

Environmental Compliance

Genzyme Corporation is committed to full compliance with all environmental laws, regulations, and permits that apply to our facilities and operations. Each site monitors and reports on compliance history including regulatory noncompliance events in which there is written correspondence to, or from, an agency (e.g. notice of violation (NOV), enforcement action, etc), fines and/or penalties, and accidental releases of chemicals to the environment.

The following table summarizes Genzyme's compliance over the past four years. For each item, corrective action has taken place to the satisfaction of the regulatory agency.

	2003	2004	2005	2006
Regulatory non-compliance events	18	14	11	18
Resulting Fines and Penalties ¹	\$100	--	--	\$1,000
Number of Laboratory and Manufacturing Sites Reporting	24	24	29	30

¹ A \$100 fine was issued in 2003 for not meeting local water standards in New Mexico. A \$1,000 fine was issued in 2006 by a local conservation commission due to contractors not maintaining erosion control during a construction project.

2005 Regulatory Non Compliance Events	Remarks
2	<p><u>Spill or Release</u></p> <ul style="list-style-type: none"> ▪ Spill of propylene glycol to surface water due to equipment leak. ▪ Release of non-PCB transformer oil to soil during construction activity. <p><u>Wastewater</u></p> <ul style="list-style-type: none"> ▪ pH excursion of reverse osmosis (RO) reject water that is discharged to surface water. Exceedance caused by ineffective discharge procedures. ▪ pH excursion due to operator error. ▪ pH excursion due to malfunctioning acid pump
9	<ul style="list-style-type: none"> ▪ pH excursion due to acid pump failure ▪ pH excursion due to electrical failure on the pH controller ▪ Mercury exceedance likely due to inadvertent discharge from thimerosal containing test kits. ▪ pH excursion due to a failed pH transmitter ▪ Discharge of copper acetate waste to wastewater treatment. ▪ Discharge of xylene to a laboratory sink. Exceeded discharge permit limit of 1 ppm for a toxic organic.
11	29 manufacturing and laboratory sites reported in 2005

2004 Regulatory Non Compliance Events	Remarks
2	<p><u>Spill or Release</u></p> <ul style="list-style-type: none"> ▪ Spill of aqueous copper acetate waste to process drain and sewer ▪ Spill of sodium chloride solution to surface water drain
7	<p><u>Wastewater</u></p> <ul style="list-style-type: none"> ▪ Six separate events at three different sites where the pH of wastewater being discharged to local sewer authorities exceeded the limit ▪ The concentration of methylene chloride in wastewater discharged to the local sewer authority exceeded the limit
3	<p><u>Air Quality</u></p> <ul style="list-style-type: none"> ▪ Two occasions when the concentration of particulates emitted from a spray dryer stack exceeded the limit. This reported exceedance was the result of incorrect sampling methodology. ▪ State environmental agency issued a consent order officially terminating the air permit for a medical waste incinerator
2	<p><u>Hazardous Waste</u></p> <ul style="list-style-type: none"> ▪ Notice of violation issued by state environmental agency based on hazardous waste violations noted during an unannounced inspection ▪ Notice of violation issued by federal environmental agency based on hazardous waste violations noted during an unannounced inspection at another location
14	24 manufacturing and laboratory sites reported in 2004

2003 Regulatory Non Compliance Events	Remarks
1	<u>Spill or Release</u> <ul style="list-style-type: none"> ▪ Spill of hydrogen peroxide
8	<u>Wastewater</u> <ul style="list-style-type: none"> ▪ Four separate events at two different sites where the pH of wastewater being discharged to local sewer authorities exceeded the limit ▪ Two separate events where the concentration of biochemical oxygen demand (BOD) discharged to local sewer authorities exceeded the limit ▪ The concentration of chloride discharged to local sewer authorities exceeded the limit ▪ The concentration of diethylamine discharged to local sewer authorities exceeded the limit ▪ The concentration of mercury discharged to local sewer authorities exceeded the limit
1	<u>Water</u> <ul style="list-style-type: none"> ▪ A \$100 fine was issued for equipment that did not meet local water conservation standards
4	<u>Air Quality</u> <ul style="list-style-type: none"> ▪ The concentration of dichloromethane exceeded the limit ▪ The concentration of allylamine exceeded the limit ▪ The concentration of particulate matter exceeded the limit ▪ The concentration of hydrochloric acid exceeded the limit
4	<u>Reporting Error</u> <ul style="list-style-type: none"> ▪ Toxics reporting error ▪ Missing signature on Toxics Release Inventory submittal ▪ Corrected the generator status for waste oil ▪ Late submittal of Tier II inventory report for waste oil
18	24 manufacturing and laboratory sites reported in 2003