



2014 EMS ANNUAL REPORT

Continually Improving Environmental Performance at Empire





Empire Screen Printing 2014 EMS Annual Report

Fiscal Year: October 2013 to September 2014

OUR COMPANY MISSION

At Empire, we are dedicated to being a cutting-edge print supplier. We create custom products that enrich our customers' brand and identity by providing a friendly, knowledgeable customer experience every time.

OUR COMPANY VISION

Empire is customer focused. We listen to both our internal and external customers and look to improve based upon their input. Through relentless pursuit of customer satisfaction, we work to grow our customer base and make our company strong. We develop our people by investing in education and training to empower them to make improvements to the products, services, processes and themselves. We concentrate on implementing sustainable production methods that are environmentally safe to protect our planet for future generations.

OUR CORE VALUES

Respect • Integrity • Responsibility • Continual Improvement • Knowledge • Excellence



Empire Screen Printing EMS Annual Report [Supplement]

Fiscal Year 2014 | October 2013 – September 2014

TABLE OF CONTENTS

Executive Summary	4
Our Environmental Vision (Sustainability Policy)	5
EMS Audit Report	6
Objectives and Targets / Results	7
Our Environmental Performance	9
Environmental Performance Usage Comparison	10
Creating Awareness	11
Significant Accomplishments	13
Annual Environmental Improvement Goals.....	14
Conclusion: The Road Ahead	15

executive summary

Due to our initial induction into Green Tier, Empire's first annual report was due July 2014. The report covered the environmental performance of the fiscal year October 2012 to September 2013, with additional information reflecting our progress through July 2014.

As we change the completion date to better reflect our fiscal year only, this 2014 Supplement Report will contain goals and objectives solely within the October 2013 to September 2014 fiscal year. There will be some overlap from our previous report.

Moving forward, our 2015 Annual Report will be submitted in December 2015, after completion of our accounting numbers and year-end information.



our environmental vision

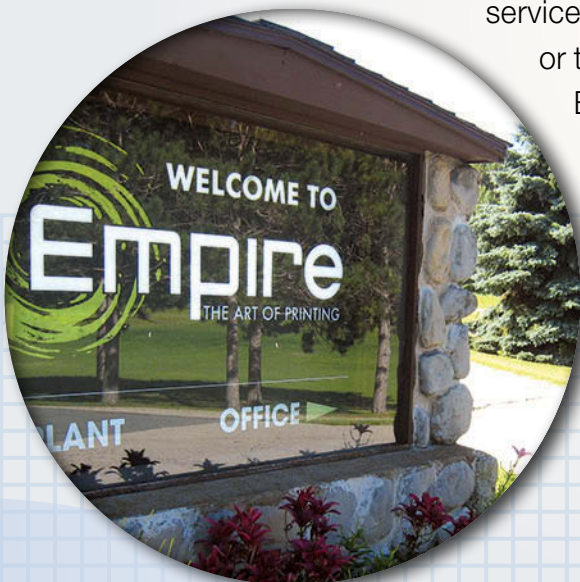
Empire's *Focus* is providing our customers with products and services that produce sustainable results and business practices. Through our relentless pursuit of customer satisfaction we will grow Empire's customer base and strengthen our company. We will strive to improve our process by listening to our customers, collaborating with our business partners and developing our people through education and training. Our employees will be empowered to continually make improvements to the process, their work environment and themselves. We will develop production methods that implement sustainable environmental, health and safety (EHS) practices into all aspects of our operations.

We *Commit* to being compliant with all applicable EHS and labor regulations (Federal and State). We will continue to implement programs and procedures in accordance with these requirements.

We *Pledge* to look for new opportunities and innovations that will help enhance and improve our sustainability program beyond regulatory compliance. We will strive to incorporate activities and procedures that will reduce our impact on the environment as well as improving the quality of health and wellness of the employees. We will measure our progress through regular audits and annual reviews.

Empire will *Implement* procedures to target prevention of activities, services or products that may cause harm to human health, safety, or the environment. These procedures will be designed to affect Empire and/or the surrounding community.

We will *Communicate* our sustainability commitment to our employees, vendors, customers and community through educational training and marketing. We will encourage their input on meeting our goals and improving our procedures.





EMS audit report

The main concern for our first internal audit was to verify the process and implementation of our newly-created EMS. The results of our functional equivalency for 2014 was documented in our previous annual report.



objectives & targets ■ 2013-2014

These objectives were introduced in our first annual report (2012-July 2014).
This is an update reflecting the end of our fiscal year.



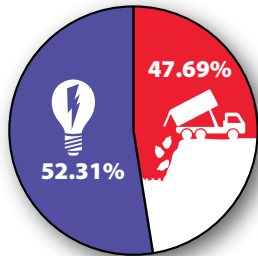
OBJECTIVE #1

Implement a recycling program where our solid (landfill) waste removal is reduced by 50%

By the end of our fiscal year, our landfill waste was reduced from 47.69% to 34.50% (a reduction of 27.66%*), which is currently short of our 50% goal. At this time we are unable to reduce much more until newer material products or recycling methods allow for more recycling.

*Formula Used: $34.50\% \div 47.69\% = 72.342\%$ | $100.0\% - 72.342\% = 27.658\%$ reduction from benchmark

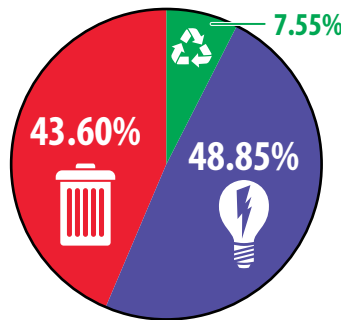
2011-2012*



369.64 Total Tons

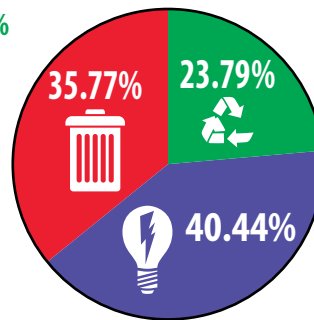
*Recycling program was implemented in April 2012. This graph is the benchmark for our long-term goal.

Oct. 2011- Sept. 2012



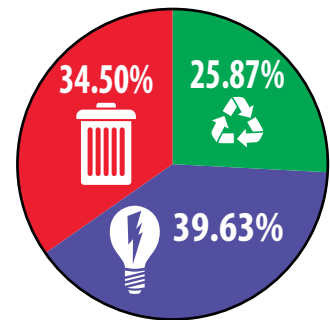
357.7 Total Tons

Oct. 2012- Sept. 2013



370.96 Total Tons

Oct. 2013- Sept. 2014



351.24 Total Tons

Empire Generated Waste

■ Recycled material
 ■ Landfill waste
 ■ Waste to energy

objectives & targets ■ 2013-2014

OBJECTIVE #2

Implement sustainable print methods with equipment that uses UV LED technology



Our objective was to implement this new UV LED technology in three different areas:

1. Retrofit or convert current presses from UV Mercury curing to LED curing technology

Traditional screening can have an annual operating cost of \$34,351* per year. A UV LED press has an annual cost per year of \$658* and does not require additional venting.

A 12x14 3-Color Press was converted in March, 2014. Our return on investment is 2.1 years, with a significant cost savings of \$33,396.

We currently still have 5 presses that print using the traditional screening with Mercury vapor bulbs. Payback and energy savings coupled with falling LED lamp prices will fund future 12x14 press conversions.

**Based on 5,000 hours on a 3-Color 12x14 Press*

2. Convert the Mercury bulb in our CST (Direct-to-Plate) unit to LED

This was completed in May, 2014.



OBJECTIVE #3

Monitor equipment, heating/cooling elements, water and air quality; update/replace as needed for better efficiency &/or per legal and other requirements

Three actions were set for this objective.

1. Replace the 24,000 cfm make-up air unit (Titan) due to age deterioration, rust, poor efficiency and inconsistent performance.

Converting the 12x14 press to UV LED allowed us to replace our current air unit with a smaller, more energy efficient unit. This was completed in May, 2014.

2. Convert the Generator.

Due to legal and other requirements, this conversion was required by May, 2014. It was completed on May 5, 2014 with testing of the air emissions performed in August 2014. Our two generators will now need to be on our air emissions audit.

3. Convert lighting in entire plant.

As of September 2014, we have converted 80% of the T12 bulbs to T8 bulbs. The 1998 building edition is the only area left to complete.



our environmental performance

Performance for the Fiscal Year: 10/2013 – 09/2014

Note: from January 2014 to September 2014, the plant employees worked an average of 7 days/week (with 12 hour weekend shifts), vs. 5 business days/week (24 hour shifts)

demographics

Empire Screen Printing is located in Onalaska, Wisconsin on a spacious 140.58 acre property. The commercial area covers 12.37 acres with a large 150,000 square foot facility, employing 265 people.

Total Sales	\$23,113,635
Money saved because of material or process improvements	\$308,600
Profit of	\$664,351
Multiple between Highest paid and lowest paid employee.....	2
Total Purchases	\$22,346,679
Total In-State Purchases (approximate)	Information Not Available
% of Purchases made from companies participating in Green Tier.....	Information Not Available

energy

Total Electricity used.....	4,020,480 kWh
Reduction from previous year	7.30%
Total Natural Gas used.....	90,452 Therms
Renewable Energy	N/A

water

Total Water used: Empire has 2 water wells – we are not regulated by the city.....	Information Not Available
Water Recycled/Reused	0 gallons/yr
Regulated Pollutants Discharged.....	N/A

air

Total Air Emissions.....	15,847 lbs/yr
Increase from previous year	32.44%
Ozone-Depleting Substances (amount added for fiscal year).....	100 lbs/yr
Reduction from previous year	4.76%
Greenhouse Gas Emissions.....	N/A

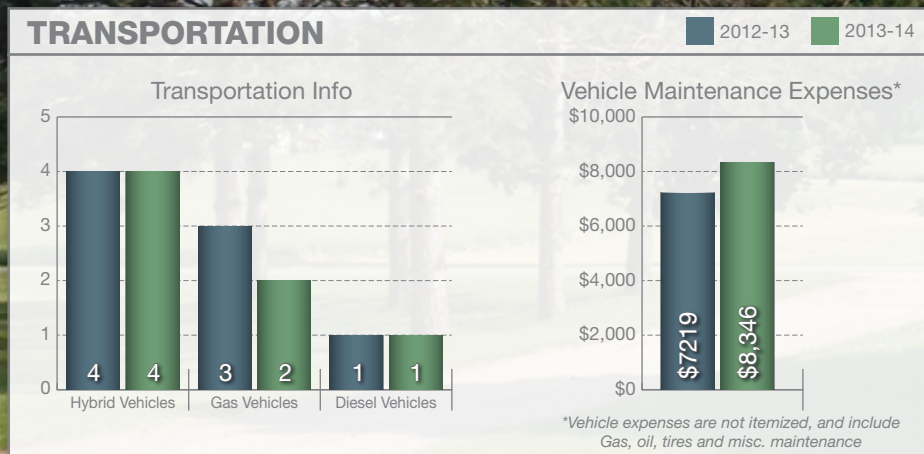
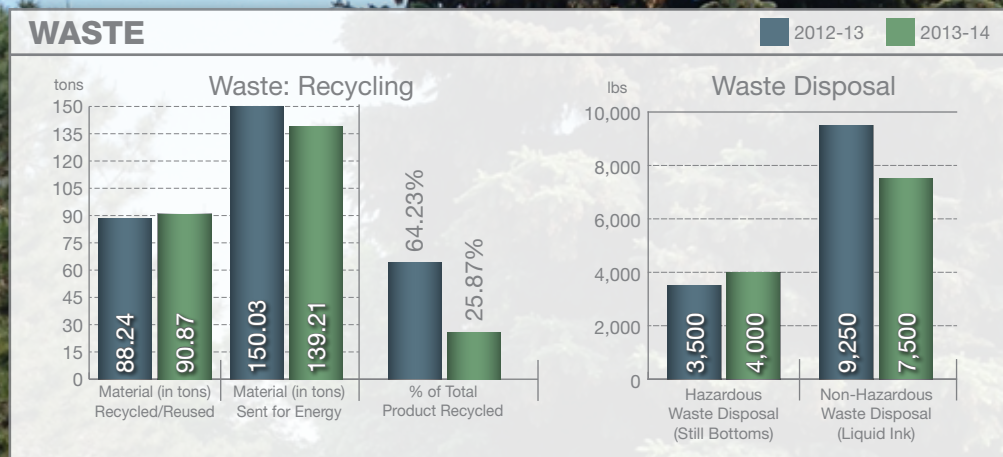
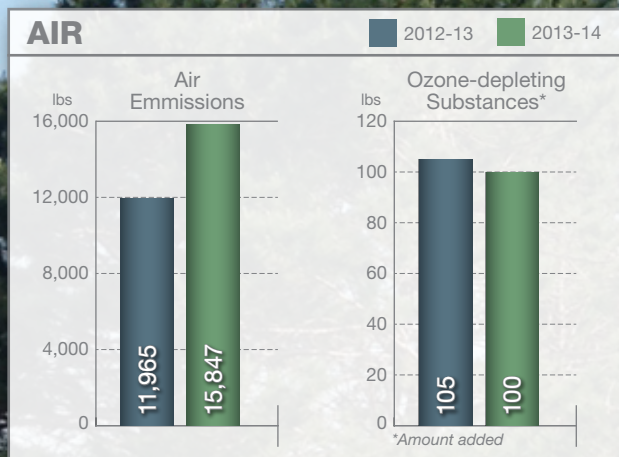
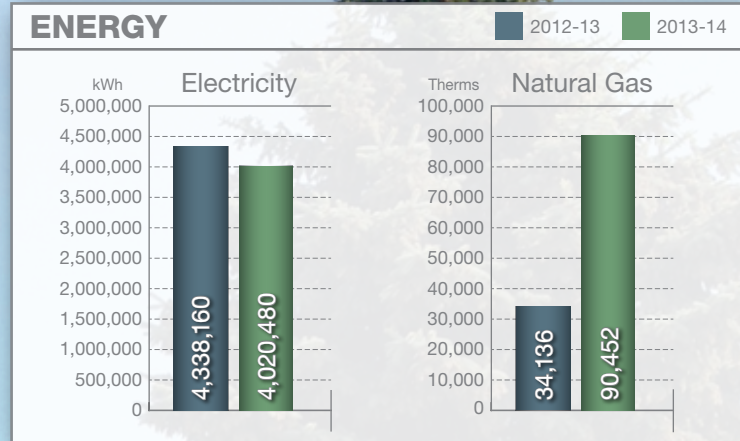
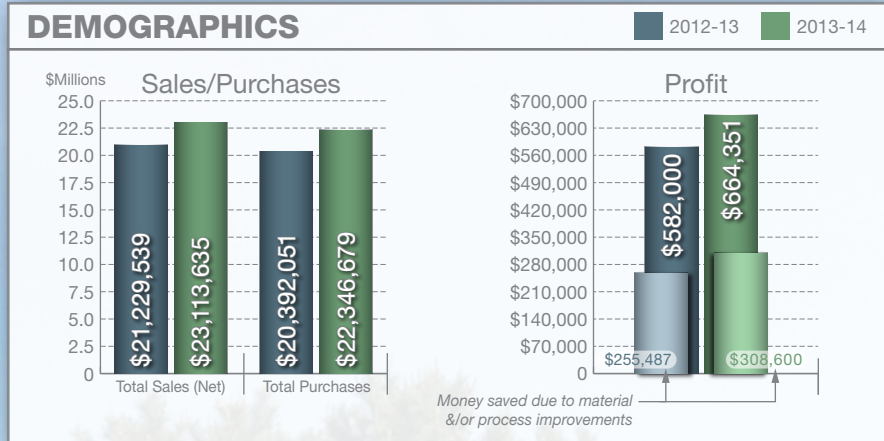
waste

Hazardous Waste Disposal (Still Bottoms).....	8 drums – 4,000 lbs/yr
Increase from previous year	12.50%
Non-Hazardous Waste Disposal (Ink).....	15 drums – 7,500 lbs/yr
Decrease from previous year.....	21.10%
Material Recycled/Reused	90.87 tons/yr
Material sent for Energy Conversion.....	139.21 tons/yr
Recycled/Reused Content.....	25.87% of product

transportation

Hybrid Vehicles	4
Gas Vehicles (includes 1 tractor for mowing).....	2
Diesel Tractor used for mowing and snow removal	1
Vehicle Maintenance Expenses*	\$8,346

*Vehicle expense includes Gas, Oil, Tires, & Misc. Maintenance (not itemized)



Environmental performance usage comparison summary



From January 2014 to September 2014, the plant employees worked an average of 7 days/week (with 12 hour weekend shifts) versus 5 business days/week (24 hour shifts)

creating awareness

NATIONAL SALES MEETING

The 2014 National Sales Meeting Legacy Show took place on July 16-17th, 2014. took full advantage of getting Empire noticed throughout our industry. During the week of the show, a number of our competitors within the GPI (Graphic & Product Identification Manufacturers) industry attended. A total of thirty-two corporate members from seventeen companies registered and took an interest in our "Legacy Show."

This event provided a truly unique and amazing experience for our competitors and customers. They discovered that Empire is the leader in industrial printing by utilizing the most advanced forms of technology and manufacturing techniques available while focusing on environmental and sustainability practices.

The Legacy Show also provided our competitors an opportunity to see firsthand capabilities they may not currently have but their customers have requested. Instead of turning the business away, they can now look to Empire as their printing partner.

"Thank you so much for inviting me to your tradeshow and giving me a plant tour of your facility. I gotta tell ya, very impressive. And the area you live in is awesome. What a great quality of life place.

As I was driving home, I was thinking about the openness you showed by allowing a competitor in. That is one of the nicest things anyone has ever done for me..... showing me the value of trust. It also opened my eyes to the openness theory and how both companies can benefit. I would like you to come out and see our facility if you ever get a chance."

– Butch Kaplan, Central Decal

The term "sales meeting" sounds mundane. However, this year's event seemed anything but that. You expect to see other sales reps, account managers, and marketing teams at an event such as this, but do you expect to see over 65 industry vendors, celebrities, our competitors, our customers, and all of our plant employees?

Everything about our National Sales Meeting Legacy Show was about making connections and building relationships.

2014 NATIONAL SALES MEETING LEGACY SHOW
 EMPIRE SCREEN PRINTING > July 16-17th, 2014 > Onalaska, WI 54650 > USA



Gilbert Brown Super Bowl Winner & former Green Bay Packer



**EMPIRE
 NATIONAL
 SALES MEETING**

**LEGACY
 2014 SHOW**

creating awareness (continued)

STAKEHOLDERS MEETINGS

As part of Green Tier I level of compliance Empire must organize and preside over annual stakeholder meetings. The meetings allow for an opportunity to be held accountable to the tenants of Empire's sustainability policy and program. Both internal and external stakeholders are invited to these meetings, and they may or may not fall within the fiscal year.

Our first stakeholders meeting was held on April 16, 2013. Our second stakeholder meeting was held in March 26, 2014. In attendance were external stakeholders Gabe Nugent (*D & M Recycling*) and Randy Nedrelo (*Deputy Director of La Crosse County Hazardous Waste*). Internal Empire stakeholders present were: Jim Brush (*Owner*), John Freismuth (*President*), Jim Schwinefus (*Vice-President*), Doug Billings (*VP Marketing*), Lee Veith (*Plant Manager*), John Johnson (*Operations Coordinator*), Randy Hoff (*Plant Engineer*) and Jeff Geirot (*Plant Electrician*). The safety committee was also in attendance Jennifer Schloesser, Amy Bettis, Cathy Buttell, Keith Cook, Dale Westaby, and Jay Yehle. External Stakeholder Tom Thompson (*Gundersen Health System Sustainability Coordinator*) was absent.



COMMUNICATION

Communication is the key to success. At Empire, we believe in this approach both internally and externally.

Internal Communication:

In June of 2014 we started holding weekly Level 10 Traction meetings*. These meetings are designed to focus on 90-day rocks that guide us towards our Mission, Vision and Core Values. We concentrate on our overall health of the company: sales, overhead, profit, loss, productivity, etc. Each quarter we look at issues that are preventing us from reaching our long-term goals. Empire has implemented these meetings in all levels of management, encouraging our employees to participate in the improvement process.

In addition, John Freismuth (President of Empire) holds a quarterly meeting with all the employees, sharing our long-term goals and the improvements needed to meet those goals. This is providing transparency within the organization.

We also display our sustainability and recycling efforts on two bulletin boards, as well as posting numerous educational posters throughout the building regarding proper disposal of both recyclable and non-recyclable materials. When any significant changes or events occur, a letter is placed in each employee's paycheck envelope to make sure everyone is informed.

Gaining Traction needs a common vision and direction for all to follow; open and honest communication is the key to creating success within our Company.

External Communication:

In an effort to always stay in touch with our customers and community, we include Empire's green commitment and activities on our website:

www.empirescreen.com/green_commitment.html



John Freismuth talking to Empire employees



significant accomplishments

From national printing competitions to safety records, we strive to do our best with all our projects and practices. Below are some recognitions we have achieved in the last few years.

ESTABLISHMENT OF A GREEN COMMITTEE & EMS

Although Empire has always been conscious of the environment, we officially moved toward sustainability by creating a Green Committee in April 2012 and successfully establishing an Environmental Management system (EMS) in 2014.

WISCONSIN MANUFACTURER OF THE YEAR NOMINEE

The Wisconsin Manufacturer of the Year award program honors businesses for their commitment to excellence, their employees, and the state. Each year, a strong field of nominees demonstrate they are dedicated to building a better Wisconsin. Empire was one of thirty-four companies to be nominated on Feb. 12, 2014.

There are only nine awards to be distributed. Four of the the awards are based on overall performance plus five special awards that recognize:

- » Workforce Development
- » Investing Locally, Growing Globally Award
- » Innovation Excellence Award
- » Investing in the Future Award
- » Employee Engagement & Commitment Award

Although we did not win an award it was an honor to be included in the field of nominees.

SAFETY RECORD

Since the establishment of the Safety Committee in 2001, Empire has been tracking Lost Time Accidents. A safety reward program was put into place October 2005 as an added incentive for employees to be safe on the job. Results were immediately seen within the following years. On March 28, 2006 we reached 365 days without a lost time accident for the first time in company history. This would begin to set a trend of longer safety records. After each lost time accident the count must reset to zero. Our safety record at the end of this fiscal year (09/30/15) was 709 days and counting...

“Empire has created a safety culture that many companies have yet to duplicate, especially in the printing industry. It is remarkable. Keep it up!”

[Dave Young, Employers Mutual Casualty (EMC) Insurance Companies]



From left to Right:
 Amy Bettis (Project Manager),
 Jennifer Schloesser (Creative Director),
 Rebecca Burg (Marketing), John Freismuth (President),

WI Manufacturer of the Year Award Representatives:
 Joseph Olson (law firm of Michael Best & Friedrich LLP),
 Pat Simonett (Wisconsin Manufacturers & Commerce)



environmental improvement goals

During our Management Review meeting held on 08/11/14, we established our objectives and targets for the upcoming 2014-2015 year.

OBJECTIVE #1

Continue with current recyclable program and our long-term reduction goal of 50%.

We will set an annual incremental reduction goal of 10%, to reach our long-term goal of 50% reduction.

Our previous recorder for recycled material is no longer at Empire, so it is important to train our newly established employee on current recording procedures to ensure no setback in our current program.

We will also research new recycling methods &/or materials and inks, as well as the cost and feasibility.

OBJECTIVE #2

Implement sustainable print methods.

Objective 2A: Add sustainable print methods to the company

Due to increased sales, a new press using LED Technology will be built. This will provide a 98% savings in energy consumption, versus a new press using traditional UV curing print methods. Completion date is set for March 2016.

Objective 2B: Maintain & Modify current print methods

Equipment on three of our current presses will be modified to reduce noise pollution within that area from 84 decibels to an estimate 80 decibels (which in turn will increase communication and employee health). This modification will also reduce heat (energy) reduction by 63,500 BTUs. Completion date is set for December 2014.

OBJECTIVE #3

Update/replace equipment as needed for better efficiency &/or per legal and other requirements.

The entire plant's lighting conversion to T8 bulbs was completed except for the 1998 building edition. We were unable to fully complete it due to time constraints and manpower. The material has been purchased and a completion date has been set for April 2015.

OBJECTIVE #4

Implement EMS training for all supervisors.

We currently have not fully implemented our EMS within our training. To correct this, we will be setting up training classes for all supervisors. These training sessions will address all elements of the EMS and how supervisors need to implement it within their department. In addition, the EMS will be added to a new Company Training Manual and Orientation Program for new employees. Completion date is set for September 2015.

OBJECTIVE #5

Create a centralized location for all environmental documentation.

Prior to establishing our EMS, we did not have a centralized location for all document storage pertaining to environmental performance. All personnel involved with documentation will participate in determining a location for all electronic files and ways of scanning physical paper copies. We will follow and document our procedure per our EMS Manual (Form GT_8.0). Completion date is set for September 2015.

*"Setting a goal is not the main thing.
It is deciding how you will go about
achieving it and staying with that plan."*

Tom Landry

conclusion: the road ahead

Documenting became difficult and hard to manage, since our initial report covered almost three years of information. As we continue to improve our EMS documentation, we worked with the DNR to adjust our report timeframe and completion date to follow our fiscal year only. This change will help with setting our objectives and goals as well as having a more cohesive EMS annual report.

