



ENVIRONMENTAL COMMITMENT

Schu Industries, a family owned business since 1979, has maintained its unrelenting focus on the environment from the beginning, while also providing products of high integrity.

Our **MISSION** is to develop quality products for our customers.

Our **RESPONSIBILITY** is to remain environmentally committed to the world around us.

We, at Schu Industries, are conscience of the threat on our natural resources and diligently work to improve our impact on the environment. We actively seek ways to reduce, reuse, and recycle.

We are proud of our environmental initiative and have adopted Composite Panel Association's (CPA) Environmentally Preferable Product (EPP) "Downstream Program Participant" designation. This designation informs suppliers, customers, and other manufacturers of our efforts toward long term protection, preservation and sustainability of our environment.

Rest assured that the lumber utilized by Schu Industries is purchased from sustainable sources. Additionally, the processes used in our manufacturing are constantly improving and our production facilities are continually being scrutinized for ways to lessen our footprint on the environment around us.

Our commitment to continuous improvement along with our environmental responsibility has allowed us to cultivate a reputation of resourcefulness and innovation worldwide.

View a complete copy of our Environmental Mission Statement to gain a full understanding of Schu Industries commitment to the environment.

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Environmental Mission

Introduction

Our mission is to manufacture durable products while utilizing sustainable raw materials and processes that will positively impact our environment. To accomplish this mission, the staff at Schu Industries has made a commitment to examine every aspect of our products, processes, and facilities. Our reputation for producing products that have extended life cycles and better performance ultimately leads to less frequent replacement and disposal. Our constant improvement mentality has led to better, safer products and an environment in which our employees excel.

Sustainable Forests

There is a common perception among us that the use of wood and wood products is leading to the destruction of our natural resources and ultimately our environment. This is a gross misconception. According to the U.S. Forest service, each year the U.S. grows more trees than what we are harvesting. Since the mid 50's commercial hardwood and softwood forests have grown a significant amount each year, due to the sustainable practices of the softwood and hardwood industries.

Wood as a renewable resource

Wood is one of the most functional and environmentally friendly materials known to man. With the tree's ability to convert carbon dioxide into life giving oxygen, there are few other materials that have the environmental advantages of wood. It is renewable, recyclable, and biodegradable. With our ability to use wood in so many everyday applications, as well as its finished beauty, wood is truly one of the most versatile materials available for use today.

Location

We can help you with your LEED credits. Our plants are located in Southeastern Wisconsin, which are often located within 500 miles of many of your projects. Our manufacturing capabilities allow us to be a single source for all your project needs. Freight and energy savings can be gained by minimizing multiple trucks coming from multiple vendors.

Materials

Materials utilized in manufactured products at Schu Industries are TSCA TITLE VI COMPLIANT. We have struck a balance between product durability and environmental responsibility by using materials and finishes that have proven to be low in VOC's and HAPs

Manufacturing Operations and Processes

Our focus has not been limited just to the materials we use. We are constantly searching for manufacturing operation and process improvements. Examples of Schu Industries commitment to a better environment include our work in Packaging and Shipping, Scrap Use, Equipment, PVA Line and Spray Equipment.

Packaging and Shipping - We continually seek ways to minimize disposable packaging without jeopardizing the integrity of our finished products during transport. We utilize all means of protection, including reusable blanket wrapping, which eliminates any recycling. All incoming packaging is also reused or recycled.

Scrap use - We have almost eliminated all wood scraps going to landfill. We have always processed scraps and drop-offs into smaller wood parts. More recently we have established a program in which all remaining scraps are ground into saw dust and chips which are distributed and utilized for animal bedding.

Equipment - We are mindful of electrical energy conservation as it relates to equipment. We purchase the most efficient and versatile equipment available. Multifunctional machines minimize numerous machines drawing on our electric power source. Variable speed motors are used to lower electrical usage during low demand operations.

PVA Line - This cold press glue line allows us to do laminate lay up using low emitting glues. The cold press line uses a fraction of energy needed to run a hot laminate press.

Spray equipment - HVLP guns and pumps provide an efficient way to apply finish onto products. This type of equipment is designed to apply coatings on to the product without putting a cloud of over-spray into the air. This equipment not only saves material but also cuts down on VOC's in the air.

Manufacturing Facility

Our continual improvement program doesn't end with our manufacturing processes, we continue to improve our facilities as well. We have recently changed the following:

New Plant - We recently purchased and renovated an existing building instead of constructing a new facility. By reconditioning this existing semi-vacant facility, we improved the esthetics of the village, in which we work, and have maintained our environmental footprint.

Energy Savings - Programmable thermostats are used to regulate heat, and air-conditioning in the plant, as well as the offices. We use frequency converters to lower electricity usage during certain operations.

Lighting in Plant - We re-equipped our plant with energy efficient lighting. All the lighting in our plants and warehouses are grouped in zones, which allow us to turn on lighting only in the areas where work is being done.

Office - We also revamped our office by rearranging office workstations to make more efficient use of natural lighting. The installation of independent lighting, air-conditioning and heating in each work area, allows for energy savings by only using energy where and when it is needed.

Commitment

The commitment of caring for our environment is endless. Innovative ideas and hard work are components needed to make an impact. Sustainability requires people who are willing to be committed to continual improvement. You will find all of these qualities and traits in the employees here at Schu Industries.



TSCA TITLE VI COMPLIANT **CARB Phase 2 - COMPLIANT**

The California Air Resources Board (CARB) developed and approved an airborne toxic control measure (Regulation) to reduce formaldehyde emissions from composite wood products and from finished goods that contain composite wood products. The Phase 2 emission standards (CARB Phase 2) are in effect for composite wood product, including particleboard (PB), medium density fiberboard (MDF), hardwood plywood veneer core (HWPW-VC). Hardwood plywood composite core (HWPW-CC) will become Phase 2 compliant by July 1, 2012.

As of January 01, 2009, finished goods such as furniture, cabinets, case goods and components, that use these materials must comply with lower formaldehyde limits, to be legal for sale in California. These requirements apply to all finished goods, imported and domestic.

The following materials that are used in your products meet or exceed the regulatory requirements of CARB Phase 2.

- Particle Board – Standard
- Particle Board – Fire-Rated
- MDF Board
- Hardboard
- Plywood – Veneer Core
- Plywood – Composite Core effective July 1, 2012
- Plywood – Fire-Rated
- Laminate – On any of the above listed core materials
- Melamine – On any of the above listed core materials

Schu Industries, Inc. is also able to provide non-mandated materials such as NAF (No Added Formaldehyde) and NAUF (No Added Urea-Formaldehyde). These elective materials are available on a request-for-quote basis only. These materials carry an up-charge that may be as much as 50% or more, than the mandated CARB Compliant material.

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