



2010 Corporate Environmental Report

In 2010, Planar began an ambitious program to define, measure and improve our corporate facility's environmental impact. For this initial review, several areas were quickly identified where improvements could be made. Although only in its beginning, Planar expects our program to grow and develop in the years to come to cover more aspects of our business.

Description of Facility and Planar activities

Our corporate facility is located in Beaverton, Oregon where design, sales, testing, marketing, quality assurance and customer support activities take place. We have approximately 150 employees and approximately 72,000 square feet.

Our corporate report will be prepared on an annual basis for the previous calendar year. We will focus on areas within our corporate facility and areas that are managed by employees in our corporate facility.

Energy Consumption

For this initial program, we began by investigating the energy cost we pay to operate our facility; however we have found that this energy cost is aggregated with other costs today and is not currently separable. This makes quantitative measuring of our energy consumption difficult; it does not mean, however, that we are not taking actions to reduce our consumption. Most of our fixtures use florescent lighting. All of our conference rooms have movement sensors in them so the lights are turned off when no one is in the room. In calendar year 2010, all of the aging projectors in the conference rooms were replaced with newer Planar business projectors that have better lamp and power management than the previous products.

We have zonal heating and cooling to help compensate for different areas within the building which may have different purposes. This way, areas such as equipment test labs with lots of equipment that need more cooling or more heat, are able to be regulated more efficiently.

Our goal for calendar year 2011 and forward is to secure better reporting. We will then be able to measure our energy consumption and develop concrete action plans for reduction.

Transportation

Planar has an active Alternative Commuting Program which encourages all employees to take advantage of alternative forms of commuting to and from work. We work with both the Oregon Department of Environmental Quality's guidelines and those from Washington County where our headquarter facility is located. Information on carpooling, public transit, bicycling and vanpooling is provided on the company's intranet.

For carpooling, besides internet resources, Planar also has a map in a central location which allows employees to find other employees who live in their neighborhood. For bicyclists, there are plenty of places to lock up their bicycles outside and covered facilities inside for when the weather is inclement. Additionally, we have onsite showers for employees to use.

To encourage alternative commuting, Planar offers an Emergency Ride Home program which allows an employee who does not have a car at the office to get a ride anywhere needed in an emergency. This helps alleviate concerns employees have about responding to family issues.

Reducing single occupancy trips to work is a long process, especially as your workforce changes. Our baseline was created in 1997 at 93% single occupancy trips. Reviews are conducted every two years, with the next one due in July 2011. Our goal for that review is to be at 87% single occupancy trips. Our long term target is 84%.

Lastly, Planar offers a telecommuting option. Employees work with their manager to enter the program and determine their schedule of working at an alternate location, mostly at home. Currently, a 10% of the facility's employees are part of the program with 20% of them working from home at least one day a week.

An effective management program was put in place during 2009 and 2010 to reduce the number of shipments in our high volume, high mix business unit. We have worked aggressively with our partners to consolidate their orders in one or two shipments a week versus shipping every order as it is received. This allows for more efficient transportation, as well as cost savings for both us and our partners and reduction of green house gas emissions. We now consolidate more than 55% of total shipments. Although this program directly affects our distribution center, it is actively managed out of our corporate facility. Other groups within our facility have not been able to take advantage of this action due to the nature of their business which is smaller shipments to unique partners. However, they do work with our logistics team to do so as efficiently as possible.

Office Products

This year we've taken a look at items in particular which stand out when evaluating our usage of consumables along with IT infrastructure. Over the year, our IT team has been consolidating our server and network hardware. In 2010, we reduced our physical server count from 142 to 47 and expect further consolidation in 2011. When new hardware has been necessary, it is much more efficient with more advanced power saver modes.

Copier/Printer paper consumption was another area that was reviewed. Our IT team has setup a SharePoint server so that documents can be shared and stored thereby reducing the amount of paper needed to run our business. However, we are still using more than 1000 reams of paper a year and none of that is recycled. For calendar year 2011, we commit to reducing our overall paper usage by 5% and increasing our paper from recycled material from zero to 10%.

Sourcing of marketing materials was also reviewed. We produce many promotional items such as linecards, brochures, and notecards to hand out to our partner's employees and at tradeshow. However, from 2009 to 2010, we reduced this quantity by 5% and are committed to reducing again by 2012 by 10%. We will also be increasing the amount of recycled material in what paper we do use from our current 0% to at least 25% by year end 2014.

The last item we looked at in this category is the use of paper cups for coffee, tea, and water. Our corporate building consumed over 25000 paper cups in 2009. That is more than 100 per person who worked in the building at that time. We reduced the number of cups used by 10% in 2010 and expect to continue reductions by 10% for 2011 and 2012.

Recycling

In our corporate building, we make it easy and convenient to recycle materials. For paper, every workstation has its own recycling bin plus there are both shred bins and recycle bins near every copier and printer. There are also locked cabinets for sensitive materials that are picked up by a local shredder/recycling company.

For cans and bottles, we work with a local charity that has setup collection bins in our canteen for employees to put their recyclables in. In the State of Oregon, there is a deposit on cans and bottles so the charity is able to use that money it collects by returning the cans and bottles for its programs. We also have handy recycle bins for cardboard and paper which helps with all the outside boxes from home-brought foods that employees heat up for lunch.

Lastly, we also have areas of the building where other recyclables such as plastics and metal parts from products can be left and will be picked up by others to be separated and placed in

the main recycle bins. This has greatly reduced those items going into the waste stream or as more often happened, piled up in individual areas causing hazards.

Employee Health & Safety

Planar has a full EHS program in place with an active Safety Committee and Medical Emergency Response Team. Both teams meet at least once a quarter to discuss the state of our program, provide refresher training and discuss upcoming activities. Every year, we conduct an evacuation drill and meet afterwards to debrief. We encourage all employees to feel ownership in the safety of our facilities and have tools in place for them to report hazards, incidents and accidents. These reports are reviewed by the Safety Committee on a periodic basis but are immediately reviewed by the Safety Committee Chairperson, who will assign others as necessary to investigate. Planar also has a Building Inspection program whereby safety committee members or others who are properly trained, conducted inspections on a regular basis to ensure that the workplace stays safe for all employees.

Product Improvements

As mentioned above, this facility is dedicated to the development and design of Planar products and is responsible for developing our New Product Introduction (NPI) process. This product introduction process goes through continuous improvement to capture those items related to environmental compliance such as RoHS, WEEE, REACH, etc. Those requirements are now identified at the front end of the project and drive decisions throughout the NPI process. This effort has led to improvements in plastics content, metal coatings, amount of packaging and energy consumption. An example of this effort is our significant push into LED backlighting for many of our products which will render them mercury-free. We expect 5% of our product line will be LED in 2011.

2009 Baseline and Goal summary

Topic	2009 baseline	2010	Future Goal
Energy measurement	Aggregated number not able to be separated	Aggregated number not able to be separated	Establish 2011 baseline consumption numbers
Transportation – Single Occupancy Trips	88%	Not measured	87% for 2011 and 84% long term
Transportation – Shipment Consolidations	N/A	55% consolidation for our high volume team	Continue to work with all groups and logistics to ship as efficiently as our business allows.
IT Infrastructure	142	47	Further consolidation as requirements allow.
Paper Usage	1728 reams	1656 reams	5% decrease and an increase in recycled-content paper
Paper recycled content	0 % recycled content	0%	10% recycled content
Marketing Materials	N/A	Reduction of 5%	Reduction of 5%
Paper Cup Usage	26000 cups	19000 cups	2011 will be a 10% reduction