

## **Attachment 2 (See: IV. Environmental Performance)**

Lauterbach Group is a privately owned, midsize, award-winning flexographic printer located in Sussex, Wisconsin. After years of rapid growth expansion, we built a LEED™ (Leadership in Energy and Environmental Design) corporate headquarters and printing facility. In March of 2010, Green Building Certification Institute (GBCI) recognized our corporate headquarters and printing facility as LEED™ Silver Certified in adherence with US Green Building Council (USGBC) rating system. We are committed to being a business leading environmental stewardship.

The Group is dedicated to reducing waste, actively recycling, reducing energy consumption, and utilizing new “clean” technologies. We never accept the status quo. Our members strive to understand and be responsive to our client’s opportunities and needs. We collaborate with our suppliers and clients to bring innovation to our businesses’ through open discussions and feedback on product, service, and quality indicatives. We believe in earning respect and goodwill by marketing products and services, which allows our clients, suppliers and the Group to be successful. The Lauterbach Group is driven to be the preferred provider of solution based printing, packaging and converting products, through delivering total value to our clients and suppliers.

Our continuous improvement mindset steers the change process for the Lauterbach Productivity System, which is based on a Plan, Do, Check, Act (PDCA) system, where environmental, energy, and sustainable policies are in place. Environmental, energy efficient, and green principles drive standardization and process improvement controls shaped by Group members. Members are encouraged and empowered to implement and suggest sustainable changes that will streamline and align processes improvements to reduce, reuse, and recycle waste; the 3R principles. Energy, waste reductions, and improvements are guided by system knowledge, which provides the atmosphere of continual monitoring, education and training for members guided by those improvement changes. Sustainable practices yield sustainable results. It is all about getting better, improving productivity and education to perpetuate growth for profitability, aligning with environmentally friendly sustainable products and processes to support members, suppliers, clients, our community, and the world now and for our future.

The Lauterbach Productivity System embraces the LEED™ building infrastructure and systems to include the supply chain, client services, members and our environment.

The facility construction, our occupancy, and the recognition as a Silver Certified LEED™ building was a huge accomplishment in reducing our impact and carbon footprint on the environment. The entire facility and site selection was built on the 3R principles. The actual site location was derived and selected based on our clients, suppliers, and transportations logistics (relations). The building itself features sustainable state-of-the-art Heating, Ventilation and Air Conditioning (HVAC) systems, water management systems, security systems and the most efficient power and lighting systems. We have incorporated concepts of porous pavements, natural vegetation and the building position to make use of the sites natural landscape, natural lighting, and natural plant life cycles to reduce facility maintenance and operational costs. The building contents incorporate state of the art recycled products creating an eco-friendly environment of simplicity and beauty. Offices have no doors leading to a highly professional atmosphere that lends itself to reducing energy costs for heating and air. Our building construction and sustainable building system efficiencies are just a reflection of our environmental dedication and stewards to reduce, reuse, and recycle.

Quality products and on time delivery are bare minimal requirements for supplier selection. We believe in selecting our key suppliers based on quality product performance, on time delivery, sustainable efforts to reduce, reuse, and recycle; additionally, supplier's selection is based on their ability to provide product expertise, clean technologies and transportation while streamlining communications. Current key supplier sustainable efforts aid with clean product initiatives, product traceability, reclaiming packaging and materials, while aiding in the design and development of sustainable supplied product initiatives and providing software integration systems to accommodate purchase order requisitions, invoicing, and payment acquisition's. We hold and participate in biennial supplier summits where we review key business actions for key supplier improvement actions.

We inspire sustainability to our clients by offering traceability of natural resources to insure that they are buying paper products from a responsible source, backed by third party certification auditing. We recommend and provide alternate material usage or design ideas based on our client needs; aiding in a clean material selection for downstream product sustainability, minimizing the impact our products, production processes and the facilities have on the environment. Our Group reclaims packaging materials for reuse from our clients.

We have created a client web-based system to improve efficiency, streamline, and simplify communications, while providing flexibility for clients to manage all facets of an order: from order conception, to artwork management, through product inventory control and release of product. The web-based communication system reduces air pollutants and conserves raw energy associated with standard or specialized shipping practices for artwork submissions, artwork approvals, order management and requisitions. Additionally, client's benefit thru time management, ease of doing business, while reducing communication challenges with direct access twenty-four hours a day. The Group encourages, promotes and supports client access to information thru our direct web-based communication system for an exceptional client experience from order to inventory management and the ease of invoice review.

The group uses lean concepts and teams with defined policies and process controls to aid with change initiatives throughout our business processes. The members are committed to and follow our environmental initiatives to include:

- waste and raw material reduction; through the practices of reducing, reusing and recycling
- scrap management; through the reusing, recycling and exchanging of components, material and equipment
- energy management; through energy efficient lighting, power management and facility design and layout
- continued education; through the change management system and encouragement of group members to practice environmental stewardship at work and at home
- verification and validation; through periodic reviews and audits to ensure that our Group remains environmentally focused on continuous improvement

Environmental stewardship is not talked about, it is lived. Along with our Silver Certified LEED™ building we have received an environmental leadership award, Green Master Program, from Wisconsin Sustainable Business Council for our sustainable and environmental efforts. We are certified as a Fiber Sourcing and Transfer Systems from Sustainable Forestry Initiative® (SFI®), and Forest Stewardship Council® (FSC®) respectively. We have submitted for our LIFE Certification (Label Initiative For the Environment) our EMS equivalence certification and are currently under a "Provisional status while awaiting the audit to be conducted.

Future environmental objectives and goals are to divert 85% of our waste stream from the landfill, focus on energy reduction within our production operational areas, i.e., equipment, process controls, etc. and reduce spoilage to 9% across product types. To insure that the Lauterbach Group meets or exceeds all the environmental legislation as related to business practices and activities.