

Skolnik Industries

Sustainability Plan

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Prepared for

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1.0 Background

In January 2011, the Delta Institute (Delta) was hired by Skolnik Industries (Skolnik) to document current sustainability efforts that are intrinsic to Skolnik's culture and to assist with the creation of a formalized Sustainability Plan. Skolnik's need for this plan was two-fold. The primary objective was to develop a plan that not only documented and coordinated current Skolnik sustainability initiatives, such as energy efficiency strategies and waste minimization, but that also identified opportunities for continuous improvement and progress and afforded ways to track such progress. The second objective was to provide external communications about Skolnik's sustainability initiatives.

Skolnik was founded in 1985. It is located at 4900 S. Kilbourn Avenue in Chicago, Illinois and is a business to business manufacturer of carbon steel drums and stainless steel drums. Drums produced range in size from 3 to 119 gallons and range in usage from custom wine barrels to drums for hazardous materials and dangerous goods. Drums are manufactured and can be certified to United Nations and Department of Transportation regulations as well as military specifications and DOE 7A Type A (Department of Energy) radioactive and special requirements packaging. Skolnik has approximately 100 employees.

2.0 The Sustainability Planning Process

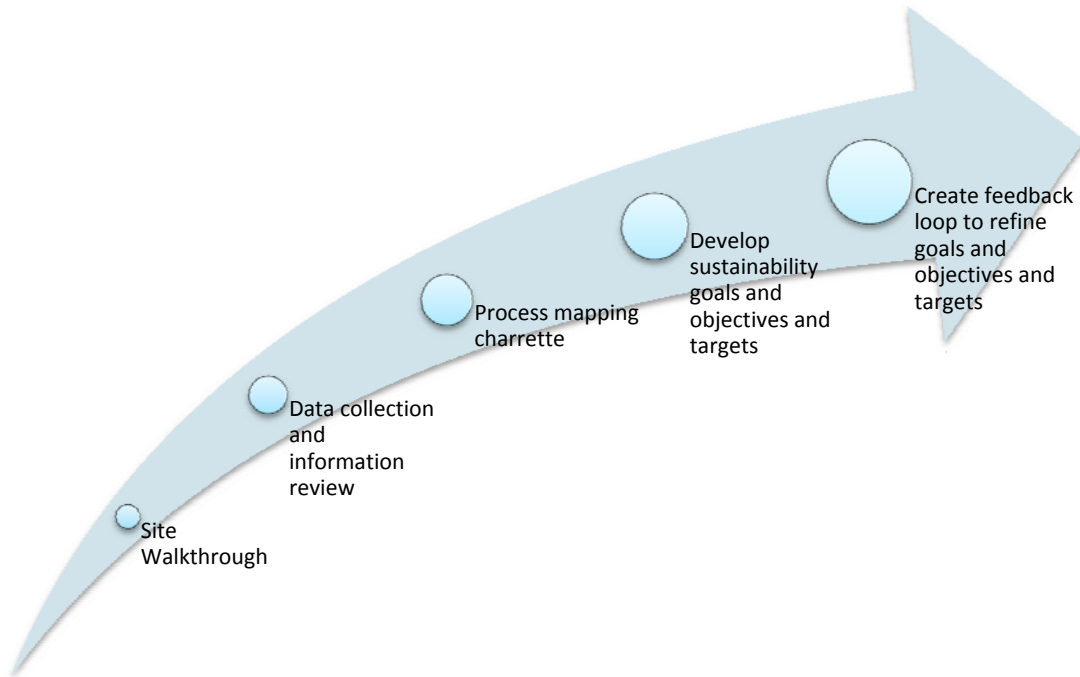
Sustainability is not a new concept for businesses. At its essence, sustainability is managing for future generations. Sustainability goals are set for initiatives that are environmentally, socially, and economically sustainable and when all stakeholders are at the table, engaged in the goal setting process.

In developing Skolnik's Sustainability Plan, Delta employed a process mapping exercise that provided a 360 degree view of Skolnik's operations. Process mapping is a rigorous procedure to identify material inputs and wastes generated in each part of Skolnik's process. Delta engaged Skolnik in a charette styled process mapping exercise to obtain input from each major department in the organization. Subsequent feedback in the form of site visit walkthroughs, verbal and E-mail discussion with Skolnik management, and document reviews provided important details regarding manufacturing and office processes and current sustainability initiatives. The ideas generated during this process formed the framework for the implementable initiatives included in Skolnik's Sustainability Action Plan.

In developing Skolnik's sustainability plan, goals and concepts put forth by the US Department of Energy (DOE) September 2010 Strategic Sustainability Performance Plan (SSP) were reviewed and considered as appropriate. However, it is important to note that due to the

comprehensive nature of the SSP, not all initiatives were applicable to Skolnik's scope of operations.

Delta's Sustainability Planning process is illustrated in Figure 1, below:



3.0 Governance for Sustainability- Skolnik Sustainability Goals

Skolnik's Sustainability Plan consists of seven goals:

1. Reduce Waste
2. Conserve Process Material Inputs
3. Reduce Electricity, Natural Gas and Water Use
4. Promote Sustainable Office Practices
5. Increase Employee Participation in Sustainability Initiatives
6. Promote Sustainability of Human Resources
7. Conduct Sustainability Review

4.0 The Sustainability Action Plan

The product of the sustainability analysis with Skolnik was creation of the 2011-2014 Sustainability Action Plan (Action Plan). The purpose of the plan is to allow Skolnik to progress toward the seven sustainability goals established at the beginning of the planning process. The Action Plan expands upon existing Skolnik sustainability initiatives and creates new initiatives within each of the four opportunity areas of:

- Waste Reduction;
- Material Conservation;
- Energy and Water Use; and
- Office and Employee Practices.

Each initiative includes a baseline, a quantifiable objective, a strategy to achieve the objective, and a time driven implementation field to facilitate continuous improvement and progress in the opportunity area.

Goals and related strategies presented in the Sustainability Action Plan are summarized as:

Goal	Goal Description	Strategy
1	Reduce Waste	Document Recycling and Reuse
1	Reduce Waste	Increase Recycling and Reuse
2	Conserve Process Materials	Change Inputs
2	Conserve Process Materials	Increase Efficiency
3	Reduce Electrical, Natural Gas and Water Use	Modify Use
3	Reduce Electrical, Natural Gas and Water Use	Renewable Energy
4	Promote Sustainable Office Practices	Modify Policies and Systems
5	Increase Employee Participation in Sustainability Initiatives	Communication
6	Promote Sustainability of Human Resources	Workplace and Neighborhood
7	Conduct Sustainability Review	Annual Review

5.0 Continuous Improvement Recommendations

For sustainability planning to be successful, a commitment to periodic reviews and update of the plan is necessary. At least biannually, Skolnik will conduct a comprehensive review of the sustainability action plan to update initiatives, objectives, strategies, and time lines as to measure progress towards their seven sustainability goals. As part of the continuous improvement process, new objectives and targets will be considered in the areas of Governance, Environment, Work Force, Customer/Suppliers and Community.