



Federal Foam Technologies fabricates custom designed products for the recreational, agricultural and construction vehicle markets as well as military packaging, medical/ health care and consumer markets by utilizing materials such as polyurethane foam, closed cell rubber and custom laminates alone and in composite with materials such as ABS plastic, carpet, floor matting, acoustic upholstery and barrier materials. They have been a Green Tier member since 2006, and the company continues building upon its progress in foam product recycling and reduction of volatile organic compounds (VOCs).

FFT, Industrial Division at New Richmond has a Quality Management System certified to ISO 9001 and an Environmental Management System certified to ISO 14001:2004. The 100 employees at the New Richmond facility, actively support the Quality and Environmental Management System efforts. The external benefits from EMS and Green Tier Certification are a savings in natural resources as noted in the below FFT Environmental activities i.e. corrugated, energy, and emissions. The company was the recipient of the Business Friend of the Environment Award in 2004 and 2006, and have expressed that being a Green Tier participant with an effective EMS has certainly had a positive impact in their marketplace and community including local, state, and national recognition.

Federal Foam's Environmental Mission:

We the employees of Federal Foam Technologies New Richmond facilities are committed to working together to continually improve our environment and prevent pollution while complying with applicable legal and other requirements that relate to our Environmental Aspects. Our EMS will provide the framework for establishing and reviewing Environmental Objectives and Targets as well as providing for the documentation, implementation, and maintenance of this policy. It is our belief that we at FFT can make a difference with our EMS programs by training our employees, achieving our objectives and targets, preventing pollution, recycling, energy management, waste minimization, and disposing of hazardous waste in compliance with legal and other requirements. We are also committed to communicating this policy and belief to all persons working for or on behalf of our organization i.e. suppliers, customers, contractors as well as making it available to the public.

Goals and Objectives:

- Preventing pollution overall
- Recycling
- Energy management
- Waste minimization
- Proper disposal of hazardous waste in compliance with legal and other requirements.
- Committed to communicating this policy and belief to all persons working for or on behalf of our organization i.e. suppliers, customers, contractors as well as making it available to the public.

Accomplishments:

The FFT Environmental Management System has aggressively pursued innovative methods for addressing the significant environmental aspects that we generate. These two significant environmental aspects are external air quality and previously non-recyclable closed cell polyurethane foam and polyurethane foam composites i.e. Foam with pressure sensitive adhesive overlay.

Note: This further reduction in VOC usage is in response to their commitment to Environmental excellence and the pursuit of our Green Tier objective of continuing to decrease VOC material usage. The reduction is significant in that it occurred over a time span that FFT sales increased by 2%+.

- Continuous improvement activities, in monitoring and control of adhesives and product redesign, have further helped to reduce Volatile Organic Compounds (VOCs) from 80,454.85 lbs. to 60,246.42 lbs from 2007 to 2008. Thus realizing a reduction of 25.1% in our total VOC's emissions from our adhesive and foam coating processes.
- The reduction in Plastisol usage on the barrier line went from 2,005,015 lbs. to 1,912,994 lbs. for an 4.6% total material usage reduction. [see attached 2008 DNR Air Emissions/ Material Usage Report Table below].

Air Emissions/Material Usage Reporting 2008				
Adhesive / Solvent / Plastisol Usage for		2008	2007	
Process Number	Description	lbs VOC	lbs VOC	08-07 % Reduction
P10	Hand Lam Booth			
		21152.46	30069.27	29.7%
P20	Automatic Lam Line			
		37113.26	48723.88	23.8%
P30	Foam Coat Booth			
		1980.70	1661.70	-19.2%
P60	Sonusflex Line			
		1,912,994.00	2,005,015.00	4.6%

- Non-recyclable closed cell polyurethane foams and foam composites i.e. Foam with a layer of pressure sensitive adhesive: FFT has been aggressively pursuing recycling potential on this significant aspect since 2004. For the year 2008, FFT had recycled **468,000 lbs.** of this material as compared to 2004 of **175,920 lbs.** when the program first began. Even with a soft recyclables market, FFT still generates over \$57,000 in recycling revenue dollars and saved \$21,000 from not incurring disposal/land fill cost.

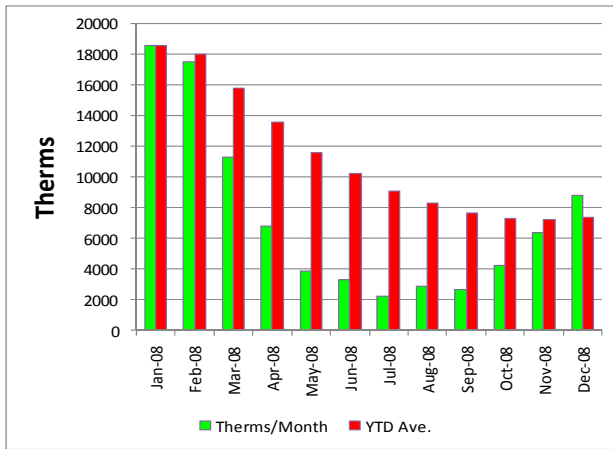
Additional Highlights:

Recycling

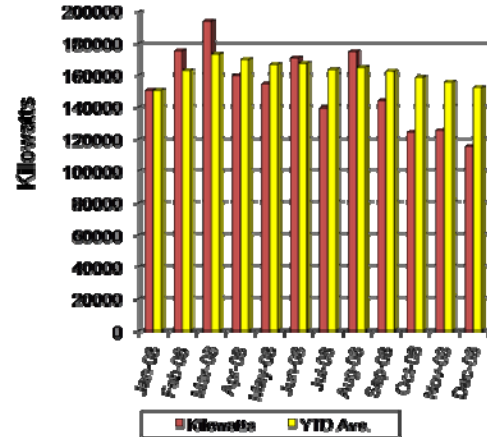
- FFT continues to implement returnable packaging with its customers that results in a reduction in cardboard usage at a net cost savings of \$ 7,700 per year.
- Federal Foam Technologies finalized the implementation of plastic corrugated collection containers at each work station, primarily where recycled material accumulates. This will be used in place of corrugated containers. This resulted in a reduction of 6,700 boxes or 19,383 lbs. of corrugated used annually. At a cost per box of \$ 1.95 this amounts to approximately \$ 13,000 in savings in material and \$1,200 in disposal/landfill costs per year.

Reduce Energy Consumption

Federal Foam has been able to maintain a strong outlook on conserving energy. For the 2008 fiscal year, Federal Foam has been able to maintain a conservative use of Gas and Electric power in the New Richmond Plant, (please note the graphs below)



GAS CONSUMPTION 2008



ELECTRICITY CONSUMPTION 2008

As you can see, recycling benefits the Environment but it also can have a very favorable impact on profits. The participation in the WDNR Green Tier program and ISO 14001:2004 certification has helped guide FFT to a higher level of awareness in Environmental Excellence.