

2014

Sustainability Report



Sustainable Solutions for Health, Productivity and the Environment.

Sustainability

enough for all forever

2



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Rochester Midland is proud of its efforts and its results in providing Sustainable Solutions for Health, Productivity and the Environment. In 2014 RMC continued to progress in many areas of the sustainability effort, which is of tantamount importance to our organization.

Rochester Midland continued to support the community in many ways, from being a Pencil Partner to Rochester City School #12 where we provide tutoring and mentoring support to the many volunteer activities provided by our employees in the various communities in which they live and work. RMC provides support to the United Way, both financially and through volunteerism at the United Way Day of Caring, as well as supporting Big Brothers Big Sisters, Boy Scouts of America, Mercy Flight and many other fine organizations. RMC supports the volunteer efforts of its employees by providing an extra day of vacation to be used for volunteer engagement with not-for-profit causes.

Our health and wellness programs continue to shine and supported our success in realizing a zero dollar increase in our health care rates for 2015 when most other organizations in our communities were experiencing double-digit rate increases.

RMC continued its efforts in waste reduction, reuse and recycling. Our Green Team, which was formed several years ago, continues to support our efforts in this critical area. Quarterly reports are being received from our recycling partner which provide feedback on our performance and drive our efforts for continual improvement. We received feedback from one of our top five customers recognizing Rochester Midland's sustainability program in the top category of "Sustainability Leader".

RMC launched new products with an eye on sustainability including additional water treatment solids which reduce shipment weights thus saving fuel consumption and are safer and less hazardous to use than their liquid counterparts and a new dry lube for use in bottling operations which provides safer operations, lowers costs and significantly reduces water use.

Rochester Midland continued its membership in the Environmental Technology Trade Advisory Council for the Department of Commerce, the American Chemical Society Chemical Manufacturer's Roundtable and support for the Golisano Institute for Sustainability at the Rochester Institute of Technology.



RMC's attention to safety as part of its sustainability program continued to deliver positive results with a safety rating that far exceeded its peer group's performance. RMC improved in this mission critical area again in 2014 and will continue to focus on improvement in 2015 and beyond. RMC spent considerable effort on meeting the needs of the upcoming Globally Harmonized System (GHS) which becomes effective in June of 2015. RMC has met each of the requirements of the new system ahead of schedule and, with software upgrades to support the new GHS standards, is already providing updated labels and safety data sheets (SDS) on many of its products.

RMC attended the 2014 Air & Waste Management Association's regional seminar and was a presenter at the Annual Green Chemistry & Engineering Conference in June 2014 in Bethesda, MD in a session on "Execution, Performance and Benefits of Sustainable Cleaning Programs". RMC also attended Green Screen Training in June to enhance its ability to create more sustainable products with reduced environmental impact.

RMC is fully engaged in the sustainability movement and will continue to focus its resources and efforts on sustainable solutions for the future making the world a better place and providing for future generations.

Sincerely yours,



Harlan D. Calkins
Chairman



Kathy Lindahl
Co-CEO



Bradley Calkins
Co-CEO



Glenn A. Paynter
President & COO

We have programs that address the "triple bottom line" payoff.



People
Training
Automation
Risk management
Testing



Planet
Energy savings
Source reduction
& recycling
Lower discharge
More responsible chemicals



Profit
Portion control
Energy savings
Water savings
Asset protection
Productivity improvements
Reduced absenteeism

Mission & Values

Mission

Our mission is to build value for all of our stakeholders. These include our customers, our employees, our shareholders, and the communities in which we operate.

Customers

We will build exceptional customer loyalty by participating in our customers' success. We will develop relationships that continuously identify their needs, design quality solutions to meet their challenges, and contribute to their profitability.

Employees

We will create a work environment that protects the safety of all employees and which allows every individual to reach his/her full career potential. We will strive to create fulfillment for all employees by being sure each is clear on his/her team's mission and his/her personal goals. We will provide adequate and proper performance feedback and strive to help each person gain the rewards from work that are most important to him/her. We will provide adequate and timely support to eliminate barriers to the achievement of high performance levels.

Shareholders

We will provide continuous growth in earnings and create exceptional return on our shareholders' equity.

Community

We will be responsible corporate citizens and protect the environment, natural resources, and safety of our neighbors at all times. We will participate in community programs to improve the lives of our fellow citizens.

Values

Safety

We will maintain a safe workplace environment. We will make our own personal safety a top priority by eliminating/avoiding hazards and dangerous practices. We will obey both the spirit and the "letter of the law" of every safety regulation. Safety considerations will come before all others, including customer or other demands.

Ethics

We will always do the right thing. We will obey all laws and err on the side of "the right thing" when judgment is called for. We will be driven by the idea that we would be comfortable seeing anything we do made public in tomorrow's newspaper.

Accountability

We will meet our commitments and each of our individual goals. We will take personal responsibility for doing so, and not look for excuses if we fail in any one case. Instead, we will modify our own actions to succeed in our next endeavor.

People

We will strive to maintain the family environment that RMC has been known for. We will develop our employees to reach top performance levels and to eliminate the need for going outside the Company for future leaders. We will hire people with a passion for life and for success. We will treat each other, our customers, our suppliers, our neighbors, and all others with whom we have contact with respect at all times. We will reward our employees commensurate with their contributions and level of performance.

The Company

Our Company will come first over the needs of any of its parts. We are one team and will do everything we do for RMC regardless of its impact on any single Division, Group, Region, or Department. We will live the 1RMC vision!



RMC Green Resumé



- 1982 Rochester Midland commits to leading our industry with environmentally preferable chemistry
- 1984 EnviroCare/Chem is born. A complete green housekeeping product line
- 1988 Pioneered the concept of Green Housekeeping
- 1993 7 Step Green Implementation Process developed
National Performance Award
- 1996 Best New Biobased Technology – USDA
National Reformulation Award – North American Hazardous Materials Assoc.
Presidential Green Challenge from EPA
- 1997 White House Closing the Circle Award – Co-Recipient
- 1999 Pioneered the concept of Certified Green Housekeeping
- 2002 1st Green Seal™ certified cleaning products in the world
Skilcraft brand partner National Industries for the Blind
- 2003 White House Closing the Circle Award – Co-Recipient
- 2004 RMC Green Housekeeping Professional Certification
- 2005 First Ecologo™ certification
- 2007 Healthy Schools campaign Green Team Supporter
First third party certified green floor care program

- 2008 Rochester Business Journal Environmental Leadership Award
Founding corporate partner of Golisano Institute for Sustainability at RIT
U.S. EPA Designed for the Environment's Program Safer Detergents Stewardship Initiative Partner
Chilsafe product guidelines approvals
- 2010 First restoration products receive third party green certification; Toilet Seat Cover GreenSeal™ certification
- 2011 We completed the move into our new facility in Rochester (Town of Ogden), NY which is in process of LEED® Certification
5 New products listed under USDA Biopreferred program
- 2012 Added four 3rd party certified products
LEED Certification of RMC Headquarters Building

- Recipient** Green Chemistry Challenge
- Recipient** Green Seal Environmental Partner Certificate
- Recipient** National Performance Review Award
- Recipient** Best Technology from a large manufacturer at the Bio-Based Products Expo
- Recipient** Outstanding Reformulation Award from the North American Hazardous Materials Association.

Sustainability Highlights

In 2014, RMC continued to use sustainability insights to help our customers develop the 3 P's of sustainability in their programs by reducing water and energy use, improving employee safety and providing a healthier environment.

We grew the subscription base of our Sustainable Solutions eNews, whose charter is to share useful information on sustainability with the industries we serve, over 63%. We continue to share what we have learned and invite others to share with us. Anyone may subscribe to this quarterly newsletter on our website at: <http://www.rochestermidland.com/contact/newsletter>.

We continued to use sustainable purchasing practices by buying locally where possible, using sheltered workshops and using renewable resources,

In our Ogden facility we reduced our carbon footprint by converting our parking lot and other exterior lighting to LED lighting as well as replacing the HVAC units with more energy efficient equipment.

Our ISO 9001:2008 program helped us focus on package improvements that reduce RMC's environmental footprint. Waste generation, fuel consumption, and resource requirements will be similarly reduced with this improvement in production efficiency.

Associations

Golisano Institute for Sustainability

Environmental Technology Trade Advisory Council of U.S. Department of Commerce

American Chemical Society - Green Chemistry Institute

APPA Business Partner

Healthy Schools Campaign Green Team Supporter

Sustainability Network

Certifications

Reformulated Enviro Care® Low Foam All Purpose Cleaner and Enviro Care® Glass Cleaner were both recertified under Ecologo[®].

New Products

Two products that underwent major reformulation and recertification in 2014 were our Enviro Care Low Foam All Purpose Cleaner and our Enviro Care Glass Cleaner. Both reformulations removed all ammonia containing compounds from each product, greatly improved our Enviro Care Glass Cleaner's aquatic toxicity profile, while also increasing its bio-based content and maintaining, if not exceeding, performance.

RMC added Tensaglide Dry, a silicone-free, dry lubricant to our product line. Tensaglide reduces water, chemical, and energy consumption on our customers' production lines.



ISO 9001 & Sustainability

As mentioned in last year's report, one of RMC's sustainability goals for 2013 was to achieve ISO 9001 certification for its newly implemented Quality Management System (QMS), and this goal was met. In 2014, we expanded upon this goal to integrate RML's (Canada) QMS with RMC's QMS, and this goal was also accomplished. Our goal for 2015 is to receive approval from our registrar, Perry Johnson Registrars, to officially add RML's sales offices to RMC's ISO 9001 certificate. This will occur in a separate Stage 1 and Stage 2 audit during the second quarter of 2015.

RMC also completed its first surveillance audit in 2014 with excellent results. RMC greatly expanded its corrective action program, initiating 30 more CPARs (Corrective & Preventive Action Report) in 2014, and rolling out a very effective process auditing program that examines the effectiveness of our QMS from the point of product concept through product delivery to the customer.

There is a synergistic relationship between sustainability and quality. As quality improves, variability in output – and hence use of raw materials and energy, and waste generation – decreases. Therefore, by implementing a quality management system (QMS), a company usually becomes more sustainable as a result. And by focusing attention on product attributes for sustainable initiatives, an improvement in the quality of our products and services is often achieved as well.

RMC also completed several critical programs during 2014 through its QMS. One such program determined the root cause of leaking for small packages of several products, and identified and implemented several corrective actions to prevent their recurrence. The implementation of these corrective actions will reduce RMC's environmental footprint, as waste generation, fuel consumption, and resource requirements will be similarly reduced with this improvement in production efficiency. These corrective actions involved such activities as implementing statistical process control (SPC) on packaging lines, replacement of existing closures with new closures more compatible with the product contents, personnel training, and new procedures.

An example of an SPC form used by packaging personnel appears at right, and a histogram of experimental test results appears in below. Additional testing was conducted at RIT's Packaging Dynamics Laboratory, where cartons of products were subjected to shake and vibration testing to estimate how packages would fare under rough shipping conditions.

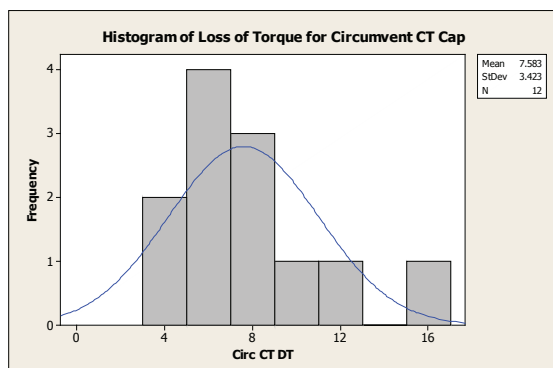
Although the total increased cost of the new closures will be less than \$2,000 for more than three dozen products, these test results are expected to generate substantially more revenue from new sales opportunities. Test trials on new closures have generated 100% success rates as a result of the success of the experimental program. Therefore, the three Ps of Sustainability – people, planet, and profit – have been realized from this project.

Packaging Line (circle one)	Oden / Surekap
Date	
Name of product being packaged	
PC of product being packaged	
Operator names	
Package type (circle one)	quarts / SNAP / gallons / 4 liter (Nalgene)
Heat sealing (circle one)	yes / no

CAPPING & INDUCTION SEALING PROCESS SETUP		Target cap release torque is 16 inch-pounds; acceptable range is 13-18 inch-pounds					
Trial #		1	2	3	4	38 mm vented	
Line Speed						99020448	
Operator initials							
Time							
Cap Torque on Bottle #1, in-lbs						Marking codes	
Cap Torque on Bottle #2, in-lbs						✓	pass
Cap Torque on Bottle #3, in-lbs						X	fail
Cap Torque on Bottle #4, in-lbs						4-way Induction Sealing Tests	
Cap Torque on Bottle #5, in-lbs						1. Does the cap "pop" when unscrewed?	
Power setting						2. Is the cap sealed tight to the bottle seat at all points?	
Gap check						3. Does air escape when you squeeze the bottle?	
4-way test results on Bottle #1						4. Does the bottle leak when turned upside down?	
4-way test results on Bottle #2							
4-way test results on Bottle #3							
4-way test results on Bottle #4							
4-way test results on Bottle #5							

Note: Process parameters should be measured every hour and recorded below

CAPPING & INDUCTION SEALING PROCESS MAINTENANCE		Target cap release torque is 16 inch-pounds; acceptable range is 13-18 inch-pounds							
Trial #		1	2	3	4	5	6	7	8
Line Speed									
Operator initials									
Time									
Cap Torque on Bottle #1, in-lbs									
Cap Torque on Bottle #2, in-lbs									
Cap Torque on Bottle #3, in-lbs									
Cap Torque on Bottle #4, in-lbs									
Cap Torque on Bottle #5, in-lbs									
Power setting									
Gap check									
4-way test results on Bottle #1									
4-way test results on Bottle #2									
4-way test results on Bottle #3									
4-way test results on Bottle #4									
4-way test results on Bottle #5									



Innovation

The primary target of Rochester Midland Corporation's R&D team is to create new and improve existing products that support our goal of sustainability. Each year products are reviewed and changes are made to minimize the chemical hazards, to decrease the effects on health and the environment, and to reduce our carbon footprint. These practices are also kept in mind when formulating new products, driving innovation to use more bio-based, renewable raw materials that provide not only the best performance, but support our Corporation's objective of sustainability.

Two products that underwent major reformulation and recertification in 2014 were our Enviro Care Low Foam All Purpose Cleaner and our Enviro Care Glass Cleaner. Both reformulations removed all ammonia containing compounds from each product, effectively meeting new UL standards for hard surface cleaners. This reformulation greatly improved our Enviro Care Glass Cleaner's aquatic toxicity profile, while also increasing its bio-based content and maintaining, if not exceeding, performance. Both products also continue to be readily biodegradable, have very minimal VOC content, and pose no threat to human health.

RMC has also successfully enhanced our belt lubrication offerings by adding Tensaglide Dry to our product line. This silicone-free, dry lubricant drives sustainability by reducing both water, chemical, and energy consumption on our customers' production lines. In addition, this product provides a safer work environment with no more wet and slippery floors, while improving production line efficiency.



Innovation

Sustainability continues to be a key differentiator for RMC's Global division. Offering the Enviro Care product line is a key part of our global partners' strategies in the Middle East and India, and we are in the process of developing new partnership agreements in the UK and Australia/New Zealand for this product line as well. Our UK water treatment business had another successful year due in part to its growing reputation for excellent service and legionella control programs, as well as continuing implementation of joint process improvements with larger customers, saving water, labor and reducing discharge fees.

In 2015 we expect to grow sales of Enviro Care in Mexico, Ireland & the UK, the Middle East, North Africa, Italy, Thailand, the Philippines and other parts of the South Pacific region including Vietnam, Australia and New Zealand. We also expect to gain new business with our Professional Restoration Series in Europe and Southeast Asia. This product line makes use of environmentally friendly bacteria to degrade and consume hydrocarbon molecules and other contaminants left behind after floods, sewer system malfunctions or fires.

As global awareness of environmentally preferable products and sustainability gains momentum, RMC products and global representatives will have a long list of opportunities and new markets to pursue. It's an exciting time to be a part of RMC's global team!

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Employees

Employees

Our success as a corporation depends on the successes of every employee. Our employees' well-being, health, safety, work-life balance, fair rewards, living wage, learning and growth all contribute to sustaining a workforce prepared to bring us closer to reaching our goals for the future.

Their individual success requires certain abilities, and an atmosphere that provides both personal challenge and opportunity is equally important. When recruiting for an open position, we first look within our organization through an internal job posting on the Company intranet. We encourage employees to achieve personal goals through their eligibility for transfer or promotion. We follow best practices of recruiting and hiring and we are consistent in every step of the process. We hire people who have a passion for success.

We are an equal opportunity employer, therefore decisions related to individual qualifications, job requirements, and on-the-job actions are never affected by race, religion, color, gender, age, national origin, marital status, veteran status, sexual orientation, or disability.

Employee Development

RMC believes in providing educational resources and training for all employees. Employees are encouraged to continue their education and/or attend offsite work-related or web-based training seminars that will enhance their effectiveness on the job. Our Employee Assistance Program (EAP) offers a full range of online training for both personal and professional development. Flexible scheduling is available as far as education is concerned where practical.

Our annual Performance Management program clarifies the expectations and measures the success of each team member in their role toward supporting RMC's goals. Our Employee Development Self-Assessment form is available in English, Spanish, and Laotian which creates the opportunity for open conversation between all of our employees and their managers. Compensation of each individual is reviewed on an annual basis (Pay for Performance).

In addition to the annual reviews, managers meet with each employee quarterly to review past goals and to set new ones, thereby building communication and feeding their desire for success. We collaborate in order to gain the rewards from work that are most important to each individual. We will reward our employees commensurate with their contributions and level of performance.

Our family environment is conducive to a relaxed but high performing and motivated workforce. We work to develop our employees so they may reach top performance levels and to eliminate the need for going outside the Company for our future leaders. To assist in creating a comfortable work-life balance many employees have taken advantage of our EAP's free counseling and referral services for themselves and their families residing in the same household. We treat each other, our customers, our suppliers, our neighbors, and all others with whom we have contact with respect at all times.

We hold ourselves to the highest level of social responsibility through our Code of Ethics and Affirmative Action statement. We will not support any operation with known risk for child labor or forced labor. Our employees are not covered by collective bargaining. We have always held our suppliers and partners to the highest level of social responsibility.



Our Stakeholders



Fit for Life: Sustainable Solution for Life!

Fit for Life 2014! This was the 5th year for our Wellness Program and we are happy to unequivocally announce that our award-winning program is a SUCCESS! Between a dedicated Wellness Team and very engaged employees we have made great changes! For example, in the last 3 years our medical cost increases decreased significantly. Much of that has to do with participation in Fit for Life. Employees who participate and achieve Gold Level Medical are reaping the rewards with premium and health reimbursement account incentives. We encourage employees to participate and realize the financial reward for achieving Gold Level Medical in 2015! It's important to note that this program is entirely voluntary, there is no penalty for non-participation – however there are great rewards to be earned for those who participate.

Here is a summary of the programs we ran in 2014. Employees can earn a Gold Star toward the Worry Free Day (WFD) or \$100 in their pay by participating in specific programs. Specified programs also count toward 2015 Medical Premiums (Gold, Silver, and Bronze). We started the year on the right foot in 2014! The EAT WELL LIVE WELL challenge was very well received last year and it was a great way to start the year. Employees are given a pedometer, supplied by RMC and prepare to get moving and start eating more delicious fruits and veggies! EAT WELL LIVE WELL is a team-oriented competition – and that's always great fun! At the same time, we'll also ask employees

to enter their blood pressure numbers into the EAT WELL LIVE WELL site. (It's totally confidential) because there's a Blood Pressure Challenge during the month of May and we want to win it. To win, our Company just has to have a higher percent of participation than all other competing companies.

Biometric screenings are offered in the second quarter and are held in each of the brick and mortar locations. If employees work in the field and live near any of the brick and mortars, they can come in and have their screening done. Either a biometrics screening or a physical are a requirement to get to Gold 2015 – we like to make it as easy as possible for employees to achieve Gold! In May we offered our annual Walk to Wellness, a 4-week program. For those in Rochester, this coincides with the JP Morgan Chase Corporate Challenge. In July, we participated in the RMC Summer Olympics. This is a truly fun, team-spirited competition. RMC Olympics runs for two weeks during July. To reap the bounty of the harvest, we offered Mission: Nutrition in mid-August and ended 4 weeks later in September. Our final Fit for Life program of the year was once again the Stress Solution. We feel this program is so timely – revolving around holiday and end of year stressors.

Our employee wellness is taken seriously. Our Workout Room at our corporate location in Ogden provides a variety of equipment to help our employees achieve their exercise goals. It's open Monday through Friday during work hours until 6pm. Our current medical plan and our EAP also provide discounts on gym memberships for employees who may want to join a gym near their home.



Employees

Going Green Means Getting More Green\$\$

This past year RMC put together a Green Team to launch the EXTRA Program (EXTRA: Employee eXtended Total Recycle Action) to evaluate where it can save dollars by being more sustainable.

The teams' first objective was to divert RMC material from landfill by recycling and to get RMC Employees at the Ogden location to start recycling all eligible glass, plastic and paper. RMC invested in wall art signage and recycle bins placed throughout the building in break rooms, restrooms, and copy rooms RMC rolled out the program to employees by holding training seminars so that everyone was informed about the program and what was recyclable and where to recycle.

The teams' long term goals are to roll out the program at all RMC locations and to become a company that obtains "0 Waste to Landfill" status. Learn more about Zero Waste at <http://www.zerowaste.org>.

As one of the first steps taken to accomplish the objective, RMC partnered with Cascades Recovery which allowed us to realize the following benefits and significant dollar savings:

Wood Pallets

- As of Jan 2014 we receive \$.50 for each standard size pallet.
- Non-standard size pallets are being used for pet bedding.
- All pallets are now diverted from the landfill.

Plastic Drums

- By changing service providers we are now getting \$1 for each used drum.
- They are now washed and chipped to be used as recycled resin.

Compactor Pick Up

- Previous service would pick up weekly @ \$184/week; now it's "On Call" pick up.
- Decreasing our carbon foot print now that this truck is making fewer trips to our facility.

Cardboard Scrap

- Previous service would charge \$184 for 26 weeks.
- A decrease in carbon foot print now that this truck is making fewer trips to our facility.

Total for 2014

Total Material Recovered:	114.2 Tons
Landfilled Reduction:	518.5 Cubic Yards
Energy Saved:	877,500 kWh
Carbon Dioxide Emission Reduction:	463.6 Te CO ₂ e
Water Saved:	2,950,640 Liters
Oil (Petroleum) Saved:	516.2 Barrels

*Diversion Rate is calculated using material values recovered by Cascades Recovery Inc. and values provided to Cascades Recovery Inc.

14



694 lbs.

Amount of CO₂ Not
Released into the Atmosphere
Each Time a Metric Ton of
Glass is Recycled.

Trees Saved: 1755 Mature Trees
Diversion Rate of 86%

Our Stakeholders

Safety

Safety is Rochester Midland's number one corporate value and employee well-being is our top priority. The Environmental Health & Safety department dedicates their efforts to this priority by interacting and working with employees for solutions that keep them safe throughout their workday. It is through training and interaction that we will continue to lower our DART rate and ultimately provide a safe environment for all.

Our efforts to train will continue in 2015 and include subjects that ensure safety is a part of our employees' day-to-day activities. As we communicate safety to all of our employees, we promote safety on two levels: a work level and on a personal level. These safety communications advocate for positive safe behaviors, increased safety awareness and the elimination of risks whether at work or home.

Our safety record for 2014 improved with significant decreases in virtually all of our safety metrics. Our Lost Time Incidents decreased 43% from the previous year. We also saw a decrease of 19% (RMC benchmark) for our DART rate from the previous year. When you compare our rate to the overall industry standard DART rate, we are down by over 50%!

Our safety goal for 2015 is to continue educating employees on safe behaviors which will ultimately lead to additional decreases in Lost Time Incidents and our DART rate. These decreases also contribute to overall employee welfare which assures that we will continue to be sustainable in the future.



Josh Cruz is CAUGHT IN THE ACT OF SAFETY



Communities

Our Communities

Our Corporate values include a commitment to be responsible corporate citizens and protect the environment, natural resources, and safety of our neighbors at all times. We support the communities where we live and work with participation in community programs to improve the lives of our fellow citizens. Our commitment includes employee and corporate donations of time, money and product.

Here are a few of the organizations that we helped this year:

James P. B. Duffy School #12

Boys & Girls Mentoring Programs

United Way of Rochester & United Way Day of Caring

YMCA

Boy Scouts of America

American Cancer Society

Meals on Wheels

Big Brothers Big Sisters

Alzheimer's Association

Veteran's Administration Hospital

American Red Cross

Numerous youth athletics programs

Lions Club

Canadian Cancer Society

American Diabetes Association

Susan Komen Race for the Cure

So many of our employees have a passion to serve their personal causes. They may volunteer at their local church, elementary school, and non-profits that ultimately help a relative or loved one.

We offer a Volunteer Day, a paid day off each year, which an employee may elect to use to participate as a volunteer in a charitable event or support a local community initiative. Our employees volunteered over 5,000 hours of their time for community organizations in 2014.

Contributions on behalf of the Company were made to:

The Greater Rochester Humane Society

The Golisano Institute for Sustainability at RIT

Multiple Sclerosis Society

The Al Sigl Center for people with disabilities

Sponsorship for RIT Student R&D Competition

Seneca Waterways Council, BSA

Mentoring Programs at School #12

RMC and our pencil partner, James P.B. Duffy School #12, have established successful mentoring programs for boys and girls in the fourth through sixth grades over the past four years.

Boys' Program

For the boys' program, ten mentors travel to School #12 each month to spend one hour of one-on-one time with ten students (mentees) to help them develop critical life skills. The criteria for selection in the boys' program is the lack of a strong male role model at home. Many of the boys in the mentoring program have in fact spent time in detention or have otherwise been designated as "at risk" youth, and are therefore in most need of guidance and understanding.



Our Stakeholders

During 2014, the following topics were covered:

- Assistance with high school selection and planning
- Developing character and honor
- Internet safety and how to respond to physical bullying
- Unity – working together in our communities; service project
- Field trip at RMC's Manufacturing Facility with a pizza lunch and home-made chocolate chip cookies
- Obedience, personal leadership, honor, and respect
- Goal setting with SMART goals
- Time management and study habits; using an academic planner

The mentors have noticed significant changes in these boys, including increased confidence, better grades in school, and improved behavior. These monthly mentoring sessions provide a great experience for the boys and allow RMC to give back to the community by developing leaders for tomorrow. The program evolves from year to year based on the common goal of creating a mutually beneficial partnership that helps students grow in school and life.

The Girls' Program

We are in the 3rd year of "Girls Rock and Rule", our expanded mentoring program to 5th and 6th grade girls.

We have seen a significant change in our girls. Several have come out of their shells and are more comfortable speaking in front of the group.

The un-official motto of the girls' program comes from Harriet Tubman, "Every great dream begins with a dreamer. Always remember you have the strength, the patience, and the passion to reach for the stars to change the world."

We believe this starts with education that will enable these girls to build a strong foundation for long-term success, personal empowerment, and leadership in their communities.



Our Shareholders

RMC has initiated a comprehensive program based on the 80/20 Pareto Principle that is creating major positive net profit and cash flow improvements during the last 7 months of the year. The company is focusing on the few customers, products or activities that yield the highest return for the company rather than giving equal time, energy and investment to each element in the category. This, in turn, provides dividends and an excellent return on shareholder equity.

Net income improved under the multiple 80/20 initiatives in virtually every area of the company to focus on customers, products, programs and activities that create the highest return for the company. We are eliminating non-profitable customers, products and processes (pink forms) as we focus on our Raving Fans (top accounts), 10 Most Wanted prospects and highly focused plans that will improve shareholder value.

RMC hosts an annual Shareholder's Meeting at our corporate headquarters in Rochester each spring. The purpose of the meeting is to update our shareholders on the performance of the company, including a review of our sustainable solutions programs for all our stakeholders.



RMC is updating all of our labeling to comply with the Global Harmonization Standards required in the U.S. by OSHA and recommended by many countries worldwide to improve safety, handling and compliance with environmental requirements.

The use of solids technology, enhanced automation, super concentrates and improved packaging all have reduced the generation of solid wastes. The expansion of our larger container return programs reduced land fill impact and the use of more bio-based and recyclable materials also reduced the amount going to landfills or at least the decomposition time of landfilled packaging.

RMC improved the level of portion control and automation in the application of our products to reduce or eliminate direct exposure to the products, optimize chemical usage to improve effectiveness and efficiency and reduce waste.

We have expanded the subscriber list of our Sustainability eNews letter by 63% in an effort to continually educate our customers on areas for improvement and progress being made in all 3 areas of sustainable solutions for health, productivity and the environment.

RMC added cloud-based tracking and trending reports that capture the data that document the specific positive impact of sustainability initiatives and link the data to the appropriate section of the GRI /G3 reporting structure for each customer.

RMC expanded our Legionella Risk Minimization and Risk Assessment programs to improve health and the environment.

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Our Customers

Food Safety

Food manufacturers continue to focus on their objectives of making their operations more sustainable, and as such, are seeking out supplier partners who have a sustainable focus and are able to support them with their initiatives. The goal of our BrandGuard® food safety program is to provide our customers with the tools to become GFSI accredited but at the same time increase sustainability in their plant by improving their bottom line and reducing their carbon footprint.

Case Study #1 - Sustainability annual savings: \$82,444

A partner in the brewing industry has many CIP tanks that utilize a lot of water daily between product needs and what is used for cleaning and sanitation. There was an opportunity to immediately reduce water in several of these CIP tanks. The first tank was used in filling and storage. The second was used with Brewing. The current process was to run the cleaning cycle and then the chlorine dioxide sanitizing cycle. Water was used in each process and then discarded. An opportunity was identified to reserve the water in the sanitizing step and re-use it for a second time. The current process was done daily so water and wastewater were saved in the sanitizing step every day. Because of the reduction in the water SSOP step, labor time was also saved.

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	Annual gallons saved	Annual dollars saved
Re-use water for first rinse step	600,000	\$ 1,290
Reduced wastewater from first step	600,000	\$ 2,166
Re-use CIP water for tank wash	6,300,000	\$ 13,545
Reduced wastewater from tank wash	6,300,000	\$ 22,743

	Annual hours saved	Annual dollars saved
Reduction in labor by 50% for CIP cycle	600	\$16,200
Auditing, Consulting, Training		\$26,500



Case Study #2 - Sustainability annual savings: \$74,113

A partner in food processing was using a cleaning process that utilized chemistry that wasn't the ideal fit for the type of soils they were cleaning thus resulting in manual labor and excessive chemical use. With the use of appropriate chemistry, the process around cleaning more challenging equipment resulted in chemical and labor savings.

	Annual gallons saved	Annual dollars saved
Savings from the use of chemicals more appropriate for soils	300	\$4,512
Process change in cleaning	Annual hours saved	Annual dollars saved
Equipment used for automation:	2,760	\$69,000
		\$600



Profit

- Reduction in labor hours because of improvements both in the cleaning process and in dispensing of chemicals.
- Less water and wastewater use results in reduced costs.
- Less risk of injuries associated with chemical handling because of automation.
- Use of effective chemistry reduces sanitation costs.
- Proper dispensing reduces sanitation costs.
- Training in how to properly handle chemicals reduces safety incidents.



People

- Automation improves safety by eliminating handling of chemicals.
- Automation of chemicals improves the cleaning process.
- Training in how to properly handle chemicals reduces safety incidents.



Planet

- Less water and wastewater use
- Less chemical use and waste through automation and better chemistry



A Concentrated Effort

RMC offers superconcentrated sustainable cleaning products through self-contained dispensing programs. When compared to normal commercial cleaning products, they may be 2-3X more concentrated. This results in less packaging material, transportation and waste consumed by users.

2014 Savings*

- 275,000# less in total shipping weight (6-7 full truckloads)
- 60,000 less plastic bottles for same volume of cleaning products

*Estimates based on SNAP Superconcentrates at 1:80 – 1:256 dilution versus conventional cleaning products with dilution ratios between 1:32 – 1:128

Rochester Midland's Facility Supplies Division provides cleaning, sanitation and restroom care products for use in commercial, institutional and industrial facilities. Over thirty products are certified through organizations such as Green-Seal, EcoLogo, USDA Biopreferred, Carpet and Rug Institute, and SCAQMD Clean Air Choices Certified Cleaners. These certifications validate that users are using products with:

- Low VOC's for better indoor air quality
- Biobased ingredients for less environmental impact
- Low toxicity and skin/eye irritation for worker safety

In addition, Rochester Midland's Facility Supplies Division offers comprehensive worker training and education for appropriate and safe use of products.

In 2014, Rochester Midland was recognized by one its distributor partners, XPEDX, through their supplier survey on sustainability. The survey was developed to help XPEDX with suppliers to elevate sustainability. Rochester Midland was designated as a Sustainability Leader, the highest possible rating in this XPEDX survey. Top scores were given in the following subcategories..

- GHG emissions
- Waste
- Toxics
- Human Rights
- Community
- Materials
- 3rd Party Certification

This survey and its results recognize Rochester Midland's commitment to sustainability both internally and through programs provided through distributors to users in Commercial and Institutional facilities.



Corrugated Container Plant Customer - Sustainable Savings-\$99,264

RMC currently services close to 60 customer sites. RMC has provided Webmaster controllers to all sites and also provides AssetGuard OT trending and analysis software to each location. This combination of control and monitoring equipment always leads to better overall control of the chemical program and reduces the water, energy and chemical costs associated.

5 of the corrugated customer sites participated in RMC's JPI (Joint Process Initiative-Sustainability) Program. The documented savings for the participating plants was \$99,264 in 2014 and included:

- A reduction of 354,264 Therms/yr. of natural gas
- A reduction of 10,954,502 gallons of make-up water
- A \$9,625 reduction in labor costs associated with testing and drum handling
- A reduction of 24,929 lbs. of chemical due to increased cycles on concentration
- 19,484 lbs. of CO2 equivalent removed from the atmosphere



People

- No liquids to spill – reduces the risk of slips and falls
- No offensive odors
- No heavy drums to handle – reduces the risk of injury and workers' compensation claims
- Less testing and drum handling means more time for important projects in the plant



Planet

- Solids use equals reduced fuel usage and CO2 in the atmosphere
- Reduced water usage preserves a valuable resource
- Reduced chemical usage means less contaminants returning to the environment



Profit

- Reduced weight of solids equals reduced shipping costs
- No drum disposal costs with solids
- Frees up floor space
- Solids may be used to qualify for LEED® certification points

Saved in 2014

RMC solids customers saved \$234,455.00 in shipping over comparable liquid products.



RMC reduced the number of 55 gal. drums handled, triple-rinsed and returned by customers by 2,843.



Sustainable Restrooms

RMC offers complete restroom care programs and various sustainable solutions to ensure clean and pleasant smelling surroundings. Our sustainable restroom care solutions clean continuously, extending cleaning cycles while providing consistent/steady fragrance for a comfortable restroom experience. Our restroom care solutions minimize the use of batteries, eliminate the need to haul garbage and are packed using environmentally friendly materials.

RMC has a wide ranging product and service portfolio including the following:

Sanor® Mark V Dispenser: An odor free restroom provides a constant positive experience for guests and employees. RMC's Odor control system, 'Sanor Mark V' does not mask offensive odors, it eliminates them. The Sanor Mark V gravity fed dispenser cleans and deodorizes around and below the water line where regular janitorial cleaning cannot reach, providing maintenance free 24/7/365 cleaning, free flowing drains and odor neutralization. This dispenser uses stainless steel components that minimize the need for replacements and frequent maintenance. RMC's Sanor Mark V dispenser is a dependable, economical, effective and sustainable solution to cleaner bowl and urinal fixtures in any commercial establishment.

Fragrance Free Options: For use in our Sanor Mark V Dispenser we offer many popular and contemporary fragrances to meet all preferences. For hospitals municipalities and institutions that need to maintain a fragrance free environment we have developed a fragrance free option which is equally effective.

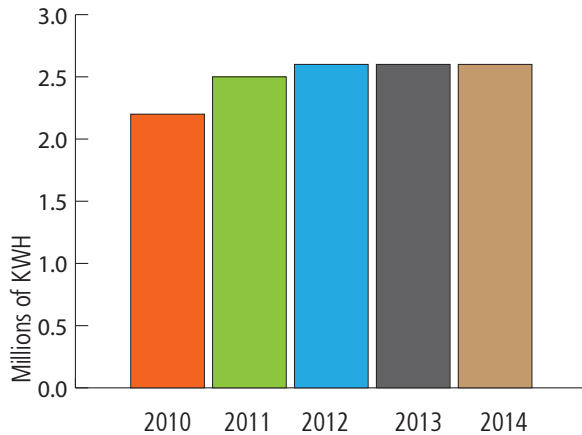
Personal Sanor Care (PSC) Bin Service: Feminine care waste disposal is an essential service for all establishments. RMC's PSC is a hands off option which users prefer. Our PSC bins do not utilize batteries, making them a cost effective sustainable solution. The frequency of RMC service rep visits to dispose of the collected feminine care waste and deodorize the PSC bin can be scheduled to meet customer needs.

RMC's Restroom Care program is economical, effective, sustainable and it improves customer and employee satisfaction. RMC has been providing restroom care services for over 125 years and continues to focus on customer service and product innovations.

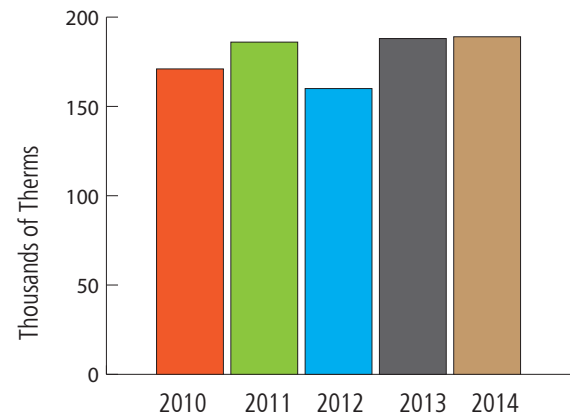


When RMC created their first sustainability report in 2010, we decided to focus on the production area with the most environmental impact, which is chemical blending and manufacturing. Because all of this activity in the United States occurs in two plants – Ogden, NY and Aurora, IL – we restricted evaluation of environmental impacts to these two facilities. Because this is the fifth sustainability report issued by RMC, energy and environmental metrics for 2014 in Aurora and Ogden can be compared to their respective values in 2010 through 2013. Therefore, metrics from both plants have been compiled and are reported below in graphical format. It should be noted that the metrics for New York include the closed facility at Hollenbeck Street (which was sold in 2013) as well as the new facility in Ogden, which has been operating for over three years.

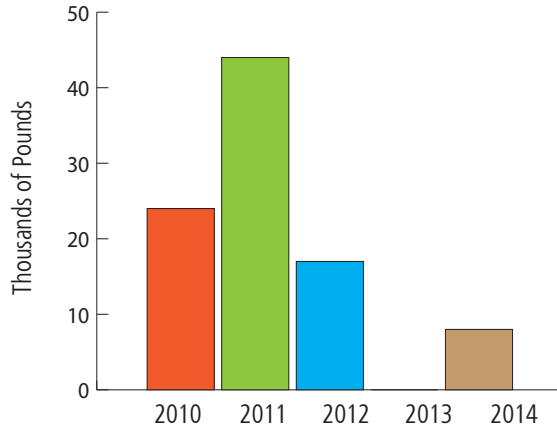
Electricity Consumed



Natural Gas Consumed

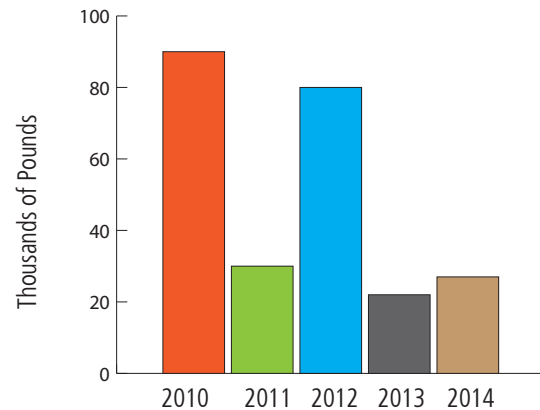


Universal Waste Shipped*

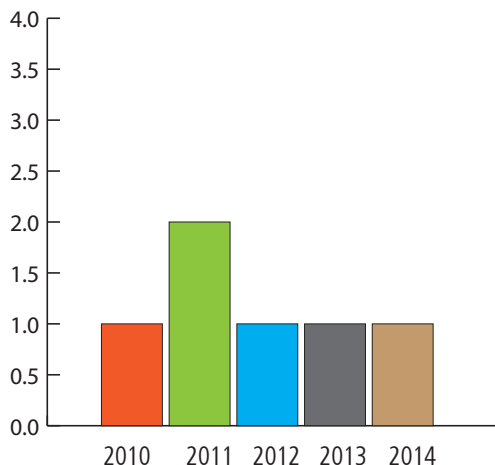


*No Universal Waste was shipped out of either New York or Illinois in 2013.

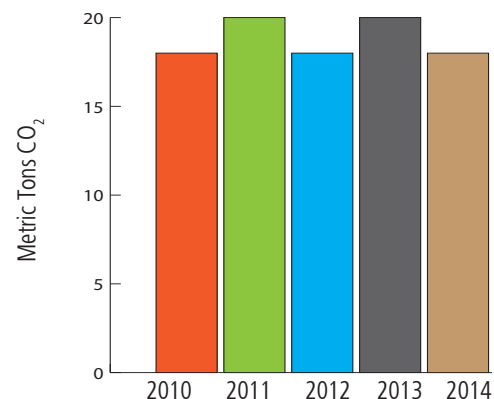
Hazardous Waste Shipped



Lost Time Incidents



Greenhouse Gas Emissions



Total electricity use in both plants declined slightly during 2014 from 2013, despite the fact that production increased 5.36%, which shows increased efficiency in the use of power. Natural gas use increased 0.71% from 2013, but 2014 was significantly colder than 2013. When weather data (specifically heating degree days) is taken into account, gas use decreased 3.55% from 2013 to 2014, again showing increased efficiency in the use of natural gas. Total greenhouse gas emissions (as metric tons of CO₂ equivalents) decreased 7.59% from 2013 to 2014, again showing improved sustainability in the use of fuel.

Although shipments of universal waste increased from 23 pounds in 2013 to 854 pounds in 2014, current shipments are a fraction of what they were in earlier years from 2010-2012. Universal waste continues to be recycled in a new and highly successful recycling program instituted in 2013 for all facilities. Hazardous waste shipments in 2014 were lower than all previous years except for 2013, again showing significant improvement in waste management efforts over this 5-year period. Finally, RMC's safety record continues to be very impressive, with only one lost time incident reported for both plants in 2014, which is the same as the previous two years.

RMC also expanded its company-wide recycling programs in 2014, placing recycling containers and tasteful awareness graphics throughout the Ogden manufacturing facility. This was a key component of RMC's EXTRA (Employee eXtended Total Recycle Action) program to quantify cost savings from our sustainability efforts. Training seminars were conducted for all staff to inform them of the new program, and provide instruction as to what and where materials could be recycled. RMC intends to expand this program to all RMC locations and advance the company to a "Zero Waste to Landfill" status.

RMC also continued its partnership with the Sustainable Material Management Group of Cascades Recovery to increase the efficiency of our recycling program in 2014. As a result of this effort, the following results were achieved:

- 144 tons of material recovered
- 518 cubic yards of landfill volume saved
- 877,500 KWH of electricity saved
- 463 metric tons of greenhouse gases reduced
- 779,000 gallons of water saved
- 516 barrels of oil not used
- 1755 mature trees saved



Rochester Midland is committed to utilizing raw materials with recycled content and increasing the recycling of raw material by-products in production facilities:

- 100% of cardboard is recycled in production facilities
- 100% of empty totes, drums, and pails are recycled
- Raw material packaging for feminine care products is reused
- Corrugated outer packaging for products contains 60% post-consumer recycled content
- Plastic bottles are constructed with materials containing 20% pre-consumer recycled content
- Toilet seat cover paper products contain 30% post-consumer recycled content
- All chemical products are manufactured in recyclable HDPE #2 packaging and may be part of drum or tote recycling programs provided by Rochester Midland and our partners

Significant improvements in RMC's overall sustainable status were achieved in 2014 by consolidating RML's production facility with RMC's manufacturing plant in Ogden. The company also continued to use the sustainability certification training program that had been developed for all sales personnel in 2013. As a result of this initiative, we believe that RMC will develop, manufacture, and sell more green products, so less hazardous chemicals will be used in production and thus discharged as waste materials. RMC also began merging its



2014 Metrics for US Facilities

Metric	Units	New York	Aurora	California	Randleman	Total
Natural Gas	therms	140,667	48,585	0	7,693	196,945
Electricity	KWH	2,148,301	410,377	498,900	76,365	3,133,943
Water	gallons	2,995,000	1,947,000	1,125,142	NA	6,067,142
Wastewater	gallons	NA	919,500	33,665	NA	953,165
Hazardous Waste	pounds	27,219	0	0	0	27,219
Universal Waste	pounds	82	772	0	0	854
Greenhouse Gases	metric tons CO ₂ equiv	1,279	541	139	79	2,037
Lost Time Incidents	#	1	0	1	0	2

Metrics for each plant were summed for 2012 through 2014 and are reported below to show progress in sustainability initiatives.

Comparison of Consolidated Metrics for US Facilities

Variable	Units	2012	2013	2014
Natural Gas	therms	164,369	193,266	196,945
Power	KWH	2,850,198	2,887,200	3,133,943
Water	gallons	4,327,411	4,789,032	6,067,142
Wastewater	gallons	889,011	782,676	953,165
Hazardous Waste	pounds	79,575	22,300	27,219
Universal Waste	pounds	1,650	23	854
Greenhouse Gases	metric tons CO ₂ equiv	1,949	2,107	2,037
Lost Time Incidents	#	4	2	2

ISO 9001-approved Quality Management System (QMS) with RML's ISO 9001-approved QMS in 2014, resulting in increased effectiveness with the use of a single system. It is expected that this will also reduce the company's environmental footprint and energy use through improved efficiency and reduced variation in its manufacturing process.

Finally, RMC continued the compilation of metrics started in 2012 for all four of our major facilities in the United States – Ogden, New York; Riverside, California; Randleman, North Carolina; and Aurora, Illinois. The Riverside facility manufactures paper products and serves as a distribution center. The Randleman facility serves as both a customer service and distribution center, although no manufacturing occurs at that location. Metrics for both 333 Hollenbeck Street (which was sold in 2013) and Ogden are reported for New York State for the years 2012 and 2013. Similarly, metrics for both the Ontario and Riverside facilities were reported for California in 2012.

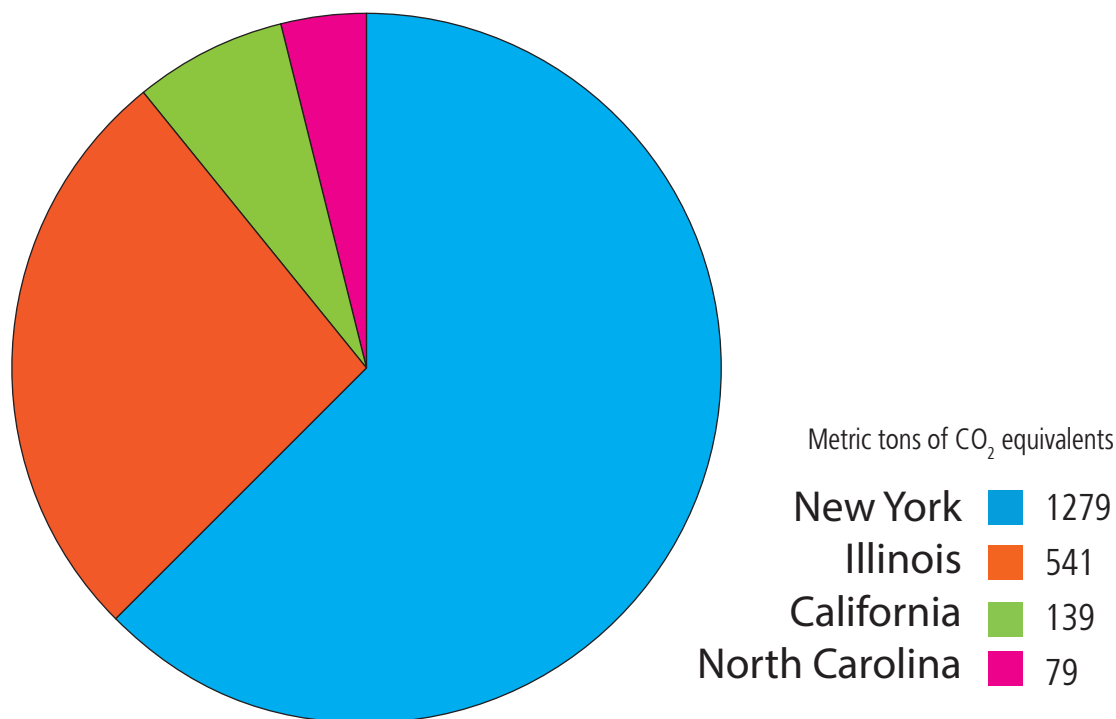
Metrics were compiled for electricity use, natural gas consumption, water consumed, wastewater generated, hazardous waste shipped, universal waste shipped, and the number of lost time accidents reported. In addition, the carbon footprint of each facility was also calculated based on consumption of electricity and natural gas, and reported in metric tons of CO₂-equivalents. It should be noted that at the Randleman facility, water is supplied from wells and wastewater is discharged to a leach field. Because these metrics are not measured,

they cannot be reported. Also, the amounts of wastewater being discharged from the Ogden facility cannot be verified as being accurate at this time, so these are not reported.

As noted from the above charts, this data shows mixed results. Some of this may be due to suspect values for electricity consumption and water use in Riverside, meter readings for which are presently being verified for accuracy. Total natural gas consumption for all plants increased slightly from 2013 to 2014. However, average outdoor temperatures for 2014 were significantly colder than for 2013, and when this is taken into account, consumption of natural gas actually decreased in 2014. Total electricity consumption also increased, but total production for all facilities also increased as well, although not as much. Water use increased by almost 27%, largely due to increased sanitation and rinse procedures in chemical manufacturing facilities, which consume more water; also, increases in water use are linked to increased production. In addition, irrigation requirements in Riverside also increased substantially from 2013. With water increases in chemical production facilities, it can be expected that wastewater generation will increase as well, and this was also noted.

Operations

Greenhouse Gas Emissions



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Although hazardous waste generation increased from 2013 to 2014, both the 2013 and 2014 amounts combined represent a 38% reduction from 2012 amounts, a significant improvement. The same pattern was noted for universal waste, where combined amounts for 2013 and 2014 show a 47% reduction from 2012 amounts, also notable. RMC did show a 3.3% reduction in greenhouse gases from consumption of natural gas and electricity, even though production increased and energy use was slightly higher, primarily due to increased efficiencies of power plants that serve RMC facilities. Finally, the success of our safety program launched in 2013 continued to show excellent results with only 2 lost time incidents reported for 2013 and 2014, a 50% reduction from the 2012 value. It should also be noted that the DART rate (days away, restricted, or transferred) for RMC is only 62% of the average industry rate, a significant achievement, as smaller rates are preferable to larger rates.

RMC has estimated its carbon footprint from the four facilities listed above for 2014 using the Climate Leaders Simplified GHG Emissions

Calculator (SGES) available from the Environmental Protection Agency's website. As a first step towards calculating the company's carbon footprint, direct carbon emissions from natural gas combustion are estimated as well as indirect carbon emissions from consumption of electricity. In future years, the carbon footprint calculation will be expanded to other activities, such as employee commuting and product transport.

During 2014, Rochester Midland generated 2,037 metric tons of carbon dioxide equivalents from combustion of natural gas and electricity consumption in the four U.S. facilities described above. The bulk of greenhouse gas emissions are generated from Ogden, with Aurora representing most of the remainder, as shown in the pie chart above.

As noted earlier in this section of this sustainability report, greenhouse gas emissions decreased 3.3% from their 2013 value of 2,107 tons, despite increases in overall production that consume more energy, a very promising development. Therefore, RMC is continuing to make progress towards meeting the sustainability goals described later in this report.

2015 Goals

- Reduce GHG by 25% for Ogden by 2015 using calendar year 2011 as our base line for Rochester operations.
- Reduce energy consumption for Ogden by 20% by 2015 using calendar year 2011 as our baseline for Rochester operations.
- Reduce hazardous waste generation in Ogden by 30% by 2015 using calendar year 2011 as our baseline for Rochester operations.
- Reduce lost time accidents by 15% in Ogden by 2015 using calendar year 2011 as our baseline for Rochester operations.
- Obtain ISO 9001 certification.

Continue to build and enhance a unified database on the above parameters for our facilities in Ogden, Aurora, Riverside and Randleman.



Our Goals

GRI/G3 content index

Profile

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Environmental Indicators

We continuously invest in improving energy efficiency in our operation and use environmentally responsible and sustainable resources to meet the needs of our customers and of our operations.	EN3, EN5, EN6, EN7, EN26	4, 20-29
Product development is focused on products that meet more sustainable criteria, using biobased or renewable ingredients.	EN26	4, 7-8, 22
We use recycled packaging material and dispensing methods that reduce waste.	EN2	4, 8, 10, 22
We formulate super concentrated products reducing package material and transportation resources.	EN4, EN16	10, 20-24
We work hard to minimize environmental impacts of our products through any discharges or spills.	EN27, EN21	25-29

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Economic Indicators

We invest in research and development to create products that meet the Organization for Economic Cooperation and Development (OECD) metrics.	EC-1	4-5, 11, 20-24
We provide sustainable solutions that save our customers money.	EC-1, EC9	10, 20-24
We invest in our employees through benefits, training and wellness program.	EC1, EC3	12-15

Social Indicators

We are committed to protection of the environment, natural resources and safety of our community at all times and we support the communities where we live and work with charitable giving and community involvement.	SO1	12-16
We will always do the right thing in business and meet our commitments.	SO1, SO5, SO8	6, 9, 26
We provide our customers with services and products that help protect the safety and health of their employees and customers by offering extensive training, product information and emergency assistance.	PR1, PR2, PR3, PR4, PR6, PR7, PR9	6-10, 19-24
We create a work environment that is safe for all employees, that provides fulfillment for all employees and eliminates barriers to achievement.	LA8, LA11,	6, 12-15



Sustainable solutions for health, productivity and the environment.

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