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Cascade Engineering
Triple Bottom Line Report

2015



Cascade Engineering is comprised of nine business units. These nine businesses are collectively known as the Cascade Family of Companies (FOC). Although they represent a wide diversity of markets, products, and services, they all are managed with one unifying purpose: that People, Planet, and Profit are all important to our success.



Commercial
Products



Automotive
Americas



Automotive
Europe



Cart
Solutions



Decade
Products



CK
Technologies



Invisible
Waste Services



Noble
Polymers



Xtreme
RFID

11th Edition

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Our 2015 TBL report represents the second decade of sharing our successes and challenges as they relate to People, Planet, and Profit. Our goal for creating this annual report remains unchanged as witnessed by the following introduction taken from our first TBL report. Published in 2004, our first Triple Bottom Line Report stated that we hope to create:

- *A higher level of organizational accountability and transparency*
- *A balanced approach to continuous improvement*
- *An important learning tool – for us and for other medium-sized companies*

Our purpose remains unchanged 11 years later, and we are encouraged that organizations like B Corp, Conscious Capitalism, and Richard Branson's B Team, to name a few, have recognized and acknowledged that a business can have a higher purpose beyond pure financial gain and positively impact society and our environment.

We acknowledge that this is a journey without end and we must continually strive to do more while encouraging other businesses to do whatever they can to make our world a better place.





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COMMUNITY AND ENVIRONMENT. YOU ARE A TRUE
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THANK YOU!
APRIL 2014

Making an Impact - A Way of Life

Over the 42 years since Cascade Engineering's founding, I have been intrigued with the dual opportunity any business has: to be financially healthy allowing growth of the business AND the opportunity to make a positive impact in the world with our business. We define our purpose as follows: "To make a positive impact on society, and the environment and to be financially successful." To many organizations this may sound like a zero sum game since making an impact can be perceived as taking away from profitability.

We believe something quite different. We believe that if we treat people well, design our systems and our culture to help people thrive, both personally and professionally, that the business will quite naturally thrive as well. Oh, it takes nurturing, it takes feeding, but the results are so worthwhile as we get to tell stories of employees that value their long term status with Cascade Engineering; their opportunities to take care of their families, and their opportunities to grow and progress.

Over the years we have institutionalized some of the good things that make a difference in our culture by turning them into programs which become just part of the fabric of Cascade Engineering. Programs such as Welfare to Career, Anti-Racism, and Returning Citizens, are who we are. They work to complement each other even as they inject some tension in the culture. Why do we do this? Why take the risk? I think of these programs as how we demonstrate being authentic and true to our values. I often get asked why we do these sorts of things, and I find myself simply saying "it's the right thing to do."

Now granted somewhere, somehow, we have a return on our investment over time. Maybe it's in the form of just being proud as we greet each other with a smile knowing that the smile is real, not forced. Maybe it's in the form of people willing to work hard without being asked, because they really care about the place. Maybe it's in the form of creativity or maybe it's in unexpected benefits like friendship and trust.

Cascade Engineering is committed to doing the right thing and this is demonstrated in our being a Certified B Corp. Not only are we committed, we demonstrate it to ourselves and the world by doing an extensive evaluation of our systems while putting plans together to get even better. Does performance take a back seat to this work? Absolutely not! Performance is probably enhanced. Performance is enhanced by trust, trust is enhanced by our culture, and our culture is enhanced by the degree to which we demonstrate our commitment to our values.

Making an impact – for us it's a way of life!



Fred P. Keller
Founder & Chair

Our TBL Performance

I have always admired Fred for his willingness to lead a company that is committed to the Triple Bottom Line (TBL). Listening to him talk, he makes it sound easy because, “it’s the right thing to do.” It means at Cascade we are rooted in values and we use those values to guide us in business.

I have come to realize that what we do is not only “the right thing to do,” it has the added benefit of being the “smart thing to do.” When people work where their voices are heard you bring a multitude of ideas, innovations and opportunities to the forefront. When those voices come from a diverse set of backgrounds they are even more powerful.

Our 2015 fiscal year ended on August 31st and I am pleased to report that our entire Family of Companies (FOC) comprised of nine diversified businesses had record performance across each dimension of our TBL.

On the People side we celebrated our best safety performance in 25 years. Our employee satisfaction survey scores were at an all-time high. We also took pride in watching “Returning Citizens” transitioning into management positions.

On the Planet side we used more recycled material than any time in the history of the company. We also like knowing our automotive dash silencers are 100% recyclable and the market is following our lead in that direction. We are maintaining multiple facilities at zero waste-to-landfill and moving others closer to that objective.

On the Profit side we finished with our second consecutive year of record revenues and profits. The strength of our balance sheet will enable us to further increase impact.

Interestingly, people still think about elements of the TBL as being an “either-or” proposition. Nothing could be farther from the truth. When balanced correctly, each leg can leverage the others. In full disclosure, this is easier to say than do. We are far from perfect and have much room



for improvement. We will make mistakes along the way, but that is how we learn.

All that remains to be said is “Thank You” to all of our employees, suppliers and customers for your continued support and dedication as we pursue our Triple Bottom Line initiatives for People, Planet and Profit.

Mark Miller
CEO & President



B Corps: Changing How the World Practices Business

Certified B Corps are recognized for using the power of business to positively impact society while solving social and environmental problems. Cascade Engineering is one of 1,598 companies located throughout 43 countries representing 130 industries comprising the B Corp Community. We are honored to be part of this organization which parallels our Triple Bottom Line philosophy. We encourage other businesses to think beyond the traditional financial bottom line and expand their goodwill to include society and our environment.

A highlight of our 2015 fiscal year was our third recertification as a B Corp. To be certified, companies must conduct a rigorous impact questionnaire comprised of five sections: environment, workers, customers, community, and governance. The median score for 17 companies with +1000 employees completing the questionnaire was 64.8, the median score of all companies that completed the impact assessment was 80 and Cascade Engineering's "B" assessment score was 89. Although B Lab, the certifying body, considers Cascade's score to be "great" we will continue to review our programs, policies and procedures to determine where we can improve.

To allow us to measure and track our impact we have developed what we call "Level Zero Breakthrough Objectives" that reflect our long-term (5 year) goals. These goals are categorized under our Triple Bottom Line focus of People, Planet and Profit as follows:

PEOPLE

1. Be an employer of choice
2. Zero injuries
3. Family owned company with positive community impact
4. Total immersion in the Cascade Enterprise System

PLANET

5. Improve environmental impact by 50%
6. Increase new sustainable innovations by 10%

PROFIT

7. Eliminate the seven forms of waste
8. Reach the EBIT goal for the Family of Companies
9. Improve the company funded debt to EBITDA ratio

These Level 0 goals are communicated to all of our employees and every department and each business unit establishes specific annual goals and initiatives to support these 5-year objectives.



Kenyatta Brame
Executive Vice President



PEOPLE

We believe our 1,600 employees worldwide are a family of people. People who genuinely care about each other, are committed to each other and enjoy working together with one purpose in mind: to make a meaningful impact on society.

We want to be recognized as an employer of choice. Being an employer of choice means that we have carefully thought about creating an environment where people want to work and have long-lasting careers. We want to create a place where people choose to work over other competing organizations because of what we have to offer them in terms of the whole experience — compensation, benefits,

training, recognition, opportunities, development and purpose for being. We recognize that hiring and retaining talented people requires companies to be receptive to the expectations of a new generation of workers. We strive to provide an environment where people enjoy coming to work and are challenged and rewarded for their contributions while given opportunities for growth.

Image: Cascade Engineering Employee, Derice Campbell



PROFILE:

Jo-Anne Perkins & Caitlin Townsend Lamb

STEP Award Recipients



Manufacturing faces a serious skills gap and part of this gap is the under-representation of women in manufacturing. Women make up about 47 percent of the labor force, but only 27 percent of the manufacturing workforce. To help improve upon this, The Manufacturing Institute is promoting the role of women in manufacturing through the STEP (Science, Technology, Engineering, and Production) Ahead initiative, which serves to mentor and recognize women while also leading research efforts tackling this important topic.

The Manufacturing Institute launched the STEP Ahead initiative in 2012 to celebrate women in the manufacturing industry that are making a difference through advocacy, mentorship, engagement, promotion, and leadership. The STEP Ahead Awards, held annually in Washington, DC, highlight the achievements of real women in manufacturing on a national stage with a formal gala to celebrate their accomplishments.

STEP Ahead calls upon these women to advocate for the manufacturing industry, mentor young women/girls with the National Girls Collaborative Project, engage an affinity group to generate ideas and share best practices, promote personal development, and lead as an ambassador for manufacturing education.

In March, Cascade's Jo-Anne Perkins was recognized and received the 2015 STEP Ahead Award Honoree as one of the top one hundred women in manufacturing in the United States. Caitlin Townsend Lamb joined Jo-Anne in Washington, on Capitol Hill, and was recognized as one of the top thirty 2015 STEP Ahead Emerging Leaders, a future talent in manufacturing. We are very proud of these two women representing Cascade Engineering in the world of manufacturing.



PROFILE:

James Cornell

Vice President of Sales, IWS

Exceptional Sales Leader Award

Sales MVP of the Year



Meet James Cornell - Vice-President of Sales for Invisible Waste Services (IWS). James received our 2015 Exceptional Sales Leader Award which reflects going above and beyond to accomplish team goals. He also received the 2015 Sales MVP Award which is given to the highest performing salesperson in the Cascade Engineering Family of Companies (FOC).

James has been with IWS since October of 2004 and started in Tampa, Florida as a sales representative while living in Orlando. The Orlando sales position was taken, yet he still wanted an opportunity to join the company and made the journey to Tampa (500-600 miles weekly) because, as James says, "I really believed in what IWS was doing as a company and wanted to be an instrumental part of their success."

His interest in sales started early in his life while still in high school working with his father at his furniture store in the mid '80s. He credits this experience with learning the power of relationships while observing and listening to his father's genuine interest in his customers' well being.

He joined the U.S. Army out of high school and was trained as an operator for anti-tank guided missile systems while stationed in Aschaffenburg, Germany. While in Europe he traveled extensively and toured multiple foreign countries and continued living there after his honorable discharge. He returned to Florida to attend college and holds a Bachelor of Business degree in Marketing from Orlando College.

His first job after graduation was at a small theme park where he spent four years honing his appreciation for the importance of providing a positive customer experience. He then worked in the rental car industry for several years before joining IWS. James realized through these experiences that his passion was in sales and his success was based on developing personal relationships with his customers.

This year, he is Chair of the Product Service Council, the highest honor a supplier can receive in the multi-family industry. He is on the Executive Committee for the Florida Apartment Association and represents the interests of all supplier partners.

James says, "My involvement in the multi-family residential community is my way of giving back to the industry that has given so much to me."

James resides in Orlando, Florida and is devoted to his wife Carmen a bi-lingual kindergarten teacher, and his two sons Brandon (21) and Jarred (17).





PLANET

We are stewards of the environment. Each of us is responsible for the health and well being of our planet. The choices we make everyday contribute to either the health or deterioration of our ecosystems. If we don't take it upon ourselves to care about the planet who will?

We live in a world of finite resources and it is our responsibility to protect and nurture our natural resources whenever possible. This year we increased our usage of recycled post industrial and post consumer resins (PIR/PCR) to 21,800,000 pounds. We also reduced our greenhouse gas emissions and recorded zero waste to landfill for the fourth consecutive year in a row on our

Grand Rapids Campus. As a TBL company we recognize the importance of pursuing every opportunity to act responsibly. Our Learning Community facility is certified as a LEED (Leadership in Energy & Environmental Design) Platinum existing building. The platinum rating is the highest level of certification attainable by the U.S. Green Building Council.



Image: PIR/PCR Regrind (Recycled Resin)

Automotive Americas

Our dash silencers and 3D suction blow molded components utilize recycled material content and are 100% recyclable at the end of their product lives, making them particularly appealing for our TBL purpose of environmental responsibility. Not only are these products recyclable, they are designed with the intention of reducing weight and hence fuel consumption. By utilizing 100% recyclable thermoplastic olefin (TPO) rather than non-recyclable ethylene vinyl acetate (EVA), Automotive Americas will help reduce land fill targeted waste by approximately 2,500 tons per year.

A record year for car and truck sales along with reduced oil prices allowed our Cascade Engineering Automotive Americas (CEAA) group to see substantial growth and record financial performance. Our injection molded dash silencers and our 3D suction blow molded components are both witnessing continued growth with new customers like Honda and Harley Davidson. In addition to pursuing our traditional automotive customers we are also supplying new customers like Harley Davidson (motorcycles), Polaris (power sports – off road) and Volvo-Penta (outboard engines).

With our successes also come some challenges like reduction of our tooling cost and build timing. Our global competitors have the ability to offer our automotive OEM (original equipment manufacturer) customers the option of lower cost and overseas manufacturing of tools. With our increased penetration of dash silencer business, the incumbent suppliers are focusing their attention in our direction and on the threat we pose. Our response is to continue creating innovative solutions to customer problems while expanding our patent portfolio and providing unique solutions.

The first automotive product we ever produced was an air conditioning vent for Oldsmobile in 1980. We are proud to report that 35 years later we still are acknowledged for our ability to provide innovative solutions using plastic for automotive applications. We are also extending this knowledge to new customers and markets beyond the traditional OEMs.



Image: Automotive Americas 3D Suction Blow Molded Tube

PIR / PCR Material Usage (FOC)

Our use of recycled plastic in our products continues to increase year over year. Our materials group along with manufacturing engineering continually search for ways to increase this usage without impact on product performance.

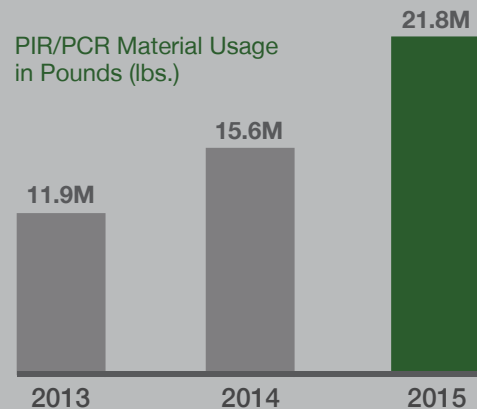




Image: Xtreme RFID Rivet Jr. Tags

Xtreme RFID

There is great potential for radio frequency identification (RFID) particularly since it is so closely aligned with sustainability. RFID tags are used to track assets for theft reduction, asset life cycle management, inventory management, productivity and efficiency improvements, asset visibility in the supply chain and automation of data collection.

RFID technology is growing but is still in the early adoption phase of market acceptance. 2015 saw the introduction of 22 new part numbers and 18 new customers and we expect continued growth in 2016. The RFID market is relatively new and we are taking a broad approach to commercialization. The markets Xtreme will be focusing on this year include utilities, commercial fishing, manufacturing, oil and gas, mining, agriculture and health care.

We successfully executed three key strategic initiatives in 2015. We finalized and launched our extrusion molding process. This patented process provides new key competitive advantages in the manufacture of rugged RFID tags. We can now mold very low profile rugged tags that are a one-piece design. Competitive offerings are two piece which are not as rugged and have lower Ingress Protection ratings. We can now manufacture at a very high rate of speed (50,000 tags per day). We will be moving the production of rugged tags for Cascade Cart Solutions from injection molding to extrusion. This will free up 250 ton press capacity to produce additional RFID tags and other small tonnage products for Cascade Engineering.

Xtreme RFID requires go-to-market strategies which are far different from the requirements of our long standing legacy businesses. Our business requires us to generate our own leads through non-traditional efforts. Traditional marketing was not generating the leads to sustain this business. So we launched a digital marketing campaign to drive leads to our website. We utilized paid search through Google AdWords and a banner ad campaign on LinkedIn and other industry websites. These efforts have increased the leads coming to us by eight fold and are generating a higher percentage of qualified leads for us to pursue.

We launched a portfolio of industry leading combination tags. We can now manufacture all of our tags in clear resin with bar codes and human-readable numbers. This provides the best of both worlds whereby customers can utilize both the bar code and RFID technology to their advantage. The majority of our sales come from these products.

Today we use Xtreme RFID tags on every waste container we make for Cascade Cart Solutions and many of our Decade bins and pallets are identified through RFID technology.



PROFIT

A TBL company cannot be viable without financial success. In order to make a positive impact it requires fiscal responsibility and stewardship.

Our Cascade Enterprise System (CES) is a company wide effort to improve our systems and procedures to assure that we maximize our resources in all areas of our operations. This year we celebrated record financial performance for the Cascade Family of Companies. All nine of our diversified businesses delivered strong financial

results and we are proud of their accomplishments. As a Triple Bottom Line company we realize the importance of seeking financial success to fuel our continued growth. Profit allows us the opportunity to invest in making a positive social impact and environmental stewardship.



Image: Decade Products Injection Molding Process

CK Technologies

CK Technologies (CKT) is our largest business unit and leading thermoplastics solutions provider in the North American commercial truck and bus industry. They lead the market for injection molded bumpers, grilles, roof fairings and chassis skirts. They produce large plastic injection molded parts and assemblies that are top-coat painted and delivered in sequence to our customers. Headquartered in Montpelier, Ohio, CKT also has plant locations in Mount Airy, NC and Brownsville and Fort Worth, Texas. CKT employs 785 people.

In 2015 the team at CKT delivered a record performance. They were able to keep up with demand as truck production reached the highest volumes in the last decade. In addition, CKT launched 38 new tools during the year and our commercial team was awarded over 110 tools for future production as our customers refresh their current product lines.

We are particularly proud of our safety performance since safety is the top priority at CKT, as it is for the entire Cascade Engineering Family of Companies.

We closed the year with the lowest rate of recordable safety incidents in CKT's history. These results are reflective of our efforts to be an employer of choice. We want to assure all of our employees that they are working in an environment with the proper protocols in place to ensure their safety.

Our product quality data shows 18 months of consecutive year-over-year improvements by month. This is reflected in our customer's confidence in our abilities as they continue to award us with new business. Our customer scorecards also show high ratings for our performance in the key areas of cost, quality and delivery.

This was a year of record high industry volumes with 328,880 trucks built in calendar year 2015. As the teams worked to address the high volumes, we continued our commitment to our employees and our local communities. We invested over \$61,000 in our local communities through programs such as sponsorship of Montpelier High School Robotics program, multiple academic scholarships and support of a variety of community programs.

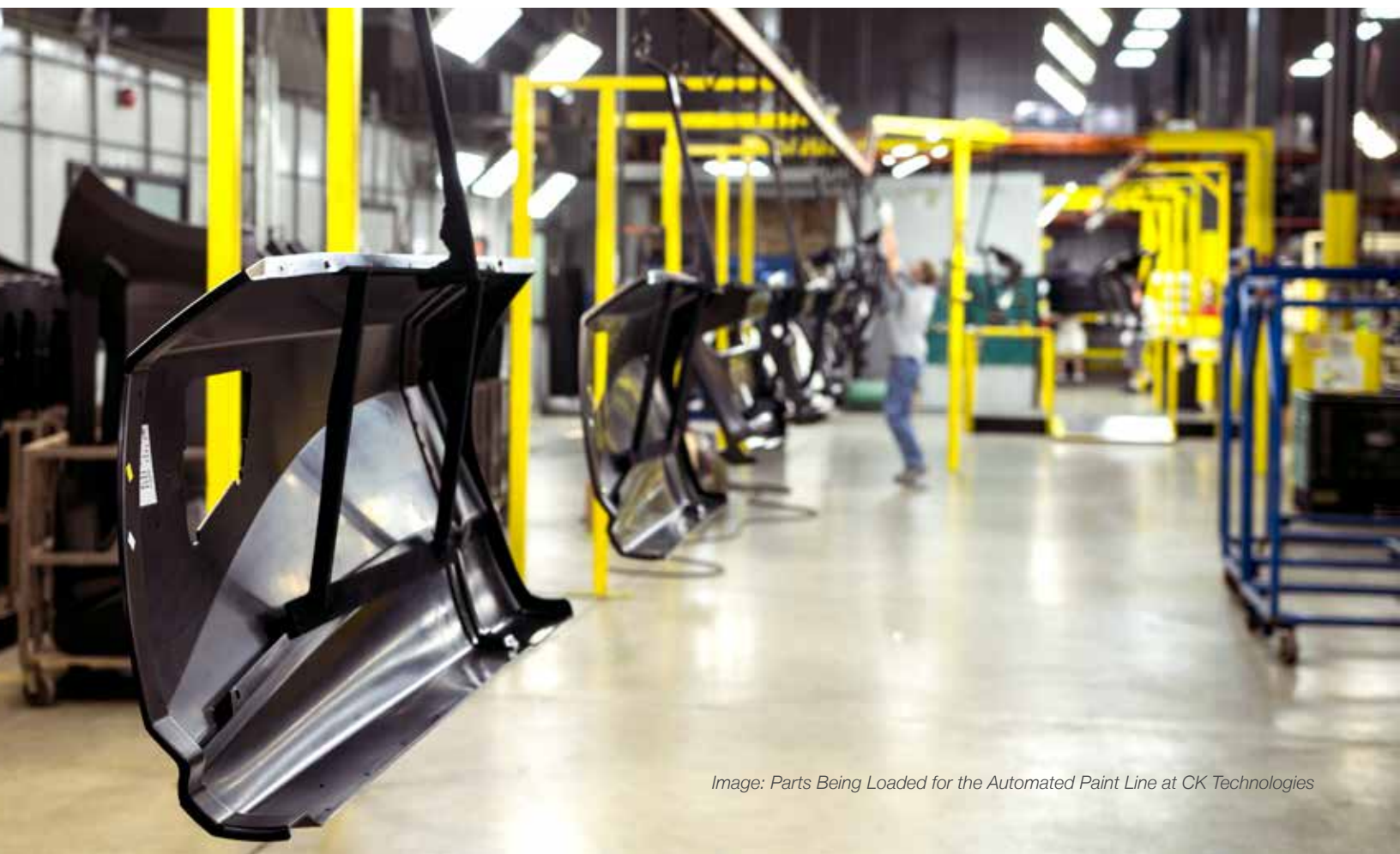


Image: Parts Being Loaded for the Automated Paint Line at CK Technologies



Image: Decade Products Employee, Johan Walker

Decade Products

Decade Products produces plastic bins and pallets primarily for the industrial, agricultural and food processing industries. The agricultural segment is strongly dependent on favorable weather conditions and in 2015 had a series of challenges with an early seasonal freeze in Ontario, Canada and hurricane Patricia in Mexico negatively impacting this segment. This reduction in revenue was offset with strong performance in the industrial material handling and food processing markets, which continued to show respectable annual revenue growth.

We also made substantial investments with the acquisition and improvement of the previously leased Sysco Court facility in Grand Rapids, MI. A new mold for our newest ACE bin is in the works and will be ready for production in early 2016.

The high-density polyethylene (HDPE) resin we use in over 70% of our products was selling at record high prices for this commodity in Q1 and Q2 resulting in reduced profitability. This increase was slightly offset with our increased usage of recycled resins wherever possible.

We are also pleased to announce Dave Gargett as our new National Sales Manager. Dave has been with Decade for 15 years. Mike Begin has also joined us as a Regional Sales Manager for the Northeastern United States.

Decade Products is a 50/50 joint venture with Dolav Plastic Products located in Dvir, Israel. Both organizations believe that contributing to their respective communities is an important objective for their businesses.

Happily adopting this principle, Decade Products donated funds and spent a day volunteering at Family Promise Grand Rapids. Family Promise is dedicated to keeping families intact through temporary housing with the ultimate goal of getting them back to safe and secure housing. They have a 90%+ rate of doing so.

In Israel, Dolav Plastics supports the Eden Foundation. This group focuses on teenagers at risk and provides them with safe living accommodations outside of their troubled homes, education and emotional support.

Noble Polymers

This past year Noble Polymers implemented a new and focused strategy surrounding two of our primary thermo-plastic olefin (TPO) product lines, Ecobarrier® (barrier TPO) and Regis® (rigid TPO). As a result, this renewed focus has improved our overall operating performance while simplifying our material development strategy. We have also been more selective regarding opportunities outside these two product lines based on our capabilities and probability of success. With a concentrated effort on fewer projects we have been able to bring more opportunities into commercialization.

Our Ecobarrier TPO, used for injection molding of dash mats at Cascade Automotive Americas, is now being used by another automotive customer, making this material application a first outside our Cascade Family of Companies. Working closely together with all of our customers we continue to create material advancements that provide more design freedom for injection molded dash mats.

New leadership in operations is working to streamline our processes and correct inefficiencies. We have been working on implementation of the Cascade Enterprise System (CES) and seeing definite improvements in all areas of our business. "By aligning our manufacturing operations and procedures with other business units surrounding our Grand Rapids campus we are seeing the benefits of consistency and stability at Noble," states Meagan Marko – Sales Manager of Noble Polymers.



Image: Meagan Marko



Image: Close-up Shot of Resin Pellets from Noble Polymers

A photograph of industrial silos and a truck trailer. The silos are white with metal walkways and railings. The truck trailer is white and features the Noble polymers logo, which consists of a green square with a white molecular structure, followed by the word "NOBLE" in large black letters and "polymers" in smaller black letters below it. The sky is clear blue.

NOBLE
polymers

6FC



Image: Herman Miller Caper Chair Backs (Molded by Cascade Commercial Products)

Commercial Products

Our Commercial Products Group, in collaboration with our Noble Polymers team, successfully developed a unique compounding process that utilizes re-grind material from recycled tennis shoe soles with polypropylene to be injection molded in a next generation classic Herman Miller Eames chair.

Herman Miller also honored Commercial Products with the highest scores ever awarded to a supplier during their annual audit in the categories of “Better World” and “Environmental Stewardship.” Our partnership with Herman Miller spans 35 years and we deeply value our continued relationship.

We also worked closely with the designers and engineers at another seating manufacturer to produce an industry first all Acetal chair back for high-end office seating. This chair back incorporates unique design and plastic injection molding processes to provide structural strength, maximum flexibility, class A in-mold color aesthetics, and is the single largest part ever made from this material.

This was all made possible by extensive collaboration between the customer, material provider, and Cascade Engineering to prototype multiple design and process options leading to the final product. The final result will eliminate the need for fiberglass-filled and multiple material construction typically required. This product will be 100% recyclable at the end of life.

The Commercial Products Group was retained by Native Energy to continue to produce the Hydrad Water Filter formerly produced in-house for our Triple Quest business unit. This business was sold to Native Energy in 2015 primarily due to their established distribution channels in the Carbon Credit marketplace. We are honored to still be involved in the production of this filter, which continues to provide safe drinking water to 770,000 people in 46 countries.

We are also continuing our pursuit of opportunities in the Compressed Natural Gas (CNG) market, particularly in the area of providing lightweight solutions for large plastic injection molded liners for CNG tanks used on Class 8 and smaller trucks. CNG is ten times cleaner than diesel fuel and further reduces North America’s dependency on foreign oil.

Automotive Europe

Cascade Engineering Automotive Europe witnessed significant growth in their key markets. This continued growth required a new facility for kinematic assembly comprised of an additional 10,000 square feet completed in May.

New kinematic products were launched for Volkswagen and IAC. Contitech and Tristone continue to provide us with new opportunities in the fluid-handling segment and we see additional growth with these strategic partners for 2016 and 2017. Most importantly, many of our customers are coming to us for our product design capabilities as well as our production expertise.

Our product portfolio is comprised of kinematics, fluid handling and HVAC components and this diversity provides us with continued sustainability. Increasing labor costs and the exchange rate will continue to be challenges for us in 2016.

In Central-eastern Europe there has been a serious lack of research studying the effectiveness of workplace-based vocational training. Two recent labor studies (Wolter and Ryan in 2011 and Piopiunik and Ryan in 2012) have shown that secondary education level systems, combining school-based vocational education with employer provided, workplace based apprentice training, have sustained a positive track record in smoothing the transition process, lowering the unemployment rate and increasing the quality of work produced.



Image: Automotive Europe Expansion (Exterior)

Based on these studies we have started programs to build stronger relationships with local vocational and trade schools to develop a standard training system for high school students. In Hungary, every student in the non-college bound vocational training track is required to spend one year either in school or with a local firm like ours. This collaboration with local high schools allows us better access to recruit technical students as they graduate.

Although we have had a long standing relationship with the University of Budapest this additional training program allows us to reach a younger generation of previously untapped talent. We also are in discussions with a mechanical school clarifying the details that will result in a stronger match between the skills acquired in education and the skills needed in the workplace leading to an effective labor market and additional source of talent for us. We have recently hired four graduates to work in our tool shop and they will help us better understand the work habits of the “Y” generation as we prepare our workforce for the future.



Image: Automotive Europe Expansion (Interior)

Cascade Cart Solutions

The overall market for trash carts was significantly down for all producers during the year, primarily due to HDPE resin prices that were 10% -15% above the annual average for two consecutive years. Under these difficult conditions our Cart Solutions group persevered to land the largest contract issued in 2015 from Orange County, Florida. This contract was for 350,000 96-gallon trash and recycling carts to be delivered by the end of the calendar year. Each household in Orange County will receive one of each.

We started production at the Buursma plant on September 1st in order to build up significant inventory to meet the first release of 216,000 waste and recycling carts to 108,000 households between October 19th and December 19th. We dedicated three full time tools and presses 24/7 to meet this aggressive time frame.

All of the carts were delivered with black bodies which allowed us to incorporate recycled resins and either green (trash) or blue (recycling) lids. The lids also included in-mold labels supporting the Orange County program.

Another accomplishment was the utilization of our internally built software CartLogic® to manage the order. The software identified all the residential addresses in Orange County and helped our delivery crews assign a waste and recycling cart to every address using one of our Xtreme RFID tags installed on every cart including the GPS coordinates.

Under very difficult market conditions Cart Solutions still managed to remain profitable despite a 25% reduction in container sales. Credit is due to our operations group, known as the Cascade Business Team, for implementation of cost controls and cost reductions keeping our variable costs in line with the unplanned shortfall in sales.

We also managed to increase our use of alternative PIR/PCR material throughout our operations to a record high 21,800,000 pounds. Considering our carts use the bulk of our PIR/PCR material this was a remarkable achievement when coupled with a 25% reduction in cart sales.



Image: Marlin Broersma Inspecting Orange County Cart Hotstamp Quality



Image: The Bench® from IWS

Invisible Waste Services

Highlights for IWS included moving their headquarters to a larger facility in Orlando, Florida. They also added Cari Krix as a new regional sales manager to handle the growing Georgia and Southeastern market. Cari is based in Atlanta, Georgia.

One of the major accomplishments IWS cited this year was the development of three key relationships, two of these with Pinnacle and Lincoln which are represented in the top three property owner management companies for multi-residential housing in the United States. In addition they also partnered with UBS one of the largest investor/owner properties in North America. These three strong partnerships will continue to yield strong growth in the future

The strong market for multi-residential housing has set the stage for increased competition with many new competitors offering low prices as well as extra services at no charge. In light of this increasingly competitive segment IWS still

managed to produce positive results. We witnessed continued growth adding 12,370 units and 42 properties increasing our revenue for the fifth straight year. IWS now services 54,526 units and 173 properties in nine states: Florida, Georgia, Colorado, Alabama, Virginia, North Carolina, South Carolina, Tennessee and Texas.

We were all deeply impacted by the loss of Nan Cavarretta, former Regional Sales Manager, from cancer in January. Nan was a fountain of energy and enthusiasm for her co-workers, family and anyone who had the pleasure of meeting her. In July, at the National Apartment Association (NAA) Conference and Exposition, Nan was posthumously awarded a Paragon Award which is the highest award an industry professional can attain. In early December, Nan was awarded the Russell Parker award, which is the Apartment Association of Orlando's most prestigious award only and rarely provided to their Hall of Fame recipients.

ANNUAL TBL SCORECARD

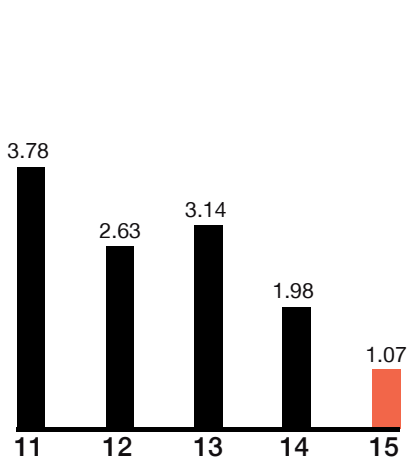
2015 Fiscal Year

(9/1/14 - 8/31/15)

Our TBL scorecard represents the key measurements we use to identify challenges and track our progress as related to People, Planet, and Profit. With the exception of FOC Sales all metrics represent measurables only within Cascade Engineering's Grand Rapids campus.

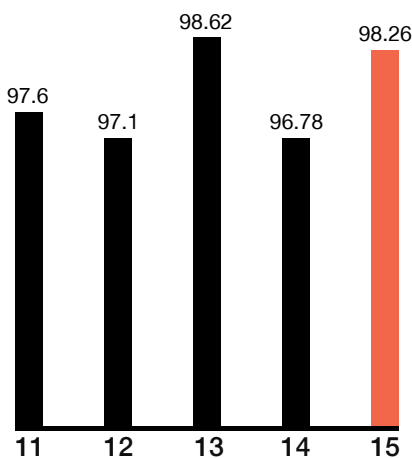
PEOPLE

Safety Incident Rate
(rates per 200,000 hours worked, %)



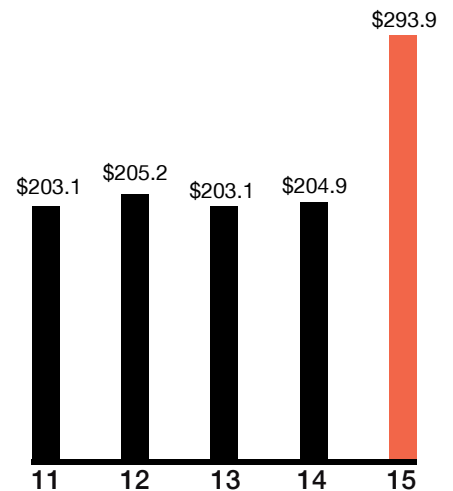
Safety is our number one priority. We are proud to report that we came in below the industry average of 4.6% and continually strive to decrease this rate year over year.

Welfare to Career
(retention rate, %)



We value every human being at Cascade Engineering and we work to ensure that all of our employees have an opportunity to pursue successful careers.

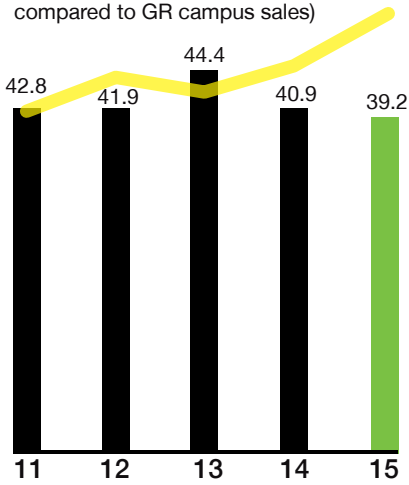
Social Contributions
(dollars in thousands)



We believe that business has the opportunity to make a positive impact on society. We are happy to share our success with our community and contribute to positive social change.

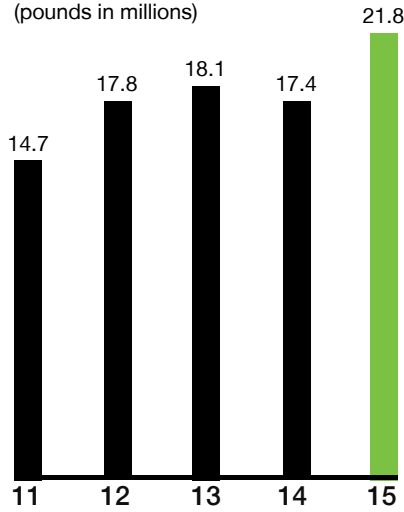
PLANET

Greenhouse Gas Emissions
(Metric tons of CO₂ in thousands compared to GR campus sales)



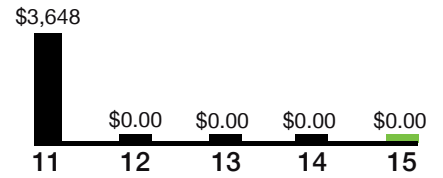
We use this metric to measure our environmental footprint. We strive to reduce greenhouse gas emissions every year. (The yellow line represents our Grand Rapids campus sales dollars).

PIR/PCR Usage
(pounds in millions)



We want to increase our annual use of post-industrial and post-consumer recycled material.

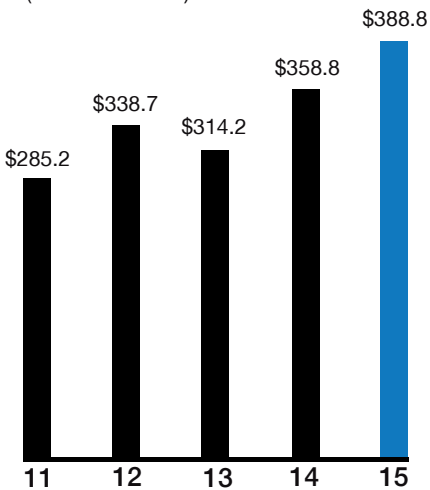
Landfill Cost
(waste-to-landfill \$)



Our Grand Rapids campus has recorded zero waste-to-landfill for the fourth consecutive year. Our non-campus facilities are also pursuing this goal.

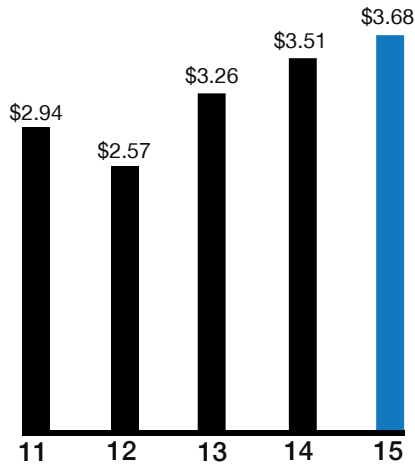
PROFIT

FOC Sales
(dollars in million)



This five year history represents the total annual revenue for all nine business units which comprise the Cascade Engineering Family of Companies.

Sales to Kilowatt Hour
(sales \$ per kilowatt hour)



Our goal is to use less energy (kW-h) to produce our saleable goods. We want to increase our sales dollars while expending less energy.



**THANK
YOU**

Cascade Engineering would like to take this opportunity to thank our
valued customers around the world for their continued support.
Without their belief in us our organization would not exist.





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3400 Innovation Court Grand Rapids, MI 49512
616.975.4800 | info@cascadeng.com | www.cascadeng.com
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