuit Board Technology groups also presented the green initiatives underway for their respective business units. A few examples of how the Electronic Materials businesses are integrating the principles of green chemistry into our product development process are listed below:

Microelectronic Technologies: Investment and extensive research into innovative materials by the technology teams in the Microelectronic Technologies business at Rohm and Haas have yielded a successful, new line of EPIC™ photoresists which are completely free of the PFOS- or PFOA-based persistent bio-accumulative surfactants. The initial generations of these products were designed for dry 193 nm imaging systems and used

by semiconductor companies at and below the 65 nm technology node. Further research and development in the area of green materials has now afforded novel chemistries that are deployed in 193 nm immersion photoresists. These latest resists are targeted at and below 45 nm production and can be used with the newest state-of-the-art hyper NA imaging systems.

To create these new immersion materials, replacement molecules needed to be designed and tested that would provide excellent imaging characteristics for the photoresist, but again avoid the perfluorinated, 8-carbon chain length materials. In addition, these new materials needed to pass extremely tough leaching and defect testing to make sure that when used by customers, they did not leach into the water which sits above the wafer or cause unwanted defects. Customer acceptance of these new wet and dry EPIC photoresists has been very high, with products winning evaluations at the leading IC device makers in the US, Europe, and Asia.

Packaging and Finishing Technologies (PFT): As part of its continuing efforts in sustainability, the PFT business has recently commercialized several products that are more environmentally friendly than previous product lines. Products like **Aurodep™ BP II**, a cyanide-free immersion gold, and **Duraposit™ MF 1110/MF 0818**, cadmium and lead-free electroless nickel processes, are helping our customers meet their quality specifications while reducing their

environmental impacts. PFT also offers a cadmium-free 18K gold used in high-end decorative applications with our **Enduraglo™ 2N18 CF** product and we have replaced hexavalent chrome with a less hazardous trivalent chrome in our **Chrome Gleam™ 3C** and **3C Jet** products.

In addition, the PFT business has several active projects in R&D that use the green chemistry principles including several lead-free developments for wafer bumping and other electronic component applications, an ammonia-free palladium-nickel alloy process for electronic connectors, and a chrome-free etch used to metallize plastics.

Circuit Board Technologies (CBT): The CBT group has committed substantial resources to leverage its metallization and imaging expertise to more efficiently turn sunlight into electricity. Our technical team has developed a cyanide-free silver plating process that is being utilized by the world's top solar cell fabricators to improve cell efficiency and hence make the cost of solar cells more attractive to consumers. In addition, our formulators are working on advanced metal stacks and ink-jet resists to further enhance cell efficiency. CBT formulators are also developing products that are free of heavy metals, such as lead and cadmium, contain more biodegradable surfactants, as well as researching greener alternatives ahead of any legislative mandate.

