



**Precision Machine Inc.
1604 Mueller St.
Algoma, WI 54201**

2015 Green Tier Annual Report

Precision Machine Inc. applied for the Green Tier program in March, 2013 and was formally accepted into the program as a Tier 1 participant on April 15, 2013.

Precision Machine Inc. is located at 1604 Mueller St. in Algoma, WI and currently employs approximately 60 people. Precision Machine Inc. is an industry leader in value added machining. Our Sustainability Goal is to not only provide products that are environmentally sound throughout their life cycles but also continually strive to become a better steward in protecting our environment while conserving energy and natural resources.

ENVIRONMENTAL COMPLIANCE

On April 23, 2013, Precision Machine Inc. had a Phase II Environmental Site assessment conducted by Mach IV. (Project Number 0548-03-13) Mac IV concluded that there was no evidence of environmental concern, but did give recommendations for best practices. Precision Machine Inc. has addressed each of the recommendations and now continues to follow those recommendations.

On August 20, 2015 Precision Machine Inc. had an independent Certified Environmental Consultant perform a Baseline Environmental Audit for Legal and Other Requirements.

On October 22, 2015, Precision Machine Inc. obtained ISO 14001: 2004 Certification.

EMPLOYEE EDUCATION AND AWARENESS

Precision Machine Inc. has an Environmental Committee. The committee's goals are to:

- Reduce our Environmental Impact
- Pursue additional Energy Reduction ideas
- Find additional Recycling avenues
- Educate our employees on their environmental impact at work and at home
 - Precision Machine Inc. has monthly meetings with our employees to discuss and train on Safety and various Environmental topics.

LANDFILL AVOIDANCE/RECYCLING TOTALS

As part of the company's strategic sustainability plan, our facility has focused on an effort to reduce the amount of waste sent to the local landfill. In working toward this goal, our facility has partnered with several local recycling companies.

During 2015, Precision Machine Inc. had 660,113 lbs. of Total Waste. 622,673 lbs. (or 311 tons) of this waste has been recycled or reused.

This has resulted in a "Landfill Avoidance Percentage" of 94.33%.

In 2015, Precision Machine Inc. reduced the amount of “Bubble Wrap” used in the Packaging & Shipping Department by 55%. This was accomplished by purchasing a Corrugated Shredder. The Shredder converted empty corrugated boxes, (which previously cost money to send to a recycler) into “free” large-volume filler material suitable for packing sensitive goods for transport. The corrugated boxes are simply cut to the required format in the preliminary cutter. The strips are then fed into the inlet where specially patented cutting shafts turn them into bulky packing mats.

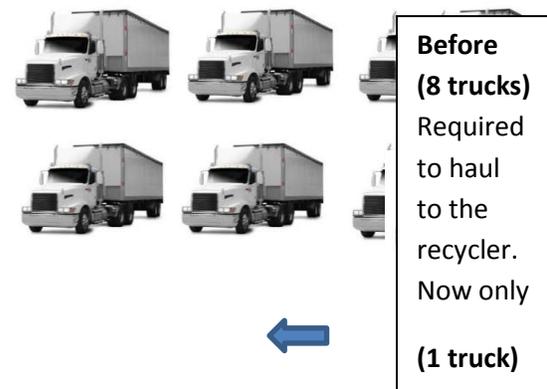


INNOVATION

Pucker:

In 2015, Precision Machine Inc. designed and built an apparatus that can compact the waste curlings from our process into a “puck” that is 8 times as dense as the loose material. This has allowed us to:

- Save costs on shipping to the recycler (see below)
- Provide a more refined product to our recycler by extracting nearly all of the cutting fluids from the waste curlings.
- Reclaim and recycle the cutting fluids.



ENERGY REDUCTION:

Our energy conservation program has included such facility improvements as motion sensors for lighting in offices and bathrooms, facility electrical upgrades, purchasing new, more efficient equipment, making building/equipment improvements in heating and cooling, scheduling Annual Air Leak Detection Studies to eliminate air leaks and reduce load on air compressors, and following recommended preventive maintenance schedules on our CNC machines to keep them running efficiently.

- Our company grew in the past year and our production/sales increased by 15.4 % from 2014 to 2015. Our electrical usage did show an increase. This was partly due to the startup of a weekend shift.
 - Our electrical usage increased by 27.0%.
 - 2014 – used 689,888 kWh 2015 – used 876,276 kWh
 - Our water usage increased by 12.0%.
 - 2014 – used 159,800 gal. 2015 – used 179,000 gal.
 - Natural Gas usage in 2015 increased by 15.6 %.
 - 2014 – 11,045 therms 2015 - 12,767 therms

2015 Projects

1. Built a “Pucker” to compact scrap metal and reduce transportation costs to deliver scrap to the Recycler.
2. Obtained ISO 14001: 2004 Certification.
3. Conducted an Air Leak Detection Study throughout the facility and corrected all air leaks that were found.
4. Purchased two “Brother” Milling Machines to replace two “Haas” machines. The Brother machines reduces the footprint of our machines by 40%, increases throughput by 40%, and reduces energy consumption by 80%.
5. Had a Baseline Environmental Audit of Precision Machine’s facility by a Certified outside Environmental Firm and had them prepare a summary of the facility’s Legal and Other Requirements.
6. Replaced an old Air Conditioning Unit with a new “Energy Efficient” Air Conditioning Unit.

2016 Planned Initiatives

1. Conduct Infra-Red scan of all electrical panels.
2. Conduct an Air Leak Detection study throughout the facility and correct all air leaks that are found.
3. Reduce the amount of paper usage per Sale’s Dollar by 10%
4. Reduce the amount of “Bubble Wrap” usage per Sale’s Dollar by 10%. (Corrugated Shredder)
5. Replace present fluorescent lighting in building with more efficient LED lighting.
6. Facilitate a “Tree Planting Program” to offset our Carbon Foot Print of Paper Usage. Precision Machine Inc. will purchase the trees and Precision Machine’s employees will plant them.