

## ATTACHMENT II

Phillips Metal Injection Molding injection molds a material that is a combination of plastic impregnated with metal particles. The molded components are then sent into a debind process in which the parts are heated and a catalyst is introduced. The catalyst causes the long chain hydrocarbons in the plastics to unzip uniformly removing approximately 90% of the plastic from the parts. The parts are then sent through a sintering process in which they are heated to very high temperatures, removing the remainder of the plastic and causing the metals to come together on a molecular level. The result? High precision stainless steel components!

The Metal Injection Molding facility is located on our 32 acre Menomonie Campus. Phillips Metal Injection Molding'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.

The debind portion of our manufacturing process produces formaldehyde gas, one molecule for every hydrocarbon that is unzipped from their long chains. Formaldehyde is a hazardous air pollutant. The Metal Injection Molding worked with the WI DNR to obtain an air operating permit. They have operated under an air permit since the beginning of operations at this facility in 1998. Recently we were able to change our air operating permit type to a Registration Operating Permit (ROP). The flexibility in the ROP that we were granted comes with the responsibility to continue to do the right thing. It is with pride that we maintain our air emission control technologies to reduce our emissions of formaldehyde by 99%.

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. Other efforts to expand the knowledge base of our employees include our annual tree/shrub giveaway in recognition of Earth Day. To date, Phillips Metal Injection Molding has provided over 242 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. 150 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.

Recycling efforts have reduced non-renewable resources of solid waste generation. The people of Metal Injection Molding put a lot of effort into collecting, sorting, and recycling the following:

Recycle Stream:	Amount in FY07
Paper and Cardboard	8.4 cubic yards
Lunchroom Co-mingled recycling of glass, aluminum and tin cans, and plastic containers	96.5 cubic yards
Production Scrap – segregated into grades of stainless	14,432 pounds
Oil and Antifreeze	55 gallons
Fluorescent Bulbs	121 bulbs
Metal Halide Bulbs (all were phased out in 2007)	35 bulbs

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 Metal Injection Molding 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, and the replacement of metal halide lights with energy efficient fluorescent fixtures. These new fixtures provide us much more illumination with substantially less energy consumption. A summary of all completed projects and /energy savings of those projects is listed below.

### Energy Reduction Projects

Plant Area	Type of Project	Project Description			Maintenance Savings	Rebates Applied \$	Project Costs
			kWh	\$\$\$			
Vending Area	Vending	Install Energy Star Machines with Controls (1,700 kw/year per machine)	1,700	\$103.70	NA	NA	\$0.00
All Interior Plant Area	Lighting	Replace metal halides with fluorescent fixtures.	243,990	\$14,883.00	\$4,060.00	6904.5	\$23,106.00

### MIM Lighting Project - Greenhouse Gas Reduction Table

EPA Web Page (Conversion of kWh to CO<sub>2</sub> Reduction) <http://www.epa.gov/cleanenergy/energy-resources/calculator.html>

kWh Reduction	243,990	kWh
CO <sub>2</sub> Reduction	190	Tons

U.S. Climate Technology Cooperation Gateway (Conversion of CO<sub>2</sub> reduction to realistic measures)  
<http://www.usctcgateway.net/tool/>

#### Equates To:

<b>37</b>	Passenger cars not driven for one year
<b>19,632</b>	Gallons of gasoline
<b>401</b>	Barrels of oil
<b>2.31</b>	Tanker trucks filled with gasoline
<b>22</b>	# of Household electrical usage for one year
<b>4420</b>	# of tree seedlings grown for 10 years
<b>144</b>	Acres of pine forest storing carbon for one year
<b>1.41</b>	Acres of forest preserved from deforestation
<b>7182</b>	Propane cylinders used for home barbeques
<b>0.88</b>	Railcars of coal burned
<b>58</b>	Tons of waste recycled instead of landfilled

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. 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 Metal Injection Molding organization will continue to achieve superior performance through our continuous improvement processes. Phillips Plastics' focus will remain on reducing Metal Injection Moldings' environmental footprint and on maintaining complete compliance with the environmental standards that they 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 Metal Injection Molding 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 Metal Injection Molding in receiving the WI Green Tier, Tier I Certification.