

ATTACHMENT II

Phillips Medical injection molds plastic components and assembles medical and pharmaceutical delivery products in three buildings on our 32 acre Menomonie Campus. Phillips Medical's dedication to environmental excellence has successfully established our commitment and sustained certification to the ISO 14001 environmental management system standards since 2001. Our efforts began by educating all employees. Using the acronym "FACE"; Phillips Plastics aligned the ideas of the corporation to support the efforts of employees by, Following laws, Avoiding pollution, Continuous improvement and to have respect for our Environment. This education 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. Our current focus, objectives and targets, center on the following: (1) Increased employee awareness, (2) Reduction of Land Filled waste and Increased Recycling; and (3) Reduced Energy Consumption.

Our efforts to expand the knowledge base of our employees include our annual tree/shrub giveaway in recognition of Earth Day. To date, Phillips Medical has provided over 1,350 trees and shrubs to our employees to help "green" our world. To expand our energy reduction efforts beyond our doors, Phillips Medical helped sponsor a "Change – 12" light program. This program offered up to 12 compact florescent light bulbs for our employee's homes. 1,330 light bulbs were sold through the facility in 2007 and the proceeds were donated to a local chapter of the American Diabetes Association. Other home energy ideas; such as free home energy audits were given away in a prize drawing to employees at our Safety, Health, and Environmental Fair in partnership with WI Focus on Energy Home Performance Program. More ideas are in the works for this facility to help our people generate energy savings ideas for both on & off the job.

Our efforts have reduced non-renewable resources of solid waste through measurable processes of recycling. The people of Phillips Medical put a lot of effort into collecting, sorting, and recycling the following:

Recycle Stream:	Amount in FY07
Paper and Cardboard	1161 cubic yards
Lunchroom Co-mingled recycling of glass, aluminum and tin cans, and plastic containers	144 cubic yards
Production Plastic, including: Plastic bags/shrink wrap Bouffants and beard guards Production part sprew/scrap/purge/runners	227,055 pounds
Oil and Antifreeze	2575 gallons
Batteries	72 pounds
Fluorescent Bulbs	544 bulbs
Metal Halide Bulbs (all were phased out in 2007)	78 bulbs
Non-PCB ballasts	95 pounds
Metal from: Tool room Retired production tools Production metal (purchased component scrap)	20,130 pounds

Other successes that involve recycling include the proper recycling of electronic wastes (computers and related equipment), the use of recycled copy machine paper, wood pallets, and the recycling of printer cartridges and cell phones, styrofoam peanuts, and more.

In cooperation with Wisconsin Focus on Energy Phillips Medical has implemented several energy reduction projects. These include the installation of LED exit lights, motion sensors to turn lights on & off when not in use, light level sensors in our hallways to take advantage of natural lighting, and the replacement of metal halide lights with energy efficient florescent fixtures. These new fixtures provide us much more illumination with substantially less energy consumption. Additionally, we are in the process of a building expansion and all building chiller, heating and cooling systems have been specified for their superior environmental performance and energy savings. A summary of all completed projects and /energy savings of those projects is included in attachment V.

Environmental planning is a part of our business operations. Our EMS system includes an environmental review for all new projects that come into our facilities 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. This review also ensures that we identify which plastics recycle stream any scrap that is generated with that new part should go in to. An environmental review is also done with each new piece of equipment that is installed. All information from these reviews is documented in our quarterly review meetings and discussed twice a year at our management review meetings.

Going forward, the Phillips Medical organization will continue to achieve superior performance through our continuous improvement processes. Our focus will remain on reducing our environmental footprint and on maintaining complete compliance with the environmental standards that we are held to. We will 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 helps to describe further detailed descriptions of these topics.

In closing, Phillips Medical recognizes 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 Jeri Aasen at 715.232.4669.

Thank you for consideration of Phillips Medical in receiving the WI Green Tier, Tier I Certification.