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Contract For Superior Environmental Performance with Kimberly–Clark Experimental Mill

This Contract for Superior Environmental Performance is entered into by the State of Wisconsin through its Department of Natural Resources (WDNR) and Kimberly–Clark Experimental Mill, operating at 126 N. Commercial St., Neenah, WI 54956.

I. INTRODUCTION

- A. The State of Wisconsin is committed to providing a healthy and sustainable environment, to promoting the movement toward zero waste, and to protecting and enhancing the resources of the state for this generation and for generations that follow.
- B. The Department believes that entering into a Contract with Kimberly–Clark will produce environmental performance beyond what can be accomplished under existing law.
- C. The Environmental Results Act §.299.83 Wis. Stats. (commonly known as the Green Tier law) authorizes the WDNR to enter into a Contract to sustain and expand a Green Tier applicant’s superior environmental performance.
- D. Kimberly–Clark has implemented an Environmental Management System (EMS), and the WDNR has determined that the EMS is consistent with the “functional equivalency” requirements of Wisconsin Statute §299.83(1)(dg) and that the EMS is appropriate to the nature, scale and environmental impacts of Kimberly–Clark’s operations.
- E. The WDNR has reviewed Kimberly–Clark’s proposal for superior environmental performance and has determined that the co–benefits identified in this Contract are proportional to the environmental benefits arising from Kimberly–Clark’s performance under this Contract.

Therefore, in order to produce continuous improvement in the state’s environment, economy and quality of life, the WDNR and Kimberly–Clark agree to work cooperatively under the terms of this Contract in order to achieve the goals laid out in this Contract.

II. OVERVIEW

A. **Definitions.** As used in this Contract:

“State” and “State of Wisconsin” means the State of Wisconsin, acting through the Department of Natural Resources.

“WDNR” means the Wisconsin Department of Natural Resources.

“Kimberly–Clark” means Kimberly–Clark Experimental Mill, operating at 126 N. Commercial St., Neenah, WI 54956

B. **Environmental Management System (EMS).**

Kimberly–Clark agrees to implement and maintain its EMS for the life of this Contract. Their commitment to implementing and maintaining its EMS includes commitments to the following:

1. Kimberly–Clark agrees to make documentation of their EMS available, upon request, to the WDNR for review.
2. Kimberly–Clark agrees to have an outside environmental auditor (approved by the WDNR) conduct an annual EMS audit (beginning in calendar year 2012), and to provide their findings to the WDNR in the annual report described in section IV.C.
3. Kimberly–Clark agrees to prepare written reports from each future management review of the EMS and to make the reports available, upon request, to the WDNR for review.
4. Kimberly–Clark agrees to provide the WDNR timely notice of EMS audits, and to invite the WDNR to observe the audit. The WDNR recognizes that the Department benefits when authorized representatives of the Department accompany the contractor during such audit activities. These benefits include, but are not limited to, affording the Department a better understanding of the facility and evaluating the relative effectiveness of the EMS. In consideration for these benefits, the Department agrees that it will not seek enforcement nor refer the matter to other State or federal departments or agencies for enforcement of any noncompliance matters discovered by the Department as a result of its participation provided Kimberly–Clark complies with the reporting requirements under s. 299.83(6m)(a).
5. Kimberly–Clark agrees to review its EMS at least annually, and to provide to the WDNR an annual identification of objectives and targets. Kimberly–Clark agrees that its EMS will develop objectives and targets consistent with the definition of superior environmental performance found in §299.83(1)(g).

C. Annual Compliance Audit

1. Kimberly-Clark agrees to conduct annually an internal audit of its compliance with environmental requirements that are applicable to the facility.
2. Kimberly-Clark agrees to provide the WDNR timely notice of any compliance audit, and to invite the WDNR to observe the audit. The WDNR recognizes that the Department benefits when authorized representatives of the Department accompany the contractor during such audit activities. These benefits include, but are not limited to, affording the Department a better understanding of the facility and evaluating the relative effectiveness of the EMS. In consideration of these benefits, the Department agrees that it will not seek enforcement nor refer the matter to other State or federal departments or agencies for enforcement of any noncompliance matters discovered by the Department as a result of its participation in such audit provided Kimberly-Clark complies with the reporting requirements under s. 299.83(6m)(a).
3. Kimberly-Clark agrees to provide the compliance audit results to the WDNR.
4. If violations are found during an audit, Kimberly-Clark agrees to provide to the WDNR a description of measures that will be taken to prevent future violations. These measures may include changes to the underlying Environmental Management System.

D. Superior Environmental Performance

1. As part of Kimberly-Clark's application for a Tier 2 Contract, Kimberly-Clark has demonstrated a history of superior environmental performance. This demonstration is attached as Appendix 1.
2. In addition, Kimberly-Clark commits to sustain the environmental gains that have been made to date, and to implementing the measures described in Appendix 2 that are designed to produce superior environmental performance.

III. DEVELOPING AN INTERESTED PERSONS GROUP

- A. Kimberly-Clark commits to maintaining an interested persons group to provide a process to increase transparency and trust in this Tier 2 contract. The interested persons group will consist of persons who live, own a business or work within a reasonable proximity to Kimberly-Clark, or who otherwise have an interest in the workings of this Contract. The parties will work together on the composition of the interested persons group.

- B. Kimberly-Clark will schedule a meeting with this group on a semi-annual basis to solicit public comments concerning participation under this Contract. A representative from Kimberly-Clark will take notes during these meetings. These notes will be compiled into minutes that summarize the information discussed at each meeting. Interested group members will have an opportunity to approve or suggest corrections to the minutes at the next meeting. Once approved by the interested persons group, a copy of the minutes will be filed at the Kimberly-Clark offices and a copy of the minutes will be posted on Kimberly-Clark's website for public viewing.
- C. The parties will review the Interested Persons Group after one year. If Kimberly-Clark has taken reasonable steps to secure participation in the Interested Persons Group, and has been unable to generate interest in this group, the parties shall consider other options, including suspending the Interested Persons Group.

IV. SPECIFIC COMMITMENTS

- A. Kimberly-Clark agrees to submit results of each audit of its Environmental Management System, and each compliance audit done to the WDNR. If a non-conformance or non-compliance is found during either audit, and if Kimberly-Clark seeks to avail itself of the protections under the Deferred Civil Enforcement provision of Green Tier (§. 299.83(6m)(d)), the notification must precede WDNR's discovery of the non-compliance. In addition, steps should be taken as soon as possible to correct the non-compliance and to amend the EMS so as to prevent a re-occurrence of the non-compliance.
- B. Kimberly-Clark also agrees to notify the WDNR within 24 hours after determining the existence of non-compliance discovered outside of the auditing process. If Kimberly-Clark seeks to avail itself of the protections under the Deferred Civil Enforcement provision of Green Tier (§. 299.83(6m)(d)), the notification must precede WDNR's discovery of the non-compliance. Steps should be taken as soon as possible to correct the non-compliance and to amend the EMS so as to prevent a re-occurrence of the non-compliance.
- C. Kimberly-Clark will submit an annual report to the WDNR by January 31 for the preceding calendar year (first report due January 31, 2013 covering calendar year 2012) summarizing accomplishments, and any non-conformances and non-compliances discovered during the preceding year. This annual report shall also provide data on the generic suite of measures that is attached as Appendix 2.

- D. Following receipt of the annual report, the parties will discuss what will be tracked and reported in the following year. The specifics will link to the objectives set for the year, and any corrective actions that become necessary following an audit.
- E. KIMBERLY CLARK will use its best efforts to bring both suppliers and customers together at least annually in a strategic discussion regarding reacting to and progressively leading in areas such as producer responsibility, design for the environment, and sustainability.
- F. In those instances where Kimberly-Clark is operating at a level beyond what is required under law or permit, Kimberly-Clark agrees to exercise good faith efforts to maintain its level of performance.

V. DEPARTMENT OF NATURAL RESOURCES' COMMITMENTS

- A. In exchange for Kimberly-Clark fulfillment of their obligations under this Contract (including the obligation to disclose any non-conformance or non-compliance found during an audit), the WDNR will not seek to bring any civil action, issue any order or seek any judgment nor refer the matter to other State or federal departments or agencies for enforcement related to the environmental responsibilities covered under this Contract against Kimberly-Clark.
- B. If a non-conformance or non-compliance that is reported to the WDNR under IV.A. or B. is not completely corrected, or similar violations occur in the future, the WDNR may, after providing an opportunity for the parties to talk, issue a letter of non-compliance (LON), a notice of non-compliance (NON) or a notice of violation (NOV) with or without terminating this contract. In order to determine whether a second event that would trigger a LON, NON or NOV is a continuation of an uncorrected earlier event, the WDNR shall examine the corrective actions taken by the participant and determine whether they were reasonably designed and implemented.
- C. The WDNR will provide a single point of contact within the agency to Kimberly-Clark during the life of this Contract.
- D. The WDNR authorizes the use of the Environmental Results Program logo on written materials promoting the covered facility(s) or activities in accordance with the Green Tier Logo Style Guide provided at the time this contract is signed. WDNR also agrees to provide a numbered certificate of recognition, and will host a participant web page.

VI. GENERAL PROVISIONS

- A. **Enforcement.** This Contract is governed by Wisconsin law.
- B. This Contract intends to parallel, to the extent possible, the timing laid out in any existing permits.
- C. **Amendment.** This Contract may be amended only in writing by the principals to this agreement or their successors. An Amendment of this Contract may occur at any time, but may require an additional public notice requirement after the parties have negotiated the new language. If the Amendment is a technical amendment, no additional public notice will be required. If the Amendment contains substantive additions to, or changes to the Contract, the parties agree that the WDNR will provide an additional public notice and may provide an additional public information meeting.
- D. **Construction.** This Contract will be binding, during its effective period, on the parties hereto but is not intended to confer any rights, remedies or obligations upon any other persons.
- E. **Activities Covered Under this Contract.** Kimberly–Clark commits to comply with all current applicable environmental requirements. Any provisions of permits or approvals covered by this Contract that are not specifically superseded by this Contract shall remain in effect.
- F. **Access to Records.** For the purposes of interpreting, understanding or assessing compliance with the Contract, and subject to any legally recognized privilege and reasonable notice, the WDNR; 1) will be permitted access during office hours to inspect and request copies of any records or documents related to the Contract, and 2) may interview directors, officers, employees, and agents of Kimberly–Clark regarding any matters related to the Contract, subject to the reasonable convenience of Kimberly–Clark, and without restraint or interference from Kimberly–Clark.
- G. **Effectiveness and length of contract.** This Contract shall be effective upon signature of both parties and will remain in effect for five (5) years, and it may be extended for periods of up to five (5) years upon the mutual agreement of the parties.
- H. **Termination.** If Kimberly–Clark fails to fulfill its obligations under this Contract in a timely or proper manner, or violates any of its provisions, the WDNR may terminate this Contract by giving thirty (30) days written notice of termination, specifying the alleged violations, and the effective date of the termination. It shall not be terminated if, upon receipt of the notice, Kimberly–Clark promptly cures the alleged violation prior to the end of the thirty (30) day period.

Kimberly-Clark reserves the right to appeal any decision of the WDNR pursuant to this paragraph as provided for under § 227.52, Wis. Stats., or any other applicable law.

If the State fails to fulfill its obligations under this Contract in a timely or proper manner, or violates any of its provisions, Kimberly-Clark shall have the right to terminate this Contract by giving thirty (30) days written notice of termination, specifying the alleged violations, and the effective date of the termination. It shall not be terminated if, upon receipt of the notice, the State promptly cures the alleged violation prior to the end of the thirty (30) day period.

Kimberly-Clark shall have the right to voluntarily terminate this Contract at any time by giving thirty (30) days written notice of termination, specifying the reason for termination and the effective date of the termination.

- I. **Warranty of Authority.** Each of the persons signing below represents and warrants that he/she has the authority to execute this Contract on behalf of the party for which he/she signs.

**Contract for Superior Environmental Performance
between
Kimberly-Clark Experimental Mill
and
Wisconsin Department of Natural Resources**

IN WITNESS WHEREOF, the parties by their signatures shall cause this contract to be in effect until January 18, 2017.

Signed for and on behalf of: State of Wisconsin
Department of Natural Resources



By: /s/ Cathy Stepp (JRB) Date: 01/18/2012
Cathy Stepp
Secretary

Signed for and on behalf of: Kimberly-Clark Experimental Mill



By: /s/ Susan Tarr Date: 01/18/2012
Susan Tarr
Director R&E, Pilot Facility

Appendix 1

Record of Superior Environmental Performance

Energy Reduction Programs

- Implemented an energy savings plan by minimizing use of heating, ventilating and air conditioning when building is not occupied. Also shut off make-up air units in the EDU and CHF areas whenever possible. Normally one of the two run when the building is occupied, none when the building is not occupied.
- Replaced a total of 192 400-watt metal halide fixtures with high efficiency fluorescent fixtures since 2006 (a total reduction of 115,316 kilowatt hours). Replaced 128 250-watt metal halide fixtures with high efficiency fluorescent fixtures during 2008. The yearly reduction in kilowatt hours is expected to be 50,252.
- Effluent “sludge” from the papermaking process is sent via Neenah Paper to Fox Valley Energy (formerly Minergy), which recycles the sludge into green steam for the X-Mill, thereby reducing the X-Mill’s natural gas consumption and carbon dioxide emissions into the atmosphere.
- The X-Mill continues to employ a fork truck usage reduction program implemented during 2007, thereby reducing the amount of propane fuel utilized and carbon dioxide emissions into the atmosphere.
- An ultrasonic air leak audit was conducted in November 2008 to identify leaks within the X-Mill compressed air equipment. As of first quarter 2009, each of the leaks identified has been corrected. The identification and correction of the leaks has reduced the amount of electricity used to run the equipment to meet the operational needs of the X-Mill.

Water Reduction Programs

- Reduced operating pressure for equipment wash up hoses from 160 psi to 60 psi, thereby reducing water used for machine washing by approximately 50%.
- Installed a closed loop system on an air compressor (total savings – 6.3 million gallons per year).
- Reclaim cooling water from air conditioners for “next day use” in the tissue making process (total savings – 3.8 million gallons per year).

Waste Minimization and Management

- Recycle 100% of manufacturing waste
 - Base sheet (tissue broke)
 - Cardboard
 - Poly-wrap
 - Packaging material
 - Scrap wood product
- Recycle 100% Universal Waste
 - Lamps and bulbs
 - Batteries
- Recycle 100% of used oil and anti-freeze

- Recycle 100% scrap metal waste
- Recycle 100% office waste
- Replaced the parts washer with a unit that does not require regular servicing and fluid change-outs (spent fluid was historically treated as hazardous waste). The current unit requires an occasional change-out of a filter versus regular disposal of waste fluid.
- Implemented a program to puncture and drain aerosol cans and recycle empty cans with scrap metal.
- Through a chemical approval process, chemical inventory has been reduced by 59% since 2004. The chemical management process allows the X-Mill to control chemical waste volume. In addition, when possible, chemicals are ordered in smaller quantities to minimize the amount of waste.

Land Use

- In April 2009, finalized the sale of an approximately one-acre portion of our parking lot on the west side of the property to the City of Neenah for re-development into a permanent green space.
- As a result of City of Neenah re-development activities, the Experimental Mill has negotiated with the local utility provider to remove and relocate power lines currently located on supports within Little Lake Butte des Morts.

Commitment to Superior Environmental Performance

The X-Mill will commit to the following measures to maintain and improve our superior environmental performance:

- Commitment to training employees on their roles to assist in maintaining a facility that is environmentally compliant
- Continue our commitment to the X-Mill EMS, which is consistent with the “functional equivalency” requirements of Wisconsin Statute §299.83(1)(dg).
- Continue reduction of water and energy consumption
- Maintain compliance with X-Mill Environmental Policy Statement
- Continue ground water remediation activities while working toward site closure
- Continue waste minimization efforts

Appendix 2

The following Indicators are proposed for all Green Tier participants. In addition to this Generic List, it is expected that other indicators/metrics will come out of your Environmental Management System and would be used to document accomplishments. This Generic List is meant to help Kimberly-Clark and the DNR document the relative success of the program.

Environmental Indicators

Some of the environmental indicators are already provided to the DNR. You would not be asked to report this information again if you have already reported it.

1.1 Water

- 1.1.1 Total water use
- 1.1.2 Total amount of phosphorous released into water
- 1.1.3 Total waste water produced

1.2 Air Emissions

- 1.2.1 Total greenhouse gas emissions
- 1.2.2 Total emissions of ozone-depleting substances
- 1.2.3 Total air emissions

1.3 Waste

- 1.3.1 Total solid waste produced
- 1.3.2 Total percentage of material ending up as waste
- 1.3.3 Amount/percentage of waste that is hazardous
- 1.3.4 Amount of mercury lost or released into the environment
- 1.3.5 Amount/percentage of waste recycled

1.4 Energy

- 1.4.1 Total energy used, listed by source
- 1.4.2 Amount/percentage of energy from renewable resources

1.5 Transportation

- 1.5.1 Total fuel consumption
- 1.5.2 Amount/percentage of vehicles using alternative fuels

1.6 Spills

- 1.6.1 Number of spills
- 1.6.2 Total amount of hazardous substances released due to spills

1.7 Land Use

- 1.7.1 Total amount of land owned and percentage that is permeable (not paved or covered)

1.8 TRI

- 1.8.1 Total TRI emissions

Economic Metrics

2.1 Total sales

2.1.1 Revenue brought in from annual sales before subtracting any costs.

2.2 Profit or loss

2.2.1 Quantify the profit or loss during the most recent fiscal year

2.3 Workforce changes

2.3.1 Number of people employed, and the change over the previous year (using Jan 31 as the baseline date)

Social Metrics

3.1 Alternative Transportation

3.1.1 Amount provided to support alternative transportation options for employees

3.2 Income inequality

3.2.1 The multiple between lowest paid employee and highest paid employee

3.3 In-State purchases

3.3.1 Percent of purchases made from companies in the state

Green Tier Commitment Outline for Kimberly Clark

I. Approval Date – January 18, 2012

II. Green Tier - Tier 2

- **Deferred Civil Action:** You are entitled to Deferred Civil Enforcement as described in statutes (299.83(6m)(d)). In brief, if you discover a violation of an existing environmental requirement, provide us notice of your discovery and a corrective action plan that you complete, then DNR will not seek civil penalties.
- **Green Tier Logo:** Use of the Green Tier logo on materials related to your facility. The CD provided in your packet provides additional guidelines and information.
- **Single Point of Contact (SPOC):** Jennifer Borski - WDNR, 920-424-7887, Jennifer.Borski@Wisconsin.gov
- **Minimum Inspection Frequency** – You are entitled to inspections at the lowest frequency permitted by the programs under law. We will work with you to determine how this will work for you.
- **Recognition** – Along with the numbered certificate of recognition, the department will host a participant web page for easy reference.

III. Environmental Management Systems (EMS) You have supplied us with a copy of your ISO certification satisfying initial Green Tier EMS requirements.

- Annually perform an environmental management system audit utilizing an outside environmental auditor approved by the Department.
- Please see guidance from the links below:

<http://dnr.wi.gov/vqr/leII/tggpVlgtI/documents/provingEMS.pdf>

<http://dnr.wi.gov/vqr/leII/tggpVlgtICuditors.htm>

IV. Annual Reporting

- **First Annual Report Date** - By mutual agreement we have agreed to January 1, 2013 and annually thereafter. (Please feel free to discuss alternative reporting dates with your SPOC should your needs change.)
- Annually you will need to report progress on the commitments that you have made. You will need to report your progress on the specific commitments and information which will give us context for those commitments. If you have a goal to reduce energy consumption then the context would be total energy consumed. We will work with you to find the context reporting that will work best for you. Examples of context information can be found at:

<http://dnr.wi.gov/vqr/leII/tggpVlgtI/documents/energycontextreporting.pdf>

*****<http://dnr.wi.gov/vqr/leII/tggpVlgtI/documents/energycontextreporting.pdf>

- You will need to report on the annual compliance audit and annual EMS audit (a copy of your ISO certification for the latter will suffice) and who did those audits.
- Please provide annual Green Tier Reports to Jennifer Borski (SPOC) and Mark McDermid. Electronic submission is preferable.

You should also feel free to call Mark McDermid (608.267.3125 – mark.mcdermid@wisconsin.gov) for any additional information that you might need.

State of Wisconsin
DEPARTMENT OF NATURAL RESOURCES
101 S. Webster Street
Box 7921
Madison WI 53707-7921

Scott Walker, Governor
Cathy Stepp, Secretary
Telephone 608-266-2621
FAX 608-267-3579
TTY Access via relay - 711



January 18, 2012

Ms. Susan Tarr
Kimberly Clark
126 N. Commercial Street
Neenah, WI 54956

Subject: Welcome to Green Tier – Tier II

Dear Ms. Tarr:

Congratulations! We are glad to take our Green Tier partnership to the Tier 2 level where we customize our working relationship to meet our shared economic and environmental goals. Your step to obtain Tier 2 is an excellent example that you are not only committed to superior environmental performance but also to superior economic performance.

In recognizing your past accomplishments and future commitments we promise to work towards promoting and recognizing your facility for taking the lead in environmental protection while assuring economic stability and growth. We are committed to publicizing Kimberly Clark as a Green Tier participant on the DNR website. Undoubtedly, there will be other opportunities to bring the attention of your accomplishments to the forefront, and we hope to assist you in any manner possible in doing so as a Green Tier partner.

Jennifer Borski will continue as your single point of contact. She can be reached at 920-424-7887 or at Jennifer.Borski@Wisconsin.gov. Please contact Jennifer with any questions concerning communications, required approvals, or technical assistance you may need. For your convenience the attached guidance outlines your benefits and important dates that affect your participation.

On behalf of the Wisconsin Department of Natural Resources, I am proud to extend this welcome to you. We are committed to working with you to build a continually improving, customized relationship under the Green Tier Program. We are ready to assist as your business grows.

Sincerely,

/s/ Cathy Stepp

Cathy Stepp
Secretary

Attachments: Commitment Outline
Green Tier Logo Files and Guidance CD



June 12, 2009

Wisconsin Department of Natural Resources
Bureau of Cooperative Environmental Assistance
Attn: Mark McDermid, Director CO/7
P.O. Box 7921
Madison, WI 53707-7921

Subject: Green Tier Application – Tier 2 Participant

Dear Mr. McDermid,

This letter will confirm that the Kimberly-Clark Corporation – Experimental Mill (X-Mill) facility located at 126 N. Commercial Street in Neenah, Wisconsin, is by this submission providing a notice of intent to negotiate a contract under Tier 2 of the Wisconsin Department of Natural Resources (WDNR) Green Tier program. The incentives and flexibility are currently expressed in place with our existing agreement through Tier 1, which has been in effect since September 6, 2006. Both the incentives and flexibilities may change based on current discussions with the WDNR about potential performance and incentives that might be a part of a negotiated contract.

Please find enclosed the completed Green Tier application; documentation of our superior environmental performance (Attachment 2); documentation relating to our environmental management system, the X-Mill environmental policy statement and documented objectives and targets (Attachment 3); and a list of interested stakeholders (Attachment 4).

We appreciate your consideration of the enclosed application materials. Should you have any questions or require additional information, please do not hesitate to contact me at (920) 721-6204 or at dwbernd@kcc.com.

Yours sincerely,

A handwritten signature in black ink, appearing to read "D. Bernd".

David W. Bernd
Director Pilot Facilities

Notice: Collection of this information is authorized under s. 299.83 Wis. Stat. Participation in Green Tier and completion of this form are voluntary. Personal information collected on this form, including such data as your name, address, phone number, etc., will be used in the implementation of Green Tier and will be made broadly available under the Green Tier program. Information will also be made accessible to requesters under Wisconsin's Public Records Law (ss. 19.32 - 19.39, Wis. Stats.). If you need to request confidential treatment of any information in order to protect a trade secret, please contact a DNR representative *prior* to submitting this form. Applications must be considered complete by the DNR in order to be processed. For complete application instructions, see "Green Tier Application Instructions," publication number CO-501.

This application is for... (check one): Tier 1 Tier 2 (attach Letter of Intent to this form)

I. Applicant Information

Contact Name	Title		
DAVID W. BERND	DIRECTOR PILOT FACILITIES		
Street Address	City	State	ZIP Code
126 N. COMMERCIAL STREET	NEENAH	WI	
Telephone Number	Fax Number	E-mail Address	
(920) 721-8204	(920) 721-8500	dwbemd@kco.com	

II. Facility Information

Facility Name	County		
KIMBERLY-CLARK CORP. EXPERIMENTAL MILL	WINNEBAGO		
Street Address	City	State	ZIP Code
126 N. COMMERCIAL STREET	NEENAH	WI	
Mailing Address	City	State	ZIP Code
SAME AS ABOVE			

Please provide all DNR Facility Identification numbers (FID #) that apply to the covered facility or activity.

FID - 471025830

III. Scope of Green Tier Participation (check one)

- This application covers all activities at the facility listed in Section II.
- This application covers all activities at more than one facility. For each facility to be covered under this application provide the information from Section II on a separate page labeled **Attachment 1**.
- This application **does not** cover all activities at every covered facility. Please describe the exact scope of activities and facilities to be covered in the program on a separate page labeled **Attachment 1**.

IV. Environmental Performance

Please provide the following information on a separate page labeled **Attachment 2**. Refer to the *Application Instructions* for definitions of environmental performance and superior environmental performance.

Tier 1 Applicants:

- Describe your past and current environmental performance with respect to each covered facility or activity included in this application. Within this attachment establish a baseline date against which future progress can be measured.
- Describe your future plans for enhancing the environment with respect to the same facilities/activities.

Tier 2 Applicants:

- Provide information demonstrating your record of superior environmental performance. Within this attachment establish a baseline date against which future progress can be measured.
- Describe the measures you propose to take to maintain and improve your superior environmental performance.

V. Environmental Management System (EMS)

- a. Have you implemented an EMS that is certified to the ISO 14001 standard? Yes No (circle one)
- b. Have you implemented an EMS that is functionally equivalent to ISO 14001? Yes No (circle one)

If you circled "No" for both questions, you are not eligible for Tier 2. Please proceed to Section VI only if you are applying for Tier 1.

If you circled "Yes" for either question, please provide a copy of the following documents labeled as **Attachment 3**:

- Proof of ISO 14001 certification OR functional equivalence (refer to *Application Instructions* for details)
- Environmental policy statement and scope statement
- Documented objectives and targets for the covered facilities/activities

VI. Public Notice/Stakeholder Identification

Please provide in a separate document labeled **Attachment 4** a list of stakeholders whom you know or expect will have a strong interest in your Green Tier application, as well as contact information for those stakeholders. This information will help DNR expedite the processing of your application. Tier 2 applicants must provide additional information about stakeholder involvement in a Letter of Intent. Refer to *Application Instructions* for details.

VII. Enforcement Record

Please review the Enforcement Record requirements described in the *Application Instructions* very carefully, and then check the appropriate box:

- All enforcement record requirements relevant to this application are satisfied.
- All enforcement record requirements relevant to this application are **not** currently satisfied. A waiver of the enforcement record requirements is requested.

If a waiver is requested, please provide information describing any requirements not met and a justification for the waiver request on a separate page labeled **Attachment 5**. Note that waivers will be granted only in exceptional circumstances.

VIII. Tier 1 Applicant Statement of Commitments

I commit with my signature to the following statements and certify that all information provided in this application is true and correct under penalty of law:

- Implement, within one year of the date of this application, an EMS for each covered facility or activity that is certified to the ISO 14001 standard or is functionally equivalent to ISO 14001 as determined by DNR.
- Conduct annual EMS audits, with every 3rd EMS audit performed by a DNR-approved outside environmental auditor.
- Submit to DNR an annual report on each EMS audit that is in compliance with s. 299.83(6m)(a), Wis. Stats.
- Submit to DNR an annual report on progress towards meeting objectives related to improved environmental performance for aspects regulated under chs. 29 to 31, 160, or 280 to 299, Wis. Stats., unregulated environmental aspects, or voluntary actions to restore, enhance, or preserve natural resources.

Applicant Signature

Date Signed

IX. Tier 2 Applicant Statement of Commitments

I commit with my signature to the following statements and certify that all information provided in this application is true and correct under penalty of law:

- Conduct annual EMS audits performed by a DNR-approved outside environmental auditor.
- Conduct or have another person conduct an annual audit of compliance with environmental requirements that are applicable to the facilities and activities covered under Green Tier.
- Submit to DNR an annual report on each EMS audit that is in compliance with s. 299.83(6m)(a), Wis. Stats.
- Submit to DNR an annual report on each compliance audit that is in compliance with s. 299.83(6m)(a), Wis. Stats.

Applicant Signature

Date Signed

6-12-2009

X. For Department Use Only

Date Received	Initials of Reviewer	Status	Date Returned to Applicant for Additional Information	Date Denied	Date Approved

Kimberly-Clark Experimental Mill Attachment 2

Record of Superior Environmental Performance

Energy Reduction Programs

- Implemented an energy savings plan by shutting off heating, ventilating and air conditioning when building is not occupied. Also shut off make-up air units in the EDU and CHF areas whenever possible. Normally one of the two run when the building is occupied, none when the building is not occupied.
- Replaced a total of 192 400-watt metal halide fixtures with high efficiency fluorescent fixtures since 2006 (a total reduction of 115,316 kilowatt hours). Replaced 128 250-watt metal halide fixtures with high efficiency fluorescent fixtures during 2008. The yearly reduction in kilowatt hours is expected to be 50,252.
- Effluent “sludge” from the papermaking process is sent via Neenah Paper to Fox Valley Energy (formerly Minergy), which recycles the sludge into green steam for the X-Mill, thereby reducing the X-Mill’s natural gas consumption and carbon dioxide emissions into the atmosphere.
- The X-Mill continues to employ a fork truck usage reduction program implemented during 2007, thereby reducing the amount of propane fuel utilized and carbon dioxide emissions into the atmosphere.
- An ultrasonic air leak audit was conducted in November 2008 to identify leaks within the X-Mill compressed air equipment. As of first quarter 2009, each of the leaks identified has been corrected. The identification and correction of the leaks has reduced the amount of electricity used to run the equipment to meet the operational needs of the X-Mill.

Water Reduction Programs

- Reduced operating pressure for equipment wash up hoses from 160 psi to 60 psi, thereby reducing water used for machine washing by approximately 50%.
- Installed a closed loop system on an air compressor (total savings – 6.3 million gallons per year).
- Reclaim cooling water from air conditioners for “next day use” in the tissue making process (total savings – 3.8 million gallons per year).

Waste Minimization and Management

- Recycle 100% of manufacturing waste
 - Base sheet (tissue broke)
 - Cardboard
 - Poly-wrap
 - Packaging material
 - Scrap wood product

- Recycle 100% Universal Waste
 - Lamps and bulbs
 - Batteries
- Recycle 100% of used oil and anti-freeze
- Recycle 100% scrap metal waste
- Recycle 100% office waste
- Replaced the parts washer with a unit that does not require regular servicing and fluid change-outs (spent fluid was historically treated as hazardous waste). The current unit requires an occasional change-out of a filter versus regular disposal of waste fluid.
- Implemented a program to puncture and drain aerosol cans and recycle empty cans with scrap metal.
- Through a chemical approval process, chemical inventory has been reduced by 59% since 2004. The chemical management process allows the X-Mill to control chemical waste volume. In addition, when possible, chemicals are ordered in smaller quantities to minimize the amount of waste.

Land Use

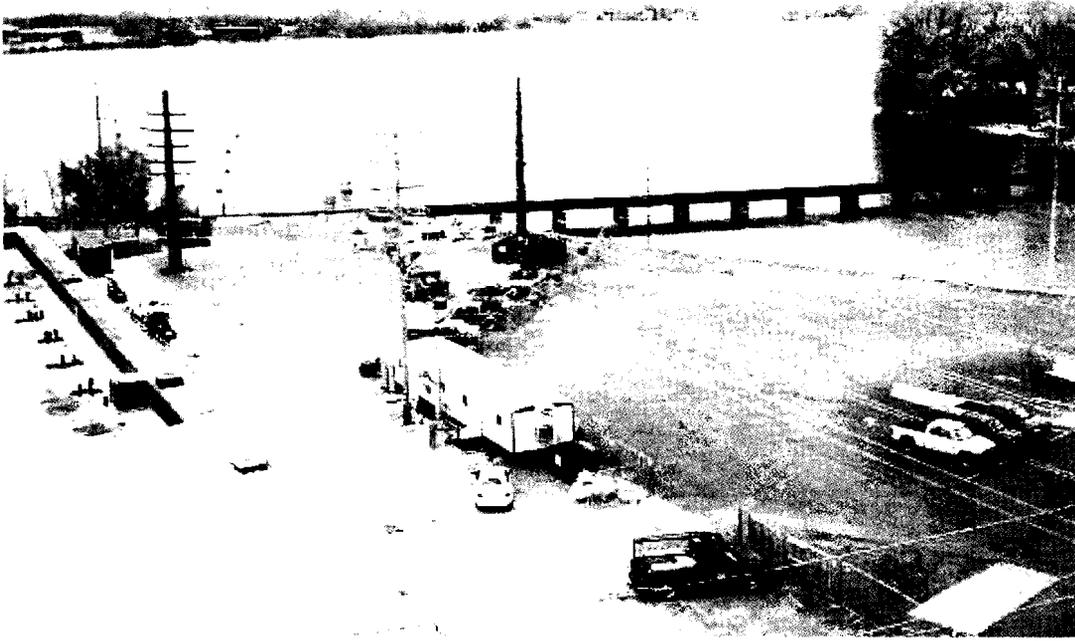
- In April 2009, finalized the sale of an approximately one-acre portion of our parking lot on the west side of the property to the City of Neenah for re-development into a permanent green space.
- As a result of City of Neenah re-development activities, the Experimental Mill has negotiated with the local utility provider to remove and relocate power lines currently located on supports within Little Lake Butte des Morts (see “before removal” photographs provided as Attachment 2a; “after removal” photographs will be taken once removal is completed).

Commitment to Superior Environmental Performance

The X-Mill will commit to the following measures to maintain and improve our superior environmental performance:

- Commitment to training employees on their roles to assist in maintaining a facility that is environmentally compliant
- Continue our commitment to the X-Mill EMS, which is consistent with the “functional equivalency” requirements of Wisconsin Statute §299.83(1)(dg).
- Continue reduction of water and energy consumption
- Maintain compliance with X-Mill Environmental Policy Statement
- Continue ground water remediation activities while working toward site closure.
- Continue waste minimization efforts

**Kimberly-Clark Experimental Mill
Attachment 2a**



Kimberly-Clark Experimental Mill Attachment 3

Proof of Functionally Equivalent EMS

At the request of the WDNR, the Experimental Mill (X-Mill) was directed not to provide documentation of functional equivalency as part of our notice of intent and application into the Green Tier program as a Tier 2 Participant, pending negotiation of our Tier 2 contract.

Experimental Mill (X-Mill) Environmental Policy Statement

It is the policy of the X-Mill to promote, support and continuously improve Environmental, Health, Safety and Quality programs and to manage them in a manner that seeks to eliminate loss to People, Equipment, Material, and Environment.

The X-Mill is committed to this policy by:

- Complying with relevant environmental, health, and safety, (EH&S) laws, regulations, and corporate policies.
- Preventing pollution and other negative impacts to property and the natural environment. Providing products and services which meet or exceed customer expectations for quality, performance, and value.
- Continuous improvement of EH&S performance by actively identifying and reducing hazards, risks, and variability.
- Educating employees on EH&S principles including how to identify and reduce job-associated hazards, risks, and variability.

Objectives and Targets

- Maintain current levels of environmental protection and regulatory compliance
 - Timely submittal of required annual reports
 - Commitment to training employees on their roles to assist in maintaining a facility that is environmentally compliant
 - Continued compliance with applicable permit/procedure requirements
 - As the X-Mill does not exceed permissible air emission levels, an annual air emissions inventory is conducted to ensure continued compliance
- Continue exploring the option of directly connecting the discharge of leachate water collected from the off-site Shady Lane landfill area (located in the Town of Menasha – currently owned by the Experimental Mill) to the Town of Menasha sanitary sewer system; thereby reducing the energy utilized to pump and transport the leachate off-site.
- Continuing commitment to advancing groundwater remediation:
 - Hired an outside contractor, AECOM, to review historical and current site data to develop a conceptual site model (CSM) for the property which describes historical site usage and potential sources of on-site and

off-site sources of contamination. AECOM and the X-Mill are currently discussing the 2008 CSM follow-up approach to determine the extent and degree of potential and existing source areas. The results of the investigation will provide recommendations to enhance reduction of potential sources contributing to the existing groundwater contaminant plume, which is being treated in the current ground water remediation system.

- Additionally, AECOM determined that the on-site remediation system, in its current operating configuration, could be modified such that the carbon drums and sediment filters could be bypassed and the extracted groundwater could be discharged directly into the City of Neenah municipal sewerage system. Once implemented, the modifications will reduce the amount of waste produced (spent sediment filters) and allow for more consistent operation of the treatment system.



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Jim Doyle, Governor
Scott Hassett, Secretary

101 S. Webster St.
Box 7921
Madison, Wisconsin 53707-7921
Telephone 608-266-2621
FAX 608-267-3579
TTY Access via relay - 711

September 6, 2006

Mr. David Bernd
Kimberly Clark
126 N. Commercial St.
Neenah, WI 54956

Subject: Green Tier Acceptance Letter for Tier 1

Dear Mr. Bernd:

The Department of Natural Resources (DNR) is pleased to approve your application and accept you into the Green Tier program. This letter of acceptance covers the Kimberly Clark Experimental Mill (identified in your application). This letter of acceptance is authorized by the Environmental Results Program Act, 299.83, Wis. Stats., created by 2003 Wisconsin Act 276 (effective on May 1, 2004), which is commonly called the "Green Tier Law".

This letter of acceptance recognizes the work described in your application. Your participation in the Green Tier program is dependant upon your continuing commitment to superior environmental performance and continuous improvement. If future circumstances necessitate stepping back from this commitment, please notify us.

At a minimum, you have agreed to the following examples of superior environmental performance:

- Implementation of an EMS consistent with ISO 14001
- Continued reduction of water and energy consumption
- Continued waste minimization efforts
- Commitment to X-Mill Environmental Policy Statement
- Commitment to advancing groundwater remediation
- Commitment to training employees on their roles to assist in maintaining a facility that is environmentally compliant

With this letter, you are authorized to use the Green Tier logo on written materials that are related to your facility. You will receive a unique certificate that recognizes you for participating in the Green Tier Program. The DNR will work with you to annually celebrate your participation in the Green Tier Program through a joint press release to local newspapers and will maintain your company's name on a list of participants that is available on the DNR's website.

As a participant in the Green Tier Program, you are entitled to Deferred Civil Enforcement, as described in 299.83(6m)(d). In brief, this means that if you discover either a non-conformance in your EMS, or you discover a violation with an existing environmental requirement, and if you provide us notice of your discovery along with a corrective action plan that conforms to the requirements in the statute, and if you

successfully and timely implement the corrective action plan, we will not seek to impose penalties on Kimberly Clark Experimental Mill for the non-conformance or violation. You are reminded that nothing in this acceptance letter replaces any obligation that you have to report on, and correct, any violation of law or regulation.

In addition, once Kimberly Clark establishes either a functionally equivalent EMS, or an ISO 14001 certified EMS, the DNR commits to inspect the Kimberly Clark Experimental Mill at the lowest frequency permitted by law, unless the DNR believes you to be out of compliance. If you choose not to certify your EMS under ISO 14000, please document that your EMS is functionally equivalent to an ISO 14000 EMS by following the guidance attached. As you know, Kimberly Clark Experimental Mill needs to have in place within one year of this letter an EMS that either is demonstrated to be functionally equivalent to an ISO 14001 EMS, or is certified to ISO 14001. As a reminder, you also need to have audited your EMS by the end of the first year of this agreement.

You are also asked to update the DNR annually, beginning in January 2007 on your consultation with interested persons in the area. You are also asked to update the DNR annually, beginning in January 2007 on your progress in meeting your objectives and targets and implementing your EMS. Both of these requirements can be incorporated into your annual report to the DNR on your environmental performance accomplishments, and any EMS non-conformances or violations. Please also provide the DNR with documentation of your management review of your environmental management system at that time.

We would encourage you, as part of your annual report, to prepare an executive summary of your accomplishments over the last year that can be placed on the DNR's web site, and which could also be posted on Kimberly Clark's web site.

As a reminder, by the third year of your participation in the Green Tier program you must have your EMS audited by an outside environmental auditor. The results of this audit should also be reported to the DNR.

We also ask that you use the attached list of indicators to gather information on the overall success of the Green Tier program. The information that you gather on the broad indicators is designed to supplement any measures that you gather to demonstrate the effectiveness of your EMS.

Finally, if you have any questions about your interaction as a Tier 1 participant with the DNR, Jennifer Borski has been assigned as your single point of contact. Please coordinate with Jennifer on an annual meeting that will be used to brief the DNR on your environmental performance, and the progress made on the objectives and targets. This meeting shall also be used for the DNR to provide input on the objectives and targets to be set for the coming year.

Your acceptance into the Green Tier Program is good for 5 years, and your status as a Green Tier company can be extended for additional amounts that we mutually agree to. You may withdraw from the program at any time by notifying us of your decision to withdraw. We may also withdraw you from the program if we believe that it is in the best interest of the Green Tier Program to end the relationship that is created with this letter.

I want to welcome you as a Tier 1 company and encourage you to work towards Tier 2 status in the future.

Sincerely,

/s/ Scott Hassett

Scott Hassett, Secretary
WI Department of Natural Resources

As of October 25, 2010 the five year acceptance provision for Kimberly Clark has been lifted. Kimberly Clark's acceptance into the Green Tier Program will extend indefinitely.

Attachment: Tier 1 Application
Certificate of Recognition
Environmental Results Program Logo
Functional Equivalency Guidance
Generic Suite of Green Tier Indicators

Green Tier Application

Revision 05/2005

State of Wisconsin
Department of Natural Resources
PO Box 7921,

Madison WI 53707-7921
Form 4800-022
dnr.wi.gov

Notice: Collection of this information is authorized under s. 299.83 Wis. Stats. Participation in Green Tier and completion of this form are voluntary. Personal information collected on this form, including such data as your name, address, phone number, etc., will be used in the implementation of Green Tier and will be made broadly available under the Green Tier program. Information will also be made accessible to requesters under Wisconsin's Public Records Law (ss. 19.32 -19.39, Wis. Stats.). Applications must be considered complete by the Department of Natural Resources in order to be processed. For application instructions, see "Green Tier Application Instructions," publication number CO-501.

This application is a: Tier 1 Participation Request Tier 2 Participation Request

I. Applicant Information (add additional forms for each entity that is part of the applicant group)

Person or Entity Name David W. Bernd		Title Facility Manager	
Street Address 126 N. Commercial St.	City Neenah	State WI	Zip Code 54956
Telephone Number 920-721-6204	Fax Number 920-721-8500	E-mail Address dwbernd@kcc.com	

II. Facility Information (add additional forms for each facility or activity that is to be included in Green Tier)

Facility Name Kimberly-Clark Corp. Experimental Mill		SIC/NAICS Codes SIC - 2621 NAICS - 322121	County Winnebago
Street Address 126 N. Commercial Street	City Neenah	State WI	Zip Code 54956
Mailing Address Same	City	State	Zip Code
Please identify all DNR Facility Identification numbers (FID#s) that apply to the covered facility or activity FID - 471025830			

III. Scope of Green Tier Participation (Materials in support of this section should be labeled Attachment 1.)

Is this application to cover all activities at the facility? Yes No If no, please describe the discrete activities to be covered in the program.

IV. Enforcement Record (Materials in support of this section should be labeled Attachment 2. Eligibility requirements are established in s. 299.83(3) and (5), Wis. Stats.)

Has the applicant, managing operators of the applicant or any person with 25% or more ownership interest in the applicant:

Yes No a. Had a judgment entered against them, or been convicted of a criminal violation of an environmental regulation involving a covered facility or activity? If yes, please provide the date(s) of the judgment or conviction and the nature of the violation(s).

Applicants convicted of a criminal violation within 60 months of the date of the application for Tier 1 or 120 months for Tier 2 are ineligible for the program.

b. Had a civil judgment entered against them for a violation of an environmental regulation involving a covered facility or activity? If yes, please provide the date(s) if the judgment and the nature of the violations.

Applicants with a civil judgment entered against them within 36 months of the date of the application for Tier 1 and 60 months for Tier 2 are ineligible for the program, unless the applicant requests a waiver of this prohibition under s. 299.83(3)(e) or (5)(e) .

c. Been referred to the Department of Justice for enforcement of an environmental regulation involving a covered facility or activity? If yes, please provide the date(s) of referral and the nature of the violation(s).

Applicants referred to the Department of Justice within 24 months of the date of the application for Tier 1 or Tier 2 are ineligible for the program, unless the applicant requests a waiver of this prohibition under s. 299.83(3)(e) or (5)(e).

Yes No d. Been issued an environmental citation by the Department of Natural Resources involving a covered facility or activity? If yes, please provide the date(s) of the citation and the nature of the violation(s).

Applicants issued an environmental citation within 24 months of the date of the application for Tier 1 or Tier 2 are ineligible for the program, unless the applicant requests a waiver of this prohibition under s. 299.83(3)(e) or (5)(e).

Are you requesting a waiver under s. 299.83(3)(e) or (5)(e)?

Yes No If yes, please attach a justification. Waivers may be granted in exceptional circumstances.

V. Environmental Performance

Please provide information about, and examples of, your superior environmental performance. In answering this question, please separately address **A) past and present superior environmental performance**; and **B) proposed (future) superior environmental performance**. (You

must address both A & B in your application.) Materials in support of this section should be labeled Attachment 3. For definitions of *environmental performance* and *superior environmental performance*, refer to the Application Instructions. In addition, for either a Tier 1 or Tier 2 application, you will be asked to provide a baseline of environmental performance against which future performance will be measured. Please provide potential indicators that would be used for that baseline.

VI. Environmental Management System (EMS)

Materials in support of this section should be labeled Attachment 4.

- | | | |
|--------------------------|-------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Yes | No | |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | a. Do you have an EMS certified to the International Organization for Standardization (ISO) standard 14001? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | b. Do you have an EMS that is functionally equivalent as determined by the Department of Natural Resources? |

If no to both questions, you are not eligible for Tier 2 status. If you are applying for Tier 1 status, you will need to develop a functionally equivalent EMS within one year from the date of acceptance of this application.

If yes to either question, please attach a copy of the following to this application:

- Your facility's EMS (or provide an electronic link to your EMS)
- Third party certification
- Functional equivalency determination, addressing each of the 12 elements defined in s. 299.83(1)(dg)

VII. Stakeholder Identification

Please provide a list of stakeholders who could be interested in your application. Include in your list names and addresses of the following classes of people: neighbors, suppliers, customers, local environmental group representatives, local governments, waste contractors, wastewater utility, and any other individuals or groups which you believe might have an interest in your application. This list of stakeholders should be submitted as Attachment 5.

VIII. Tier 1 Applicant Statement of Commitment

I commit to:

- Implement, within one year of the date of acceptance of this application, an EMS that is third party certified or is functionally equivalent as demonstrated by a matching up of the requirements in s. 299.83(1)(dg) and elements of the EMS.
- Conduct annual EMS audits, with at least every third audit performed by an independent environmental auditor approved by the Department of Natural Resources.
- Submit to the Department of Natural Resources an annual report on the EMS audit that is in compliance with s. 299.83(6m)(a) and documents progress towards meeting objectives related to improved environmental performance, including the submission of indicators agreed on by the parties.

I commit to the above statements and certify that all information provided is true and correct under penalty of law.

Signature of Applicant	Date Signed
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IX. Tier 2 Applicant Statement of Commitment

I commit to:

- Conduct annual EMS audits performed by an independent environmental auditor approved by the Department of Natural Resources.
- Conduct, or have another person conduct an annual audit of compliance with environmental requirements that are applicable to the covered facilities and activities that are the subject of this application.
- Submit to the Department of Natural Resources an annual report on the EMS audit and the environmental requirements compliance audit that is in compliance with s. 299.83(6m)(a) and documents progress towards meeting objectives related to improved environmental performance, including the submission of indicators agreed on by the parties.

I commit to the above statements and certify that all information provided is true and correct under penalty of law.

Signature of Applicant	Date Signed
------------------------	-------------

Experimental Mill (X-Mill) Environmental Policy Statement

We are committed to preserving and protecting the environment by:

1. Complying with all relevant environmental legislation, regulations, permits or consents, and Kimberly-Clark corporate environmental objectives.
2. Monitoring, controlling, and continuously improving performance relative to waste generation, air emissions, water discharges, energy usage, and response procedures.
3. Training employees on their roles to assist in maintaining a facility that is environmentally compliant.

Stormwater Pollution Prevention

Current Best Management Practices

- Conduct a comprehensive site compliance evaluation at least annually. Visually inspect drainage systems, structural measures, and other pollution prevention measures that have been identified.
- Conduct quarterly visual inspections
- Conduct a Storm Water Assessment and Certification two times per year
- Sweep entire parking lot after melting of last snow fall and on an as needed basis
- Inspect and clean grounds on a weekly basis during non-snow periods
- Maintain shoreline Rip-Rap
- Utilize “Area Drain Control Procedures” for unloading docks at Doors B, C, D, and E, Sub-Station and Millview warehouse for Stormwater containment and control. Inspect containment/control systems on a quarterly basis for operating integrity.
- Clean and inspect area surrounding the refuse compactor periodically
- Inspect the compactor hydraulic system for leaks on a weekly basis
- Affected personnel receive Stormwater certification training every 3 years

Spill Prevention and Countermeasure Control

Current Best Management Practices

- Inspect the chemical waste accumulation area and hazardous waste satellite area weekly for leaks and container integrity.
- Inspect maintenance oil storage area weekly for leaks and container integrity
- Inspect TAD 1 & 2 lube oil area weekly for leaks
- Inspect ECU 1&2 hydraulic supply area weekly for leaks
- Affected personnel receive RCRA and HAZWOPER refresher training annually
- Sulfuric Acid SOP - to address handling and storage

Solid Waste Management

Current Best Management Practices

- Recycle 100% of manufacturing waste
 - Base sheet (tissue broke)
 - Cardboard
 - Poly-wrap
 - Packaging material
 - Plastic buckets(5&1 gallon containers)
 - Scrap wood product
- Recycle 100% Universal Waste
 - Lamps and bulbs
 - Used oil
 - Batteries
 - Mercury-containing devices/thermostats
 - Anti-freeze
- Recycle 100% scrap metal waste
- Recycle 100% office waste

Air Emissions

Current Best Management Practices

- X-Mill does not exceed permissible air emission levels
 - Conduct annual air emissions inventory to ensure compliance

Past Performance and Improvements

Waste Minimization and Management

- Replaced the “Safety-Kleen” parts washers with a “Zep” unit that does not require regular servicing and fluid change-outs (fluid was currently treated as hazardous waste). “Zep” manufactures a unit that requires an occasional change-out of a filter (which may be hazardous waste) versus regular disposal of waste fluid.
- Implemented a program to crush and drain aerosol cans and recycle empty cans with scrap metal.
- Implemented a “Total Chemical Management Plan” to manage chemical inventory and reduce Hazardous Waste

Energy Reduction Programs

- Implemented an energy savings plan by shutting off heating, ventilating and air conditioning when building is not occupied. Also shut off make-up air units in the EDU and CHF areas whenever possible. Normally one of the two run when the building is occupied, none when the building is not occupied.

- Energy reduction - 13% in energy usage 2004 to 2005
- In November, 2005, X-Mill and Neenah Paper Inc. began using steam from Minergy Corp. Minergy is helping paper mills meet their long-term environmental goals by burning sludge to produce steam so that it does not go to the landfill. The Minergy plant's steam production has also allowed adjacent paper mills to reduce or eliminate operation of older, less efficient oil and gas-fired boilers, thereby reducing emission levels. Prior to November 2005, gas powered boilers located at Neenah Paper Inc. produced steam for the X-Mill. Landfill elimination for both the X-Mill and Neenah Paper Inc. totals 4,800 tons of sludge per year.

Water Reduction Programs

- Installed a closed loop system on an air compressor
 - Total savings – 6.3 million gallons per year
- Reclaim cooling water from air conditioners for “next day use” in the tissue making process
 - Total savings – 3.8 million gallons per year

2006 and Beyond Goals

- EMS consistent with ISO 14001
 - 100% implemented by 2006 year end
- Continued reduction of water and energy consumption
 - Targeting a project to save 8.4 million gallons in 2006
- Compliant with regulatory reporting requirements
- Compliance with X-Mill Environmental Policy Statement
- Ground Water Remediation/ Site Contamination
 - Continue pump and treat containment effort while working toward site closure.
- Continue waste minimization efforts