



The Shepherd Color Company
We Brighten Lives

December 19, 2018

Dear Valued Customer,

The Shepherd Color Company is committed to reducing the impact we have on the global environment and improving our efforts toward sustainable development for the 21st century and beyond. As industry's impact on the global environment becomes increasingly scrutinized, the employees of Shepherd Color believe it is important to communicate our efforts on improving sustainability, reducing greenhouse emissions and also reducing use of the world's resources.

Shepherd Color is a fourth generation family owned and operated business, and we take our ethical and environmental responsibilities seriously, and these responsibilities are core to the future of the company and the world that we live in. Shepherd Color is committed to be a key materials manufacturer and supplier of high durability products. Sustainability and operating in a manner to minimize impact on the environment is consequently part of our business model. We devote great effort to reducing our energy and water usage, while minimizing our emissions.

Shepherd Color is primarily in the business of manufacturing complex inorganic color pigments (CICPs), also known as mineral or ceramic pigments. These pigments are chemically and physically inert and are used to make extremely durable and environmentally stable color products. Our products are used in durable applications that can last thirty years or more in the harshest of climates and consequently, the products minimize energy use, waste, and the by-products otherwise incurred during the multiple manufacturing of less durable alternatives.

Shepherd CICPs are increasingly used worldwide in systems to replace traditional lead and cadmium colors, which are now restricted in use by their toxicological hazards. Shepherd CICPs are routinely used in indirect food contact applications due to their inherent safety. Shepherd Color's Arctic® line of Infrared (IR) Reflective colors is increasingly used in architectural coatings and other building materials. Arctic® pigments are designed to minimize energy use in buildings, reduce the heat island effect observed in grouped dwellings by passively reflecting away incoming solar heat energy and to extend the lifetime of materials by reducing heat degradation. These pigments therefore have a positive and long lasting effect on the environment surrounding their final use, as well as also reducing energy consumption for the life of the product.

The Shepherd DYNAMIX® line of pigments are specially engineered to easily stir-in or disperse, saving customers energy, equipment, and minimizing waste in making paints. Some DYNAMIX® colors also contain the IR reflective properties mentioned above, adding to the environmental benefit in use.

Shepherd Color is also a global supplier of environmentally friendly catalysts used to make energy efficient insulating glass (IG) windows and doors. Our new catalysts replace older, lead based products, thus helping to remove this heavy metal from our environment. IG systems made with the help of Shepherd Color's catalyst yield major energy savings when used in new and replacement building products.

Shepherd Color's Core Purpose is Brightening Lives. Specifically, We Brighten the Lives of our customers and the people we employ. We do this, in part, by dedicating ourselves to aggressively reducing



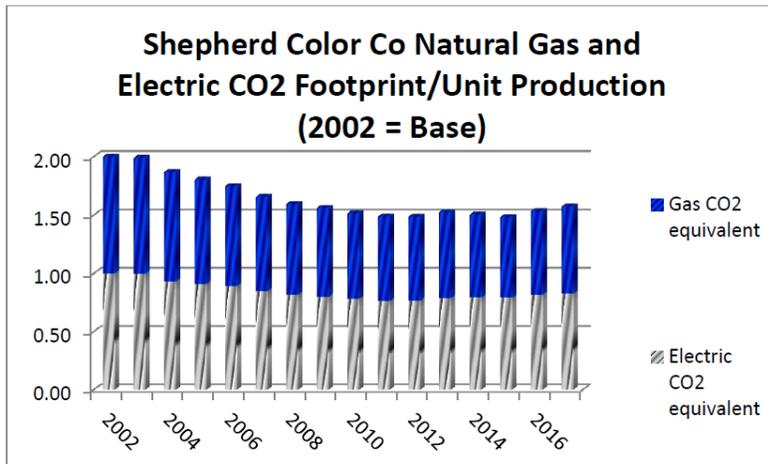
The Shepherd Color Company
We Brighten Lives

environmental impact while minimizing waste and inefficiencies. The health, safety and well-being of Shepherd Color employees remain of the utmost importance and focus, led by the senior management team. Shepherd has long established 'Green' and 'Waste Minimization' teams that help us identify and address recycling and waste reduction opportunities in all of our business practices. Our chemists and engineers continue to bring new and innovative products to market with the intent of extending durability, while reducing environmental impacts.

We constantly review the process technologies we use to ensure that we continue to operate in the most efficient, safe and environmentally effective manner. In addition, Shepherd Color's grounds are well landscaped and planted with trees, allowing our production facilities to blend in to the surrounding landscape with minimal visual impact to our neighbors.

Over the last decade Shepherd Color has worked at being more energy efficient. We have been able to decrease energy consumption per unit of output steadily over time with ever increasing manufacturing output.

We will continue to improve our performance for the future, both in the manufacture of our products, and also in the development of future products.



Thank you for your business.

Best Regards,

John Marten
General Manager
The Shepherd Color Company