

ATTACHMENT II

GENERAL INFORMATION:

Phillips Plastics Corporation opened its first production facility, later to be identified as Custom I, in 1967 in Phillips, WI. This facility has a wide variety of capabilities ranging from small parts molding, insert molding and custom molding, painting, to in mold decorating/labeling and lens molding/decorating. Throughout the years this building has been expanded a multiple times to accommodate the growing business/markets. In 1999, Phillips Plastics expanded its operations into a new state-of-the-art production facility known as Custom II also located in Phillips, WI on neighboring property. The Custom II plant provides services for medium to high volume injection molded components and assemblies. Together, these facilities have over 210,000 square feet of space with more than 87 injection molding machines that range from 7 to 925 tons. The facilities serve medical, defense, automotive and consumer markets.

The Custom facilities dedication to environmental excellence has successfully established our commitment and sustained certification to the ISO 14001 environmental management system standard since 2001. Our EMS efforts originally began by educating all employees regarding environmental stewardship and performance. Using the acronym **FACE** Phillips Plastics aligned the ideas of the corporation to support the efforts of employees by **F**ollowing Laws, **A**voiding Pollution, **C**ontinuous Improvement and having respect for our **E**nvironment. This educational process has generated many different ideas and methods to improve our environmental performance in meeting our goals of environmental protection. Today, we annually refresh our environmental training with all employees and contractors by challenging them to continually generate new ideas.

OBJECTIVES/TARGETS:

The facilities currently have ISO 14001 certification under a corporate certification. Our current corporate objectives center on the following primary topics: (1) Waste Reduction, (2) Energy Reduction, (3) Involvement (4) WI Green Tier Participation. These topics are addressed with the following objectives:

Topic	Objective
Waste Reduction	Minimize pollution impact through proper waste disposal/recycling
Energy Reduction	Reduce energy consumption via energy reduction projects
Involvement	Increase overall awareness of recycling efforts and energy reduction to solicit new ideas
Wisconsin Green Tier	Evaluate and attempt to achieve Green Tier status

FACILITY SUPPORTING RESULTS:

The Phillips Plastics Custom facilities are committed to the achievement of their EMS objectives and targets through the implementation of a number of environmental projects aimed at reduction of waste and energy use, involvement of our employees in our environmental activities and achievement of Green Tier status.

Waste Reduction:

Phillips Plastics Custom recycling efforts have reduced non-renewable resources of solid waste generation. The people of Phillips Plastics Custom facilities have and will continue to put a lot of effort into collecting, sorting, and recycling. The following table provides a summary of universal/general wastes generated/recycled at the Custom facilities in 2008:

Recycle Stream	Amount in FY08
Paper / Cardboard	200 yds³
Plastic Production Scrap	355,543 lbs
Metal	90,815 lbs
Aluminum	1,944 lbs
Spent Lamps/Bulbs	236 bulbs
Spent Batteries	16 lbs

Other successes that involve recycling include the proper recycling of electronic equipment (computer and related equipment), the use of recycling copy machine paper, recycling of printer cartridges and cell phones, and more. Past ideas for waste reduction have included implemented projects such as waste compactors, cardboard compactors, recycling centers and other projects. A mixed plastics recycling stream was recently set up at the facilities as a result of recent Green Tier ideas generated by other facilities.

Another example of our commitment to waste reduction was to decrease the overall permitted air emissions for one of our facilities. In 2007/2008, Phillips Plastics Custom I facility took steps to voluntarily revoke its traditional air pollution permit in order to obtain a Type A Registration Operation Permit. This has reduced the Custom I plant's VOC (Volatile Organic Compound) emissions limit from 100 tons/year to 25 tons/year. It has also decreased the allowable HAP (Hazardous Air Pollutant) emissions limit from 25 tons/year to 2.5 tons/year individual (or 6.25 tons aggregate HAP's).

Energy Reduction:

In 2008 several energy reduction projects were implemented at Phillips Plastics Custom facilities. These projects include the installation of LED dock lights and EXIT signs, motion sensors to turn lights on & off when not in use, and replacement of metal halide lights and T-12 lights with energy efficient T-8 fluorescent fixtures. These new fixtures provide us much more illumination with substantially less energy consumption. The following tables demonstrate the energy savings that resulted from these projects.

Custom I Lighting Project – Greenhouse Gas Reduction Table

EPA Web Page (Conversion of kWh to CO2 Reduction) <http://www.epa.gov/cleanenergy/energy-resources/calculator.html>

kWh Reduction	578,446	kWh
CO2 Reduction	415	tons

Equates to:

76	Passenger cars not driven for one year
47,153	Gallons of gasoline consumed
966	Barrels of oil consumed
6	Tanker trucks filled with gasoline
10,652	# of tree seedlings grown for 10 years
94	Acres of pine forest storing carbon for one year
3	Acres of forest preserved from deforestation
17,309	Propane cylinders used for home barbeques
2	Railcars of coal burned
143	Tons of waste recycled in lieu of landfilled.

The removal of the various old lighting systems resulted in the recycling of generated wastes. An additional positive note that occurred as a result of the lighting project was the elimination of potential PCB ballasts from the facility (old T-12 lighting fixtures). The following table provides a highlight of the results:

Recycle Stream	Amount
Metal Halide	209 bulbs
Fluorescent	635 bulbs
Potential PCB Ballasts	2,312 lbs

In 2009, the Phillips Plastics Custom facilities will continue to achieve superior performance through our continuous improvement processes. The company has allocated resources to the following energy reduction projects that will result in 418,919 kW of energy savings (equates to 302 tons of CO2 reduction) as a commitment to this effort.

Facility	Project	Potential kW Savings
Custom I	Installation of a flow control valve, a 1,040 gallon of compressed air receiver vessel capacity and dedicating piping from the compressor to regulate the flow of the plant.	119,279
Custom II	Installation of 2,480 gallons of compressed air receiver vessel capacity and a primary flow control valve to regulate the flow of the plant and a 100 hp compressor.	219,113

Custom II	Installation of motion sensors in the basements of the facility.	42,158
	Change of 66+ 100w exterior flood lights with energy efficient PAR lights.	24,572
	Installation of a new type of battery charging station for our electric forklifts that uses high frequency and minimizes charging time from 8 hours to 2 hours, thus, considerably reducing electricity use.	13,797

Involvement:

At Phillips Plastics Custom facilities, we encourage our employees to generate new ideas to continuously improve our environmental performance. We also annually refresh our environmental training with all employees and contractors.

Furthermore, we educate our employees on how to be environmentally friendly not only at work but in their personal homes. Examples of such efforts include the postings with interesting environmental facts that we put up throughout the facilities as well as our Energy Education Centers that were set up at the Custom facilities with the help from the WI Focus on Energy program.

In cooperation with Wisconsin Focus on Energy, we have established Energy Education Centers throughout the Phillips Plastics Custom facilities to provide our employees with information on numerous energy efficiency and renewable energy tips and ideas for their homes. Many employees have great ideas to improve environmental performance and through this extended outreach, several environmental improvement ideas have been generated. This was done in conjunction with our various facility energy improvement projects to help foster energy improvement concepts both on and off the job.

Environmental planning is part of our day-to-day business operations. Our EMS system includes an environmental review for all new projects that come into our facility and even for each new part that we will manufacture. This ensures that a regulatory review has been conducted to ensure proper handling of any hazardous waste, air, or water emissions that could be generated. A solvent recovery still project was proposed as a result of this involvement.

This solvent recovery still system will help the facility to recycle and reuse solvents from its painting processes. This equipment was recently purchased and has already arrived at the Custom I plant and will be installed in 2009. We will be able to minimize hazardous waste disposal and will have the generator status changed from a large quantity generator to a small quantity generator of hazardous waste or potentially even conditionally exempt.

We will also continue to annually audit our EMS system to ensure that we are moving forward in the right direction. We will continue to challenge our employees to provide their

input and work with them to implement their ideas. Attachment III provides further detailed descriptions of these topics.

Other efforts to expand the emphasis on environmental stewardship of our employees include our annual tree/shrub giveaway in recognition of the Earth Day. To date the Custom facilities have provided over 1,586 trees and shrubs to our employees to help “green” our world.

Year	# of Plantings
2006	482
2007	598
2008	506

Wisconsin Green Tier:

We are in the process of preparing an application into the Green Tier program for our Phillips Plastics Custom I & II facilities. Achievement of Green Tier status will be an important accomplishment for the Custom facilities and will publicly recognize our dedication to exceptional environmental performance. We have been educating our employees about the benefits of the program for the facilities and the significance of this achievement to the Phillips Plastics Custom plants.

SYNOPSIS:

Our focus will continue to reduce the overall environmental footprint and maintain compliance with various environmental standards. In closing, Phillips Plastics Custom I & II facilities recognize that we could not do all that we do for the environment without our environmental partners. These individuals and organizations are listed in Attachment IV. Support of our partnership is enclosed.

For additional detail, please contact Mark Kind at 715-339-2161. Thank you for consideration of Phillips Plastics Custom I & II facilities to achieve WI Green Tier, Tier I Participant status.