



ECOIZATION™



A Sustainability Statement



Hatco's Commitment to Sustainability



David Rolston
President & CEO

Hatco Corporation's ECOization program is committed to reducing waste, saving energy, and reducing our carbon footprint through the discovery and development of new environmentally friendly manufacturing and operational processes. We work collaboratively with customers and suppliers who share this common goal.

We have a three-prong approach which incorporates our employees, our operations and our products.

As Employees, ECOization means that we do all we can at work and in our daily personal lives to reduce our energy consumption and our waste output.

As a Company, ECOization means that we do all we can to manufacture our products and provide our services using the least amount of energy possible and producing the least amount of waste possible.

In the design of our Products, ECOization means we are constantly working to maximize the energy efficiency of environmentally friendly products. This includes seeking out Energy Star, Restriction of Hazardous Substances (RoHS), Waste Electrical and Electronic Equipment (WEEE), and other agency approvals where appropriate, providing designs and technologies that perform more energy efficiently than competitive products and using recyclable materials and renewable resources as much as reasonably possible.



Hatco's Sustainability Initiatives

Manufacturing

- In 2004, Hatco started replacing factory lights with high efficiency T8 fluorescent light fixtures, saving 44% annually to properly light the facility.
 - In 2006, Hatco changed to low heat cleaners and conditioners in the powdercoat line pretreatment area, saving 2.6 billion BTUs per year — enough energy to power more than 66 average U.S. homes!
 - In 2007, Hatco replaced the plant air compressor with a variable frequency drive unit, saving 68,700 kilowatt hours annually — enough energy to power more than 6 average U.S. homes!
 - In 2008, Hatco replaced our exhaust system with a variable frequency drive motor and heat recovery, saving 38,983 kilowatt hours annually — enough energy to power more than 3 average U.S. homes!
- Stacking direct-fired gas ovens in the powdercoat building minimizes BTU loss during operation. Heat recovered from this process maintains desired temperatures during the winter months, eliminating the need for additional heat.
 - Utilizing motion sensors, skylights, and a glass atrium in the factory, reducing energy consumption.
 - Localizing thermostats allows offices to be set to the most efficient temperature for the season at hand.
 - Staggering start up times on machinery generates less power consumption and reduces the demand for energy over that time period.

Product

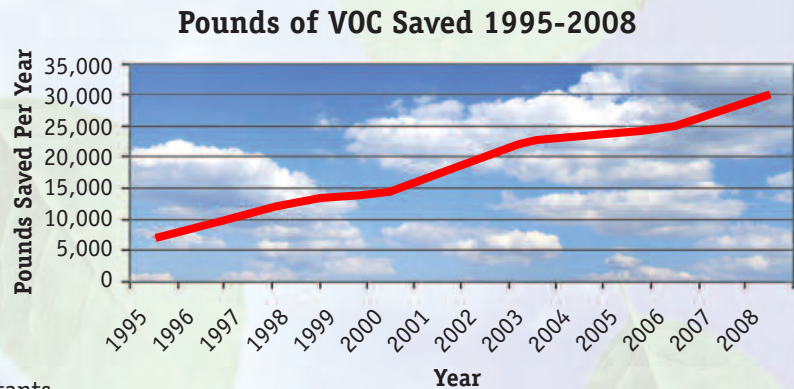
- The working efficiency of a Hatco Electric Booster Water Heater is 97% or higher.
- Energy Star products include portable Holding Cabinets.
- In addition to being thermally efficient, Hatco's Refrigerated Drop-in Wells utilize a green-friendly blowing agent that emits no Volatile Organic Compound (VOC) and low Ozone Depletion Potential (ODP) and Global Warming Potential (GWP).
- Refrigerated Drop-in Wells utilize the most efficient compressor on the market today.

Hatco's Sustainability Initiatives

Product - continued

- Instant-on elements featured in our Food Finishers reduce energy consumption by eliminating the 15 - 30 minute warm-up time and can be turned off when not in use.
- Zone heating on insulated Hatco Drawer Warmers with individual drawer controls reduces energy consumption.
- When possible, Hatco products utilize thermostat controls as our standard offering. This conserves energy by sensing when heat is needed.
- All products are compliant with RoHS and WEEE international regulations.
- Ongoing research to develop environmentally-friendly equipment and packaging.

Carbon Footprint



- In 1995, Hatco converted our paint process from a solvent-based liquid to a low cure environmentally-friendly powder, eliminating hazardous air pollutants.
- In 2006, our new powdercoat paint line was installed which included a more efficient cure oven, saving 936 million BTUs — removing the emission of 14 cars annually!
- By utilizing powder coating, eliminated 256,808 pounds of VOC over the past 14 years (see chart.)
- In 2008, we consolidated our IT structure reducing the number of servers from 45 down to two, saving space and energy.
- Recycling 44.2 tons of corrugated material annually, equivalent to saving more than 750 trees per year (based on 17 trees per ton) or 398 cubic yards of landfill (based on 9 cubic yards per ton).
- The pretreatment washer system in the powdercoat line reduces water consumption by 20%, limiting the amount of waste water discharged to our Publically Operated Treatment Works (POTW).



Hatco's Materials Reduction, Recycling, and Reusing Programs

- In 2003, Hatco purchased a sheet metal laser cutter, saving 50% on material from the previously used CNC turret punch press equipment. In 2008 Hatco purchased a highly energy efficient laser model that utilizes an optimized dynamic nest process, reducing scrap on all sheet metal stock.
- Continue to recycle/reuse scrap metal annually, recycling millions of pounds of steel in the last two years.
- Manufacture with 95% recyclable stainless steel.
- Engage in Single-Stream recycling which allows employees to mix recyclable paper, plastic, and glass in one bin, instead of being sorted and handled separately throughout the collection process. The use of mechanized screens and optical sorting technologies by the vendor now recovers as much as three times the amount of recyclable materials than previous methods.
- Recycle shipping cartons and packing materials.

Think green

Corporate Initiatives

- Create a corporate team and smaller, facility-focused teams, to lead the implementation of sustainable practices into everyday business.
- Introduce recycling programs for consumer cardboard, paper, aluminum cans and plastic bottles.
- Utilize Corporate and Employee newsletters to promote and educate readers.
- Partner with vendors and suppliers to solicit sustainable ideas and practices.

Did You Know? The following provided by Energy Information Administration (EIA):



Total energy used by one average U.S. car per year = 68.7 million Btu

Driven 12,400 miles per year at 22.4 miles per gallon equals 554 gallons of gasoline at 124,000 Btu per gallon.



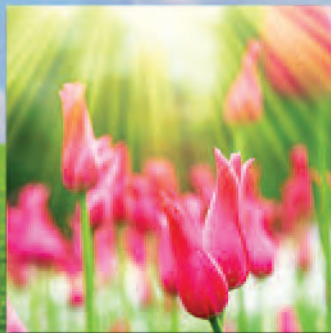
Total electricity used by one average U.S. home per year for appliances, lighting, etc. = 39.2 million Btu

Total U.S. residential electricity used is 1,275 billion kWh divided by 111.1 million homes at 3,412 Btu per kWh.



Total primary energy used to provide the electricity used by one average U.S. home per year = 134.9 million Btu

Total energy input to electricity production is 40.5 quadrillion Btu times the residential share of electricity use of 37% divided by 111.1 million homes.



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