



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

2014-2015 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 56 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 IMPACT & WASTE REDUCTION PROGRAM

ENVIRONMENTAL IMPACT

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.

WASTE / LANDFILL REDUCTION

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.

Metal Scrap Recycling in 2014:

- High Grade Aluminum Turnings – 206,870 pounds
- Machine Shop Turnings – 323,742 pounds
- #2 HMS – 3' - 14,091 pounds
- Mixed Aluminum Solids – 1,652 pounds
- Aluminum Bronze Solids – 71 pounds
- Sheet Iron – 1,457 pounds
- Aluminum Cans – 74.4 pounds
- 2000 Series Aluminum – 3,481 pounds
- 18/8 Stainless Steel – 694 pounds
- Red Brass Solids – 50 pounds
- Hard Brass Solids – 21.1 pounds
- Yellow Brass Solids – 73 pounds
- Yellow Brass Borings – 542 Pounds
- Magnetic Stainless Solid – 105 pounds

Total Pounds Recycled in 2014: 552,923.5 (276 tons)

In 2014 we enhanced our Recycling Program of accumulating our office paper waste, corrugated waste, and plastic bottle waste and sent these items to a recycler. Large posters were made and placed throughout the facility and all employees were educated on what receptacles waste should be placed into and what receptacles "Recyclables" should be placed into.

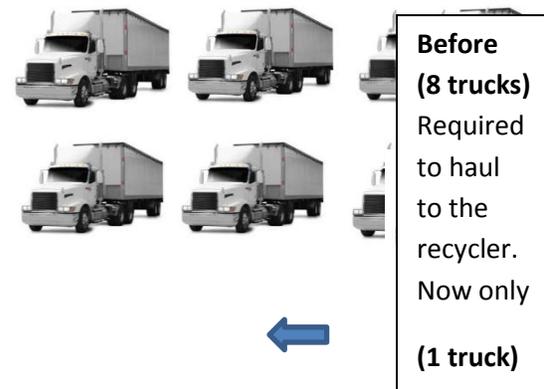
INNOVATION

Pucker:

In 2013, Precision Machine Inc. has developed a design for 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 will allow us to:

- Save costs on shipping to the recycler (see below)
- Provide a much more refined product for our recycler since the cutting fluids can be "squeezed" out and reclaimed.
- Reclaim and recycle the cutting fluids.

The machine is presently going through final testing and will hopefully be in operation within the next couple of months.



Corrugated Shredder

Precision Machine purchased a Corrugated Shredder. The Shredder converts 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.



This replaces “Plastic Bubble Wrap” that when sent to our customers ended up being placed in the landfill. The new packing material (shredded corrugated) can be sent to a corrugated recycler.

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

ENERGY REDUCTION:

Our energy conservation program has included such facility improvements as adding dimmer switches and motion sensors for lighting in offices, air hand dryers in bathrooms, facility electrical upgrades, purchasing new, more efficient equipment, making building/equipment improvements in heating and cooling, fixing compressor lines to eliminate air leaks, and scheduling more frequent equipment cleaning, while focusing on preventative maintenance.

- Our company grew in the past year and our production/sales increased by 19.2 % from 2013 to 2014.
 - Our electrical usage increased by 23.9%.
 - 2013 – used 556,770 kWh 2014 - used 689,888 kWh
 - Our water usage increased by 34.5%.
 - 2013 – used 118,800 gal. 2014 – used 159,800 gal.
 - Natural Gas usage in 2014 decreased by 7.9 %.
 - 2013 – 11990.1 therms 2014 - 11045.0 therms

2014 Projects

1. Enhanced our Recycling Program of all office paper, corrugated, plastic bottles, and aluminum cans. Put up posters throughout the facility to encourage all employees to properly dispose of all waste and recyclables.
2. Obtained a No Exposure Certification on 7/3/2014 from the Wisconsin DNR. Monthly Audits are conducted.
3. Added Occupancy Room Light Sensors for bathrooms and locker rooms.
4. Developed actual prototype “Pucker” to compact scrap metal.
5. Pallet Recycling Program installed.
6. Installed a timer in the Garage to turn on Engine heater for brief periods of time during the winter rather than leave the heater plugged in constantly. Electrical usage of this device will be reduced by 75%.
7. The Environmental Committee conducted an “Environmental Aspects Identification” of all processes/activities at Precision Machine Inc.

2015 Planned Initiatives

1. Obtain our ISO 14001 2004 Certification.
2. Build one or more “Pucker” devices to compact scrap metal.
3. Conduct Infra-Red scan of all electrical panels.
4. Conduct an Air Leak detection study throughout the facility and correct all air leaks that are found.
5. Identify vendors to recycle additional streams of waste
6. Invest in one or more Brother milling machines to replace the Haas machines. The Brother machines reduces the footprint of our machines by 40%, increases throughput by 40%, and reduces energy consumption by 80%.