



**Stericycle, Inc. – Sturtevant Facility
14035 Leetsbir Road
Sturtevant, WI 53177**

2014 Green Tier Annual Report

Executive Summary

Stericycle, Inc. was accepted into the Green Tier program on September 13, 2007. The Green Tier program has given Stericycle the opportunity to emphasize the importance of reducing and eliminating environmental impacts when making planning, purchasing, and operating decisions and to promote an appreciation of the environment and a positive health and safety culture.

Stericycle's core business consists of the collection, treatment and disposal of healthcare and related wastes. The Sturtevant Facility utilizes an Electro Thermal Deactivation (ETD) treatment system. The ETD process uses an oscillating field of low-frequency radio waves to heat the waste to temperatures that destroy pathogens without melting any plastic content. The ETD process does not produce any regulated air or water emissions, and also reduces waste volume. The Sturtevant Facility processed over 23,000,000 pounds of waste in 2014.

During September 18th and 19th of 2013 we were audited by Perfect Environmental Performance, LLC. The results of the audit was that our Environmental Management System is in substantial conformance with the 15 requirements found in 299.83 of the Green Tier Program. There were no major or minor nonconformities identified during the audit.

The Stericycle Green Tier team developed and focused on the following goals in 2014:

- Implement the process of recycling corrugated boxes used during the transport of medical waste.
- Utilizing Roadnet we wanted to reduce miles driven and fuel consumption by 5%.
- Utilizing Xata Net we wanted to reduce idling times by 5%
- Replace facility dock door cushion seals. With the replacement of cushion seals we estimate a 15% reduction in natural gas usage.

Environmental Performance

Transportation – Diesel and CO₂ Air Emissions

With the increasing cost of fuel Stericycle has focused heavily on identifying telemetry fuel reduction programs. As we evaluate programs we continue to focus on route efficiency, fuel reduction as well as driver performance. The first pilot program did not meet our expectations, as a result the choice was made not to proceed with implementation.

Stericycle Sturtevant facility implemented a new software pilot program in June of 2012. For all of 2014 we utilized Roadnet software and we saw 5,200 gallons of fuel saved or a reduction of 2.5%. Another part of this software was routing efficiency and we had a reduction of 10,000 miles saved or a 5.5% improvement.

Also by implementing Xata Net there has been a 6% improvement in idle emission over our baseline period.

The Sturtevant facility continued to operate four hybrid box trucks. We saw a 2.3% increase in miles per gallon with the hybrid units. The hybrids averaged 7.37 MPG's where as the diesel units operated at 7.2 MPG's in 2014. Stericycle leases its vehicles allowing the company to benefit from new technologies in engine performance and emission controls. We will not be utilizing these vehicles in 2015 as the lease had expired.

Wastewater Treatment

The Sturtevant facility saw a decrease in wastewater transported offsite for solidification from 52,850 gallons in 2013 to 42,200 gallons in 2014 or a 20% reduction.

We continue to evaluate wastewater treatment technologies that will allow the reuse of treated wastewater. Our Field Support Team is looking at ways to adjust the pH of our wastewater to eliminate loads being sent to the landfill for solidification.

Energy Consumption

Electricity

The Sturtevant facility saw an increase in electricity usage in 2014. The facility showed an increase from 1,882,400 kwh in 2013 to 2,200,320 in 2014 equating to a 14.4% increase.

Gas

Gas consumption increased by 31.8% from 124,138 Therms in 2013 to 182,149 Therms in 2014. Gas is used primarily for heating, air conditioning and boiler usage.

The Sturtevant facility continues to benefit from the installation of large overhead circulation fans. As a result, several Stericycle facilities across the country have also implemented large fans. The fans continue to be beneficial in employee comfort during winter months and have been instrumental in cooling the facility during the summer.

Pharmaceutical Collection and Disposal Program

In 2014, Stericycle's Wisconsin pharmaceutical collection and disposal programs collected approximately 450,660 pounds of pharmaceuticals from the Wisconsin healthcare industry representing a 18% increase from 2013. Stericycle's pharmaceutical collection and disposal programs are instrumental in managing the emerging threat of pharmaceutical contamination to surface and groundwaters in the state of Wisconsin; diverting pharmaceutical wastes from landfills and publically owned treatment works; training healthcare industry staff on proper pharmaceutical disposal; and providing for pharmaceutical destruction via the best available technology. Moreover, Stericycle's program uses re-usable containers, which provides the secondary benefit of keeping thousands of plastic collection containers out of landfills, as discussed in the following section.

Recycling Program

Stericycle's Sharps Management Service program reduces environmental impact by decreasing the number of disposable containers that are sent to landfills. Each container that we clean, disinfect and reuse for customers reduces the number of disposable containers sent to Wisconsin landfills. In 2014 the Sturtevant facility diverted 2,917,167 pounds of plastic, an increase of 1.6% from 2,868,364 pounds in 2013.

Stericycle's Integrated Waste Stream Solutions (IWSS) program provides sustainable solutions for managing all hospital waste streams. The IWSS program was made available to Wisconsin Hospitals in late 2011. The program diverted over 5,243,705 pounds of recyclable waste in 2014 compared to 4,711,984 in 2013 an increase 10.1% from going into Wisconsin landfills.

Additionally, in 2014, the Sturtevant facility recycled 5,997.82 pounds of plastic containers and lids from unsalvageable medical waste and reusable sharps units. This was an increase of 24% from 4,533.2 pounds in 2013.

Community Outreach

The Sturtevant facility continued its Sharps Collection Program in 2014. The Sharps Collection Program is advertised and offered to the local community. The program allows local residents to drop off properly packaged used needles and syringes at the facility for proper disposal.

The Sharps Collection Program helps reduce exposure to bloodborne pathogens that may otherwise pose a risk at local recycling centers or solid waste landfills. The program received 53.0 pounds of used sharps from local residents in 2014 an increase from 31 pounds received in 2013.

Stericycle also made the following donations to local organizations:

- \$3000 City of Union Grove-Yorkville Fire Department.
- \$150 Union Grove High School
- \$1,106.10 Toys For Tots
- \$150 Polar Plunge Wisconsin Special Olympics
- \$150 Safe Harbor Humane Society
- \$200 National MS Society
- \$250 Bronco Boosters
- \$250 JDRF Walk
- \$100 CWS/Crop Walk

Green Tier Goals for 2015

Our goals for 2015 include, but are not limited to, the following:

- Recycling of medical devices.
- Adjust wastewater pH to eliminate any loads being solidified at the landfill.
- Replace facility dock door cushion seals. With the replacement of cushion seals we estimate a 15% reduction in natural gas usage.
- Utilize Xata Net more to reduce idle times by 5% more.
- Implement Phase 2 of Road Net to reduce the miles driven and fuel consumption by another 5%.
- Look into reclaiming the indoor air during the winter months to help with reducing heating costs.