

2011 Hill PHOENIX Sustainability Report





Hill PHOENIX is committed to creating value for its customers, employees and shareholders while using sustainable business practices that protect the long-term well being of the environment.



Our Vision

As an industry leader, we continue to take seriously our responsibility to lead not only Hill PHOENIX, but also our industry towards Sustainability. Our 2011 sustainability Report highlights some of the significant progress Hill PHOENIX associates have made addressing environmental issues. We remain committed to maintaining energy efficiency and sustainability as key priorities, from the operations within our facilities to the products we provide to our customers.

The current economic conditions that impact our businesses today make it imperative that we commit the necessary resources to initiatives such sustainability that lead to energy savings and elimination of waste. Our long-term success depends on our ability to improve our economic, social and environmental performance. We will not, however, be able to achieve this without involving key Hill PHOENIX stakeholders including employees, suppliers, and our customers.

On the pages that follow, you will see how we continue to drive toward our vision in relation to this ultimate goal, together with facts and targets relating to our performance and progress towards a Sustainable Environment Management Systems. And, on the last pages, our customers will find key products that are available today that can help them achieve their sustainability goals.



Bill Johnson
President/CEO, Hill PHOENIX



Scope

The Sustainable Environment Management System (SEMS) that Hill PHOENIX has designed is a mechanism for sustainable environment management throughout every area and department of the company. The SEMS allows Hill PHOENIX to control, or at least influence, every aspect of the environment in which it operates.

Sustainable Environment Policy

Being committed to a clean, healthy, sustainable environment, Hill PHOENIX will:

- Comply with all regulatory requirements
- Provide its customers with products produced in an environmentally sensitive and responsible manner
- Continually review its Sustainable Environment Management System to improve its performance
- Sustain and grow its business while being environmentally responsible.

Sustainable Action Committee

Hill PHOENIX's Sustainability Action Committee in conjunction with the SEMS and Sustainable Environment Policy continues to help generate and identify ideas for reducing our carbon footprint company wide. The committee is comprised of members from multiple departments including manufacturing and will implement actions in response to the issues identified. The team is currently addressing issues such as point-of-use water heaters, additional training, paper usage reduction, and reduction of air compressor run times.

Environmental Footprint

In 2005, Hill PHOENIX committed to analyzing and reducing the company's environmental footprint. In a continued effort of examining its footprint, a number of aspects that could directly affect the size of the footprint were identified. Hill PHOENIX is proud to say that by focusing on these aspects, it is well on its way to reducing the company's impact on the environment.

**2010
Greenhouse Gas Emissions
REDUCED**



45.7% Reduction since 2005

Aspects

Hill PHOENIX fully understands that there are thousands of possible aspects that can affect the environment as well as its business. With continued efforts in defining the company's environmental impact, it was decided to focus on the following aspects:



* The level of Volatile Organic Compounds has been reduced to such a insignificant value, the metric will not be tracked for 2011.

Score Cards:

2005 -2010 Sustainability Goals	
Energy Consumption	20% Reduction
Metal Usage	15% Reduction
Waste	20% Reduction
Recycling	20% Increase
Human Factor - Injuries	10% Reduction
Human Factor - Training	10% Reduction

Total Improvement			
Greenhouse Gas Emissions (GHG)	45.7% Reduction	Energy Consumption - Electricity	28.4% Reduction
Volatile Organic Compounds (VOC)	93.8% Reduction	Energy Consumption - Natural Gas	46.7% Reduction
Metal Consumption	61.2% Reduction	Energy Consumption - Propane	23.7% Reduction
Recycled Scrap Metal	37.9% Increase	Water Consumption	11.8% Reduction**
Recycled Cardboard	8.0% Increase	Waste Water	39.5% Reduction***
Human Factor - Injuries	32.1% Increase*	Special Waste	122% Increase***
Human Factor - Training	200.5% Increase*	Landfill	66% Reduction

*2006 Data **2007 Data ***2008 Data

2010 Sustainability Goals	
Energy Consumption	10% Reduction
Metal Usage	5% Reduction
Waste	5% Reduction
Recycling	10% Increase
Human Factor - Injuries	10% Reduction
Human Factor - Training	10% Reduction



Greenhouse Gas Emissions

Hill PHOENIX emits very few green house gases. However, the primary impact that the company does have on the emission of green house gases comes from the electricity, natural and propane gases, and metals that are consumed while producing the equipment it manufactures.

As part of its commitment, Hill PHOENIX continues its efforts in reducing its consumption of electricity used for lighting throughout its manufacturing facilities and consumption of metals in the product. Resulting in an additional 45.7% reduction in Green House Gas Emissions.

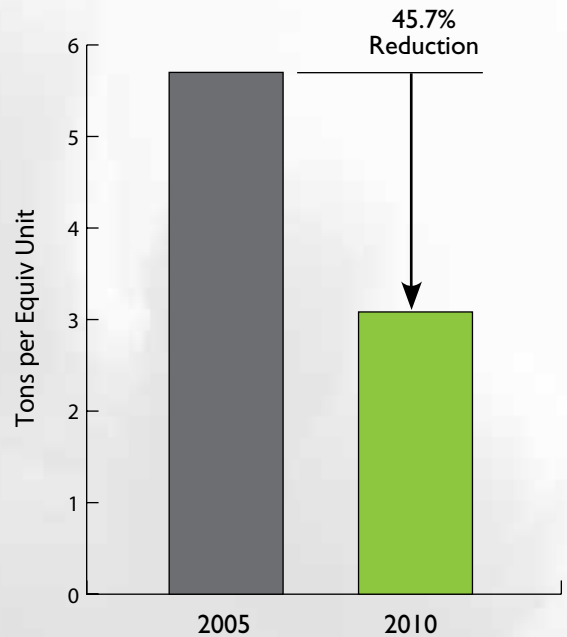
Metal Consumption

Through engineering technology, Hill PHOENIX is constantly looking for ways to reduce the metal content of its units while maintaining and often increasing the overall strength, integrity and quality.

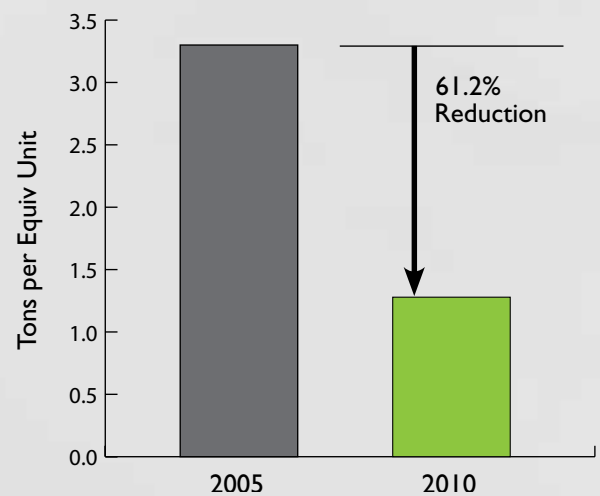
Hill PHOENIX continues to redesign its high volume parts to a lower gage material to reduce our metal consumption.

Ongoing projects for design of our equipment is continuing to replace steel with galvanize material of the Custom Machine Houses to reduce the total metal usage. The new designs not only reduces total metal usage it also eliminates sheet metal forming and reduces labor hours to assemble the house.

Greenhouse Gas Emission



Metal Consumption



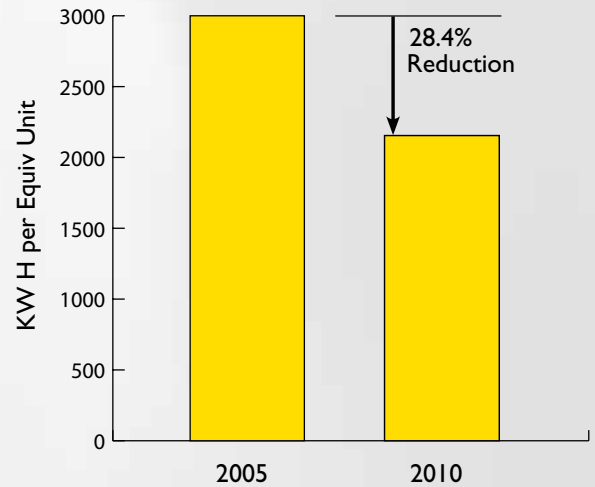
Energy Consumption

A 28.4% reduction in electricity usage was realized during 2010. Metal halide fixtures were replaced with energy efficient T8 fluorescent hi-bay lighting fixtures on the production floors and we added controls to help cut unnecessary lighting in localized areas.

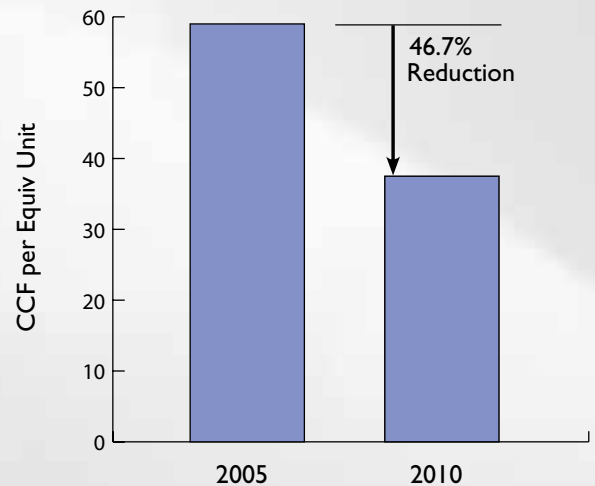
Implementation of a standard maintenance program on brazing torches and nozzles has significantly contributed to the reduction of natural gas.

The use of electric stand up lifts and cart caddys for materials handling instead of forklifts has reduced the amount of propane usage at our facilities.

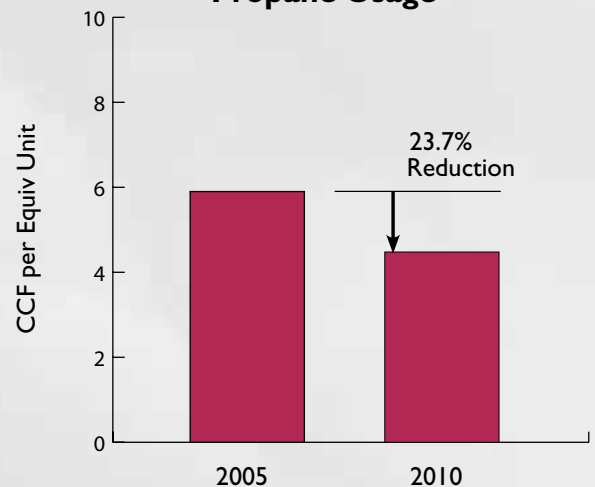
Electricity Usage



Natural Gas Usage



Propane Usage



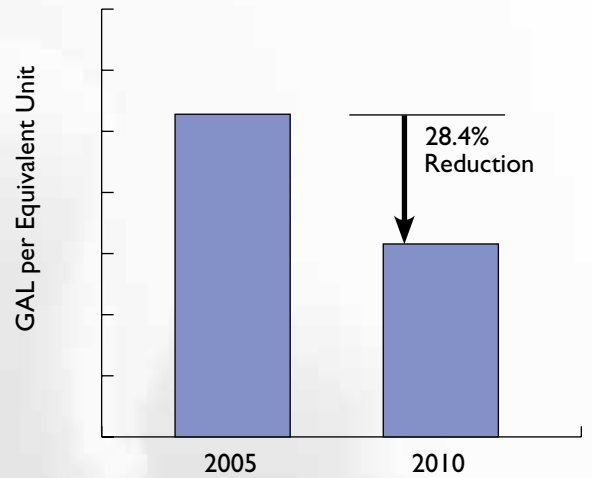
Water

Wastewater reduction was contributed due to improved utilization of parts processed through the paint lines.

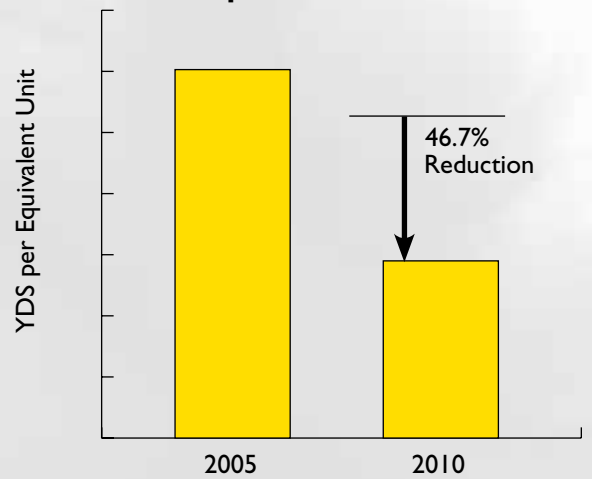
The installation of a powder coat paint process at our second Case Division plant generates significantly less non hazardous special waste.

A contributing factor for the reduction of water consumption is the use of waterless urinals. These units have been installed at the Refrigeration and Power Systems facilities.

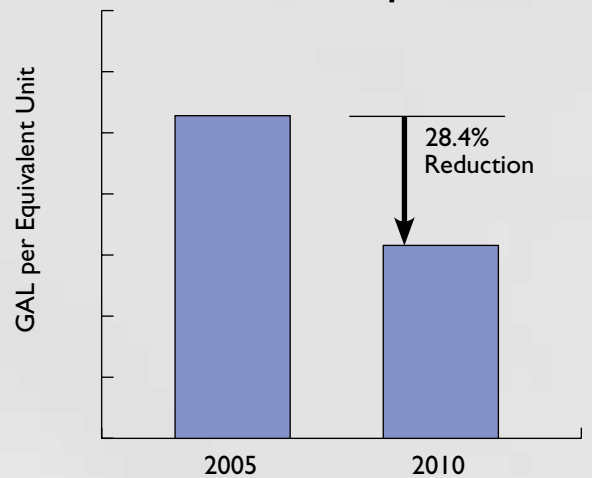
Waste Water



Special Waste



Waste Consumption



Scrap Metal

As a result of the scrap metal reduction efforts, less material is wasted during manufacturing, reducing the product cost and the need to recycle. However, since we are recycling all aluminum soda cans and other scrap aluminum, our scrap metal recycling has increased.

Recycled Cardboard

Changes have been made to incoming packaging in order to reduce the overall amount of excess cardboard being received. Two examples are bulk packaging and alternative packaging material.

In the case where suppliers and distributors continue to ship goods to Hill PHOENIX in cardboard boxes, a structured bundling and recycling program has been put in place. The change in packaging ensures that all cardboard in the facilities is being recycled.

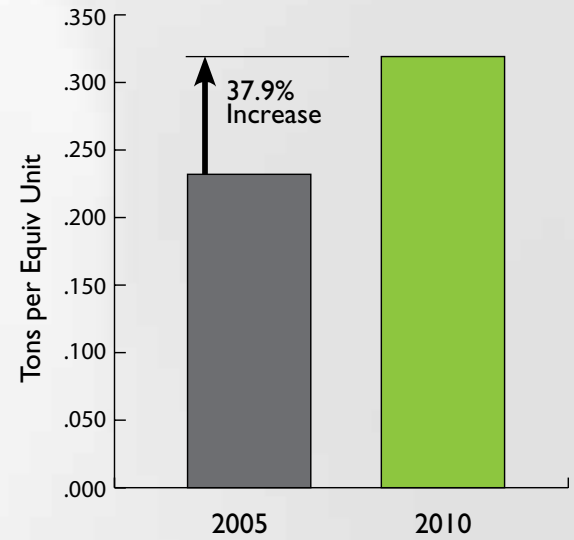
Landfill

Hill PHOENIX has continued its efforts in reducing its landfill waste. Our landfill waste was reduced an additional 32% in 2009 by implementing additional recycling programs, such as the topics listed below.

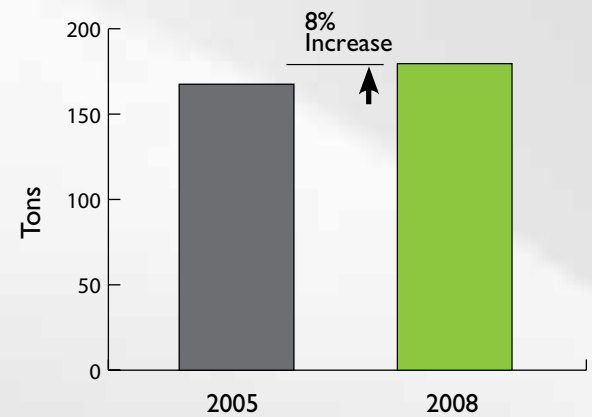
Returnable Compressor Containers – Compressor suppliers are required to deliver goods on returnable/re-usable pallets and boxes. All pallets and boxes are stacked and bundled for return to each supplier. Due to this requirement, Hill PHOENIX has removed 22 tons of incoming cardboard, 7 linear miles of wood products, and 1,100 pounds of steel related to nails and compressor hold bolts and screws.

Paper Recycling – A company the size of Hill PHOENIX produces large quantities of white paper waste on a daily basis ultimately going to the landfill. In an effort to reduce landfill and to reduce the

Scrap Metal



Cardboard



need for taking down trees, our white paper waste has been identified and a structured paper recycling program put into place. Recycling containers were placed in strategic locations within the office areas. Once the containers are filled, the paper is compacted on-site before being picked up by the recycling company.

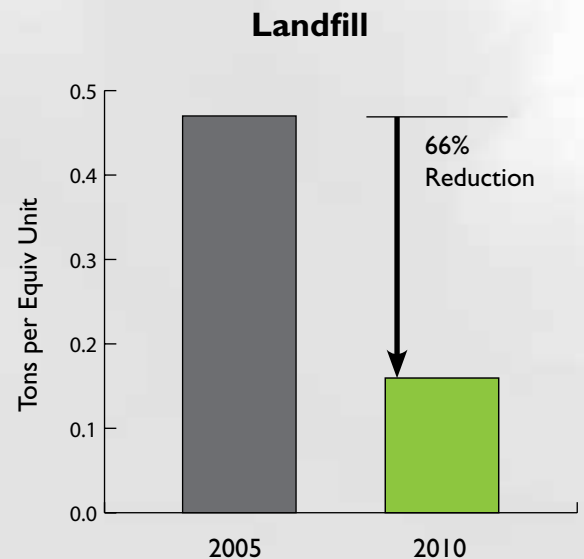
Cardboard Products – Hill PHOENIX has successfully continued its cardboard recycling program. This program ensures that cardboard is not placed in trash cans or the rubbish compactor.

Plastic Bottle Recycling – In an effort to reduce plastic in the landfill, recycling receptacles have been placed in the office areas and on production floors to collect plastic bottles. Receptacle containers are emptied daily and plastic bottles are processed for recycling.

Reusable Pallets – Hill PHOENIX requested for Coilmaster to send the 6-15 pallets of coils per day on reusable pallets. This process eliminated approximately 816 eight foot pallets per year from the Landfill. This sustainable change was also cost effective to Hill PHOENIX and Coilmaster. Due to the new sturdy design of the reusable pallets, the coil shipping damage issue had been resolved. Along with the fact that Coilmaster's internal savings was passed along to Hill PHOENIX.

Wood to Energy – Effective 12/1/09 Waste Management began hauling all of the wood from Hill PHOENIX to Enviro Recyclers for recycling. All of the wood is processed and is sold for renewable energy.

Recycling Audits – In an effort to be more effective in its recycling program, Hill PHOENIX began recycling audits in the manufacturing area with good results. The recycling audits are performed in all recycling aspects (paper, plastic, and all metal cans) except for cardboard.



LEAP into Excellence.

L.E.A.P. is an acronym born of over a century of experience: **L**earn our customer's business. **E**arn their trust. **A**nswer their needs. **P**erform beyond their expectations. LEAP is a way of doing business that had its start over a hundred years ago when C.V. Hill, Sr., a New Jersey grocery store owner, decided to offer his customers an expanded variety of refrigerated perishables.

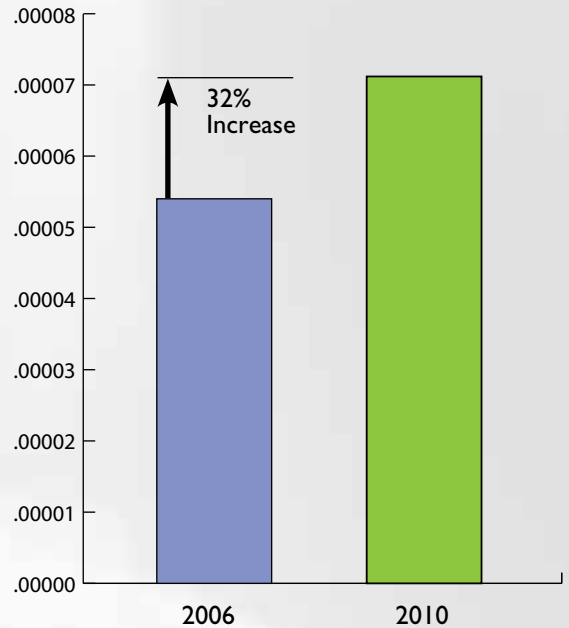
Today, success requires "leaps" of even greater variety – into business models and customer service philosophies, into operational systems as aware of the laws of business as the laws of nature. With a nod to our humble beginnings, LEAP is what we use to keep to our path. We use it to prepare ourselves, as we turn every day into another opportunity for a LEAP into excellence.

A **Health Tips** program has been implemented to create awareness of health related topics to help ensure our workforce stays as healthy as possible. We hope this program will give our employees the initiative to take a proactive step toward staying healthy.

A **Safety Audit** program has been implemented to bring awareness of the safety in our work environment. Internal safety audits will help decrease our recordable accident rate by providing a snap shot of an area in a process similar to a health inspection score restaurants receive.

A **Smoking Cessation** program was implemented during 2008 to help employees stop using tobacco products. As of the December 2008, Hill PHOENIX had 69 associates quit using tobacco products.

Injuries per Hours Worked



A **Weight Loss** program has been implemented to help encourage employees to loose weight. The employees that participated in the weight loss program had a grand total loss of 443lbs.

Hill PHOENIX became a **Clean Air Campaign Partner** in April 2008. By becoming a partner, we are providing our employees with a commute option and we are addressing the smog reduction in the metro area, which in turn improves the air quality.

A **Walking Track** new in 2009. Hill PHOENIX added a walking track to the Conyers, GA location for employees to get out and exercise during there breaks. Walking is a healthy way to get exercise.

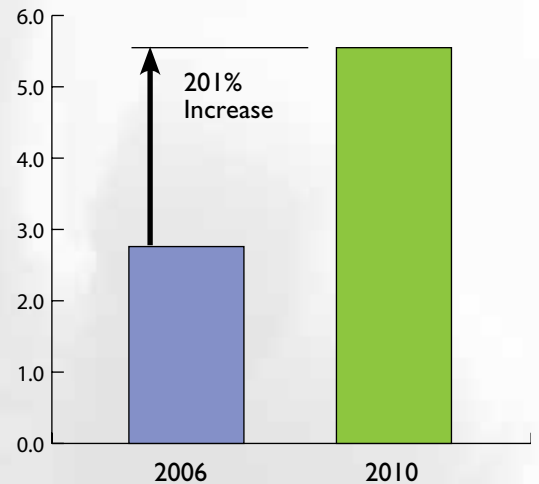
Safety Training Observation Program (STOP) was implemented in 2009 and continues to help promote safety.

Conclusion

Hill PHOENIX is serious about protecting the environment while growing its business. Sustaining the environment and reducing the cost of doing business go hand-in-hand. A significant investment has been made in the Sustainable Environment Management System while improving profitability.

The Sustainable Environment Management System is in place and performing. Tools are in place to ensure continuous improvement in our Sustainability metrics. Hill PHOENIX is committed to reducing its environmental footprint. Our ongoing improvement projects ensure the fact that the company will perform even better in 2011.

Training Hours per Employee per Month



Sustainability in Action

At Hill PHOENIX, we balance financial responsibility and environmental considerations in the products and services we offer, as well as, in our day-to-day operations. In this way, we not only help ourselves, but also our industry and our clients in their pursuit of Sustainability.

Energy2Lead – Hill PHOENIX has consistently led the way in energy-saving technologies. Our products and technologies listed here are prime examples of it. Our goal is to continue to answer our customers' needs for improved energy savings and performance. So, even as tomorrow presents new challenges and stricter regulations, Hill PHOENIX is already putting energy into ways to solve them.

Distributed Refrigeration Systems – We lead the industry with a wide variety of Distributed System designs that locate systems closer to the load, reducing refrigerant charge by 30% or more.

Second Nature[®] – As the industry's leading supplier of medium and low-temperature Secondary Coolant refrigeration systems we can completely eliminate the circulation of refrigerant throughout the store. And now, our latest innovation features Second Nature systems utilizing CO₂ technology that deliver superior refrigeration performance with enhanced sustainability, reduced refrigerant charge requirements and greatly lessened refrigerant leak rates. Quite simply, they are the most energy efficient and environmentally friendly refrigeration systems available in the industry today.

Coolgenix[®] – This patented case design, the first utilizing Second Nature technology, is specially made for merchandising high perishables, such as meat and seafood. Coolgenix cases preserve moisture, increase cooling efficiencies and reduce shrinkage. Higher product sales and lower waste and maintenance costs are the result.



Synerg-E™ – Our patented NRGcoil™ combined with high-efficiency fans and our proprietary air flow technology create a synergy that gives you the most energy efficient case technology available.



Clearvoyant™ LED System – Our proprietary LED lighting system not only provides better illumination and product presentation, but also gives off less heat, lasts up to 6 times longer and uses only half the energy of traditional fluorescent lamps. This creates more attractive products and lower energy costs for you.



Smart Valve™ – Our patented superheat management system automatically sets, adjusts and maintains the superheat in our display cases, leading to less energy use and less product shrink. And it's installed as an option for medium-, low- and dual-temperature cases.



Walk-In Coolers – All Hill PHOENIX Coolers and Freezers utilize Enovate HFC-245fa as the foam blowing agent. Enovate possesses zero ozone depletion potential and is the most environmentally-friendly blowing agent available today.

Climate Keeper™ – A more efficient means of managing the store environment, our proprietary airflow technology keeps outside air from infiltrating your store effectively, efficiently and economically.



When you purchase a Hill PHOENIX product, rest assured that you are buying a product that maximizes your investment while minimizing the environmental impact. At Hill PHOENIX, we are committed to creating Sustainable procedures, products and services for our clients and ourselves. So, the next time you're thinking about improving your Sustainability efforts, think Hill PHOENIX.



