

GEMS Permit Application

GEMS Achiever (Tier II)

Date: September 27, 2000

Epson Portland Inc.
Phase 1 & 2 building
3950 NW Aloclek Place
Hillsboro, OR 97124
Washington County

Epson Portland Inc.
Phase 3 building
3740 NW Aloclek Place
Hillsboro, OR 97124
Washington County

CONTACT INFORMATION

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SITE HISTORY

Epson Portland Inc. (EPI), located in Hillsboro, Oregon, is the sole U.S. manufacturing affiliate of Japan's Seiko Epson Corporation (SEC). SEC decided to begin manufacturing printers in the United States to support Epson America, Inc. – SEC's U.S. sales and marketing subsidiary (SIC code 3577 & 3089). Now embarking upon its 15th year in operation, EPI currently manufactures various models of EPSON Stylus Color ink jet printers and ink cartridges. EPI also performs circuit board assembly, plastic injection molding, printer refurbishing, optical engine refurbishing, media development and contract electronics manufacturing.

CORPORATE MILESTONES

1985 Incorporated as EPI and began original construction
1986 Printer & Circuit Board assembly began
1987 Print Head manufacture commenced
1988 Original factory expanded and plastic injection molding capacity added
1993 ISO 9002 certified
1996 Second factory building completed
1997 First clean room added
1998 ISO 14001 certified
1999 Second clean room added
2000 Contract manufacturing begun

ECONOMIC IMPACT

More than 900 employees; current payroll exceeds \$30 million.

More than \$75 million invested in facilities, equipment and 38 acres of land.

COMPANY OFFICERS

President - Akio Mitsuishi

Executive Vice President - Steve Klein

Vice President of Administration - Dave Graham

Director of Legal Affairs - Randal McEvers

SITE DESCRIPTION

Phase 1 & 2 (3950 NW Aloclek Place)

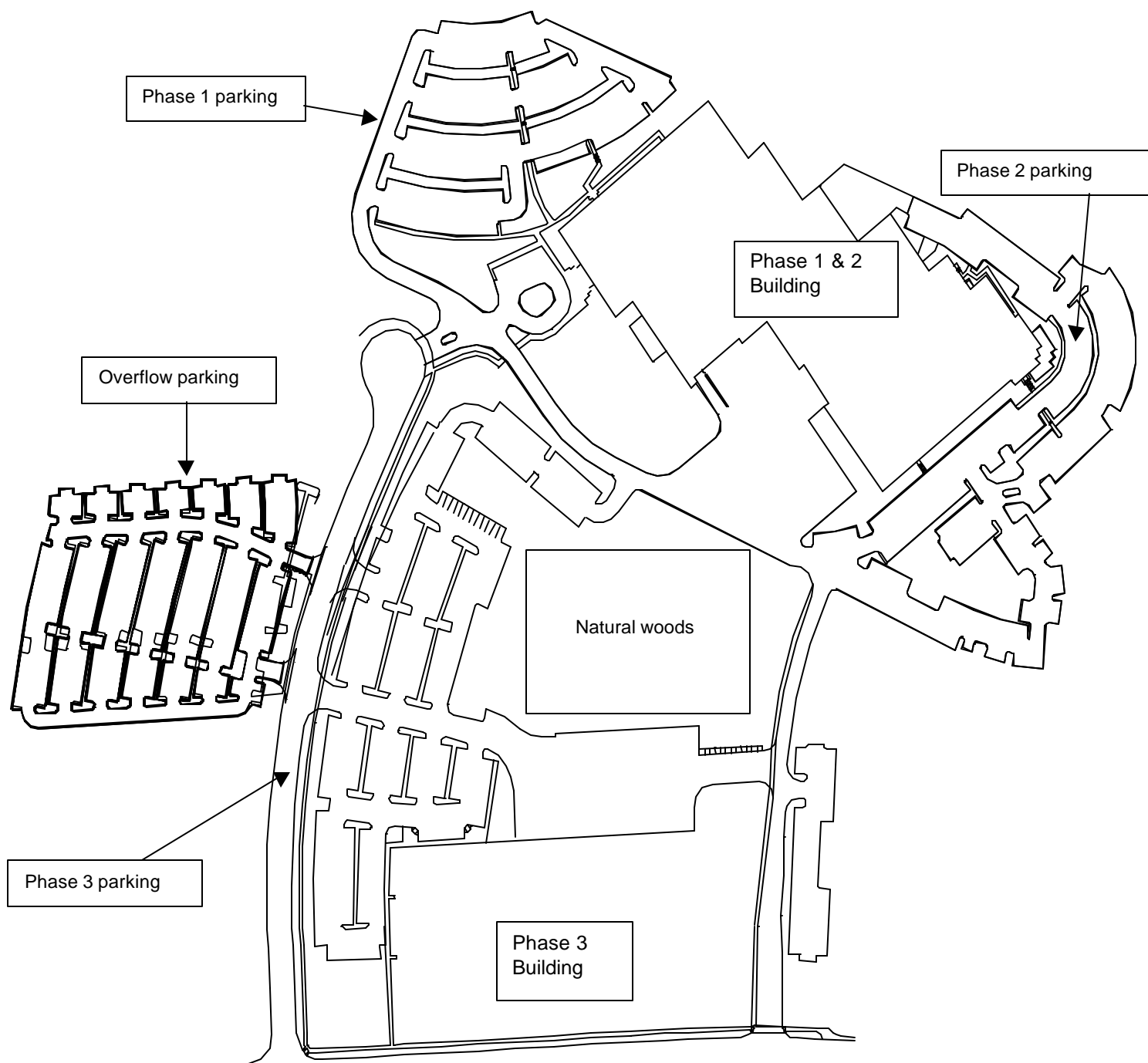
Manufacturing in this building consists of Circuit Board Assembly, Plastic Injection Molding, Ink Cartridge Assembly, Optical Engine Repair and Contract Manufacturing. Support departments include engineering, sales & logistics, purchasing, production planning, information systems, human resources, quality assurance and administrative offices, warehouse areas and a cafeteria.

Phase 3 (3740 NW Aloclek Place)

Two story building that has warehouse operations on the first floor. The second story has Main Printer Assembly and a printer refurbishing area. Support departments include facilities, engineering and quality assurance offices and a cafeteria.

On the 38 acres of land EPI has two buildings and four parking lots.

See figure 1.



OTHER

METRO – Solid Waste Non-System License (for waste-to-energy)
License Number N-028-00

State Fire Marshal Hazardous Substance reporter

Oregon's Voluntary Clean-up programs

DOT Road clean up (Road Warriors)

Community Involvement

Bike to work month
Earth Day activities
Clean Air Action days
EPI Environmental Month (November)

United Way Day of Caring
S.O.L.V. Oregon beach clean up
Monetary Donations
Jackson Bottom Wetland Reserve

Regulated under TSCA
Imports and Exports reporting

ENVIRONMENTAL MANAGEMENT SYSTEM

Epson Portland Inc. (EPI), the U.S. based manufacturing subsidiary of Seiko Epson Corporation, takes its commitment to protecting the environment very seriously. This high-tech manufacturer of ink cartridges, printers and other electronic components strives to be as “green” as possible. One of the many steps it has taken to meet this goal is the establishment of an Environmental Management System (EMS) that conforms to the requirements of ISO 14001. Certification was completed in June 1998, making it one of only four companies in Oregon at that time to achieve this status.

Environmental Policy

Environmental Philosophy

As a member of the Seiko Epson Group, Epson Portland Inc. shall fulfill its social obligation as a good corporate citizen, striving to achieve an harmonious balance between its business activities and the global environment and by taking active steps to use resources efficiently and prevent pollution.

Environmental Policy

Epson Portland has established policies based on the Environmental Philosophy and pledges to carry them out with full participation. EPI will use these policy statements as a benchmark to gage current and future activities and to determine corporate environmental objectives and targets, including identifying significant aspects when appropriate. These will be reviewed by EPI senior management annually.

Epson Portland will:

Utilize Environmentally Sound Processes.

Environmentally sound manufacturing processes will be used to create equally environmentally sound products.

Prevent Pollution.

Pollution will be prevented by defining, monitoring and raising the environmental control level through continuous improvement of our manufacturing processes.

Contribute to the Environment.

Support of environmental efforts will be given at both the local and international levels.

Provide Employee Volunteer Programs.

Various employee volunteer programs will be supported, such as:
 “Road Warriors” highway clean-up and Earth Day activities.

Comply with Regulatory Requirements.

Applicable legislative and regulatory requirements will be complied with and/or exceeded with a goal of minimizing the impact on the surrounding environment.

Conform to ISO 14001 Requirements.

An Environmental Management System that conforms to the requirements of ISO 14001 will be established and maintained.

Communicate its Environmental Commitment.

The environmental commitment of the company will be communicated through ongoing public outreach and a published Annual Environmental Report.

Epson Portland Inc.’s Environmental Management System (EMS) is intended to be a guide for establishing, maintaining, and improving EPI’s environmental activities. Environmental planning procedures describe an integrated process of identifying environmental aspects, ranking and selecting them to determine significance, developing objectives and targets, and developing environmental programs which support our goals of increasing EPI’s environmental stewardship (reducing the use of water and electricity, reducing the amount of solid, volatile air emission and hazardous waste, and increasing reuse, recycling, and employee involvement).

In determining objectives and targets, EPI bases its decisions on the following: United States regulatory requirements, Seiko Epson Corporation requirements, requirements from top management, EPI’s significant environmental impacts, and views of interested parties.

All information is funneled to the environmental committee (a 22-member committee representing each department at EPI) and recommendations are drafted and forwarded to top management for approval. Once the environmental committee, environmental committee chairperson, and top management approve objectives & targets the environmental engineer drafts programs for each objective & target detailing each task, responsible person(s), due dates, and critical milestones if needed.

EPI’s environmental aspect and impact analysis is completed at least annually. Each department goes through an extensive aspect analysis considering all items going into and coming out of their department. Impacts are categorized in 9 areas: air pollution, water pollution (sanitary), water pollution (outside), land contamination, utilities consumption, non-renewable resource, nuisance (noise, light, smell, etc.), non-hazardous solid waste to landfill, hazardous waste, and other.

Based on EPI’s EMS, these are the significant aspects

<u>Aspects</u>	<u>Impacts</u>	<u>Frequency of Impacts</u>
IPA/Flux waste	Negative Environmental Impact	Hazardous Waste
SC-10 solvent	Negative Environmental Impact	Air Emissions
Employee commute	Negative Environmental Impact	Air Emissions
New product introduction	Potential Neg. Environmental Impact	All Impacts
Supplier selection	Potential Neg. Environmental Impact	All Impacts
Chemical purchases	Potential Neg. Environmental Impact	All Impacts
		Monthly
		Monthly
		Weekly
		Quarterly
		Monthly
		Weekly

Re-work projects	Potential Neg. Environmental Impact	All Impacts	As needed
Obsolete materials	Potential Neg. Environmental Impact	Solid Waste to Landfill	Quarterly
Bloodborne pathogen waste	Potential Neg. Environmental Impact	Bio-hazardous Waste	As needed
Used Oil	Potential Neg. Environmental Impact	Other (Re-use)	Monthly
Fluorescent lamps	Potential Neg. Environmental Impact	Other (Recycling)	As needed
Cooling tower discharge	Potential Neg. Environmental Impact	Water Pollution (Outside)	Weekly
Pure water system discharge	Potential Neg. Environmental Impact	Water Pollution (Sanitary)	Weekly
Storm water discharge	Potential Neg. Environmental Impact	Water Pollution (Outside)	Monthly
*Data back-up systems	Potential Negative Impact	Other (Environmental data)	Weekly
*EPA TSCA	Potential Negative Impact	Other (Regulatory require.)	Monthly
*Plastic resin	Potential Negative Impact	Other (Regulatory require.)	Annually
Recycling	Positive Environmental Impact	Solid Waste to Landfill	Weekly

* Non-environmental impact

EPI Environmental Management System Objectives and Targets

Maintain Regulatory Compliance

- 100% Performance to permit and regulatory requirements
- 100% Reporting to schedule performance

Reduce the use of Toxic and Hazardous Materials

- Maintain conditionally exempt small quantity generator status for phase III
- Maintain small quantity generator status for phase I & II
- Reduce the generation of hazardous waste by 30%

Reduce Solid Waste

- Reduce solid waste by 35%

Reduce Air Impacts

- Reduce VOC's by 30% (baseline 1997)
- Complete Employee Commute Option Survey

Share Environmental Information

- Sponsor environmental month
- Promote environmental activities
- Support Seiko Epson affiliates in their environmental efforts

Promote Green Purchasing

- Develop a tracking system for green purchases

- Survey vendors and suppliers on green products

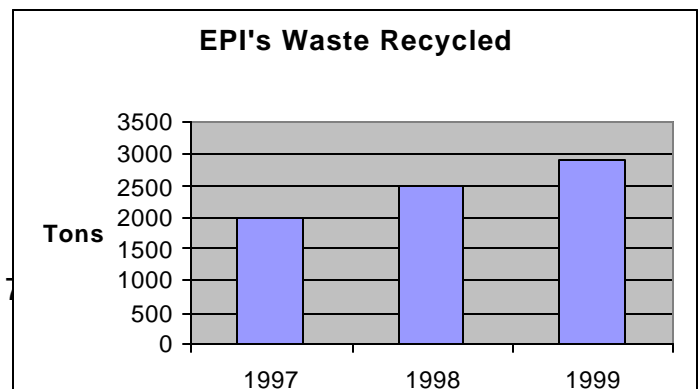
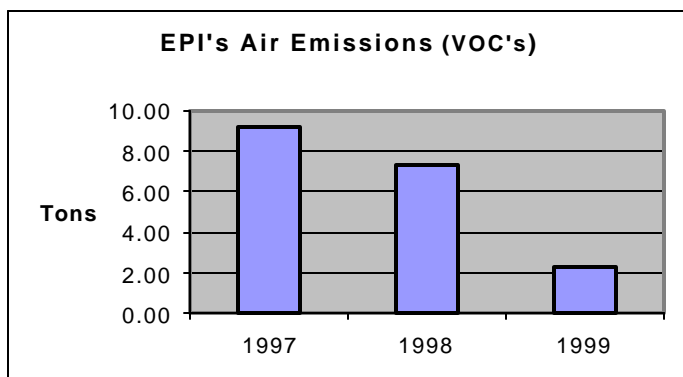
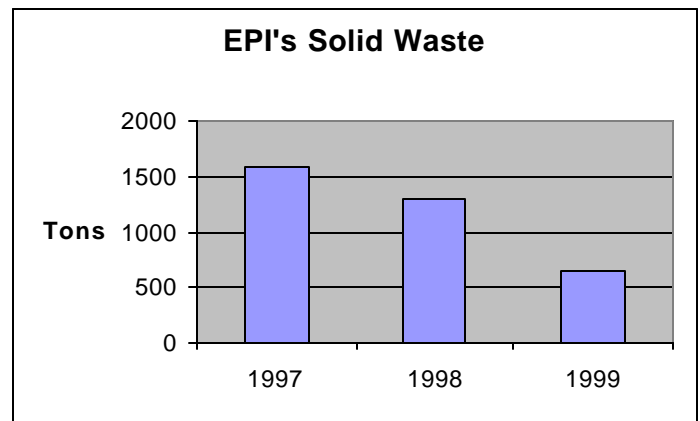
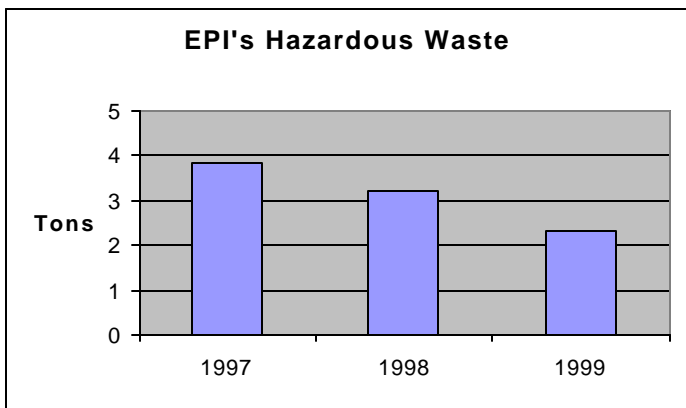
ENVIRONMENTAL PERFORMANCE

All measurements are calculated against the baseline year of 1997.

EPI has reduced use of toxic and hazardous materials by 36%.

EPI has reduced solid waste by 59%.

EPI has reduced air emissions (VOC's) by 75%.



SUPERIOR ENVIRONMENTAL PERFORMANCE

Environmental Awards

BEST (Businesses for an Environmentally Sustainable Tomorrow)

Award won for waste reduction and recycling, April 2000

BRAG (Business Recycling Awards Group)

Distinguished member since 1997

SEC (Seiko Epson Corporation)

Environmental Grand Prize winner for FY1999

Reduce, Reuse, Recycle or Convert to Energy

A variety of proactive efforts play a big part in the continuing success of Epson's EMS. For instance, EPI has worked hard to keep 100% of its waste out of the landfill – first by preventing it at the source, then by finding alternative uses for the waste the company can't prevent. Waste polystyrene foam is sent to Timbron International, a company that uses it to make a wood-like product that is sold as interior trim molding and closet rods. Open-cell polyethylene is given to Greenbeans Fabrications, where it is ground and used as filler for beanbag chairs. Plastic film waste is sent to Boise Cascade where it is combined with wood-waste and turned into house siding. In 1999 alone, more than 5.8 million pounds of plastic, metal and paper were recycled, saving the company over \$300,000.

The remaining waste which cannot be recycled or re-used (approximately 10%) is then sent to Ogden Waste Treatment Services in Brooks, OR. At Ogden, waste is incinerated and used to create electricity, some of which is then sold to PGE.

(<http://www.ogdencorp.net/energy/owte/index.htm>)

Green Purchasing

Not only does the company, through reuse and recycling, contribute to the production of "green products," but its affirmative procurement program also makes it a priority to purchase products, which have been made from recycled materials or are environmentally safe.

Environmental Awareness and the Community

Promoting environmental awareness among its employees is another way EPI stays ahead. Although pollution prevention is stressed all through the year, a company-sponsored Earth Day is held annually; plus each November is designated as "Environmental Month," during which time the company places a special emphasis on educating its employees on the importance of environmental stewardship. Crossword puzzles, word searches and trivia questions, such as "What kinds of plastics does Circuit Assembly recycle?" are included in the company's internal newsletter. The names of those who answer correctly are included in a drawing for free movie tickets and other prizes. Guest speakers are invited to show examples of and explain the process of making the products that are created out of EPI's waste products.

Epson Portland recognizes the importance of helping the community and supports many environmental activities and organizations, including the Tualatin River Watershed Council, Tualatin Riverkeepers, Friends of Trees, The Great Oregon Beach Clean-up organized by SOLV (Stop Oregon Litter and Vandalism) and the Jackson Bottom Wetlands Preserve by providing volunteer workers and/or financial contributions.

Finding markets for recyclables, buying “green” products, raising employees’ environmental awareness and volunteering in the community are but a few of the things that make Epson one of Portland’s most impressive environmental stewards.

EPI will continue to work with DEQ and the GEMS permit program to demonstrate industry leadership and work toward Tier 3 by applying sustainable development principles to the Environmental life cycle aspects of our activities, products, and services.

PERFORMANCE REPORTING PLAN

Epson Portland Inc. will generate an annual environmental report that will be available on its website at www.epi.epson.com .

STAKEHOLDER INVOLVEMENT PLAN

Epson Portland Inc. will communicate to stakeholders through its web page www.epi.epson.com and also via its environmental community outreach activities throughout the year.

DESIRED INCENTIVES

- Single point of contact to coordinate regulatory issues among multiple agencies and/or programs, and to provide technical assistance.
- Enforcement discretion that applies a problem-solving approach to compliance issues focusing on system-wide improvements.
- Modification to regulatory requirements:
 - Streamlined reporting (One time per year for all reports)
 - Reporting on a business fiscal year (April – March)
 - Website reporting (at least quarterly)
 - Extended renewal periods for all permits.
- One yearly fee to be paid covering permits and reports from all agencies.
- Major media release
- Governor’s and/or State Environmental Award.

Statement of Certification

I have reviewed this application and all supporting documentation in their entirety and to the best of my knowledge, information, and belief formed after reasonable inquiry, the statements and information contained herein are true, accurate, and complete.

George W. Lundberg
Environmental & Safety Engineer

September 27, 2000

Epson Portland Inc.