FIDELITY INDUSTRIES

GREEN MISSION STATEMENT

Fidelity long ago appreciated the need for an all encompassing "Green" corporate philosophy, extending from the beginning of the manufacturing process, through the lifespan of a given product. We have been working tirelessly to produce stylish wallcovering products that are sustainable, while conducting our operations in an environmentally responsible manner.

Almost 20 years ago, when much of the industry was slow to address environmental issues, Fidelity made the decision to eliminate toxic, solvent-based inks from all products, instead using inks free of ozone depleting chemicals. An aggressive recycling program was implemented to sharply reduce the amount of waste sent to landfills, including scrap metal, paper and cardboard, as well as scrap vinyl and wallcovering trim. We have made tremendous progress in reducing the amount of water and energy used at our plants, offices and warehouse, as well as encouraging the use of fuel efficient vehicles by our management and staff to the largest extent possible.

Water conservation

Back in the early 1980's Fidelity recognized the need to conserve water. Rather than use well water to cool our laminators, we installed a closed-loop cooling system which eliminated more than 90% of our water consumption.

Electricity

Machinery/Lighting:

Fidelity has systematically replaced inefficient electric generator motors on our large machinery with highly efficient invertors. This drastically reduced the usage of electricity from the variance systems during the production process. Energy conserving fluorescent lighting already in place at our plant was further improved using electric ballasts. State-of-the-art fluorescent light fixtures with motion detectors are being utilized at our warehouse, allowing the lights to shut off when an area is not in use. These steps drastically reduce the amount of electricity consumed. Additionally, we purchase renewable energy to reduce Green House Gas for 100% of energy used at the Fidelity plant.

Transportation and Export

Our plants and warehouse are strategically situated in close proximity to local and interstate highways, as well as to the port, in Newark, New Jersey. In fact, the distance from our warehouse to the port is less than 10 miles. Needless to say, this greatly reduces fuel consumption and emissions from material shipped to domestic and international destinations.

FABRIC-BACKED VINYL WALLCOVERING

PROVEN RELIABILITY – WITH AN ECO-FRIENDLY FOCUS

Rather than introduce products which haven't withstood the test of time, Fidelity has focused on perfecting traditional fabric-backed vinyl, the wallcovering that has a proven track record - while striving for the most eco-friendly product we could produce.

We are proud of the progress we have made, which includes:

- Recycled content
- Eligibility for LEED credits
- Actual fabric backing
- No toxic solvents or heavy metals
- Mildew resistant*
- · Eco friendly packaging
- Dependable durability of vinyl
- Proudly made in the USA

Product composition

While maintaining the traditional composition of vinyl and true fabric backing, our wallcovering products contain recycled content. Utilizing recycled content decreases the need to extract and process virgin materials, helping to reduce the pollution associated with material extraction and processing. This is in addition to the benefit of reducing the amount of waste that is sent to landfills.

Eliminating toxic solvents from our wallcovering products is beneficial to the environment and healthier for consumers, minimizing ozone depletion and producing less smog potential by minimizing VOC's.



Product Development

Always looking to improve on their already sustainable products, Fidelity introduced the ReVive Eco-Logical Wallcovering option, incorporating fully recycled backing, for an even greener wallcovering product. This product also utilizes water-based inks and is free of heavy metals. The combination of a product manufactured with every effort to ensure sustainability, along with a level of durability that ensures many years of use, results in an incredibly smart choice for a "Green" decorating project.

LEED Eligibility

While individual products cannot be LEED certified, certain products help contribute toward projects seeking LEED certification, when combined with a multitude of other products and additional factors. (Visit www.usgbc.org for more detailed information.)

Our wallcovering products can contribute to LEED projects in the following categories:

MR 4.1

Recycled Content, 10% (post consumer + ½ pre-consumer)

MR 5.1 (CI)

Regional Materials, 20% Manufactured Locally (for projects within a 500 mile radius of Wayne, NJ.)

EQ 4.1

Low-Emitting Materials, Adhesives and Sealants (when using low emitting adhesives)

Packaging

Utilizing reclaimed and recycled packaging materials is one more element of the Fidelity commitment to the environment, as well as keeping the actual packaging material down to the bare minimum necessary to protect the wallcovering. Packaging materials can also be recycled following delivery to the construction site.

Benefits of vinyl

Vinyl wallcovering is extremely durable, generally considerably more resistant to scratching and tearing than alternate coverings. They have a long life cycle, typically lasting three to five times longer than other surface treatments, such as paint. Low-cost maintenance consists of gentle cleaning to remove accumulated dirt, grease and most stains without damage.

Vinyl wallcovering also has a relatively low potential for odors or emissions and have not been identified as a source of "sick building syndrome." In fact, studies show considerably higher levels of volatile organic compounds (VOCs) from paint than from vinyl wallcoverings. The initial odor in vinyl wallcovering also tends to dissipate much faster than the odors of most paints.

*Wallcovering Permeability, Moisture and Mold

Like any other building material, wallsurfacing materials should be selected taking into account building conditions. One of the characteristics of vinyl wallcovering is that it has little or no moisture permeability. This characteristic can be an important benefit in terms of durability, cleanability and wall protection. However, if the design, construction or maintenance of a building, or other circumstances allow liquid or vapor moisture to accumulate in a wall or wall cavity, vinyl wallcovering can act as a vapor barrier restricting the escape of moisture and increasing the risk of mold growth. Building deficiencies that can lead to moisture accumulation in a wall or wall cavity include unsealed building exteriors (roof, walls, windows, etc.), inadequate or unbalanced HVAC systems, use of wet construction materials, or leaking pipes. If the source of the moisture accumulation is not eliminated, mold growth is likely to occur. Depending on the condition of a building, moisture accumulation can be more likely in hot, humid climates.

Good design, construction and maintenance practices can prevent moisture accumulation. In all cases, moisture and sources of moisture accumulation must be eliminated before installing any wallsurfacing material and routine building maintenance must always include looking for and prompt correction if moisture accumulation is found. Vinyl wallcovering does contain additives to resist mold and other microbial growth on the product itself but these additives will <u>not</u> prevent mold growth if moisture is allowed to accumulate in a wall or wall cavity. Vinyl wallcovering permeability can be increased through perforation and alternative product constructions with varying degrees of increased permeability depending on the methods used. Whether this increased permeability will prevent moisture accumulation requires an evaluation of the building involved and local conditions. It is important to keep in mind, however, that <u>no</u> wallsurfacing material, including paint and perforated or mildew resistant wallcovering will prevent mold growth if moisture accumulation is permitted to occur. An experienced professional who is familiar with building conditions and local circumstances should always be consulted concerning permeability requirements and the benefits and limitations of vinyl wallcovering.

We remain committed to our mission of environmental responsibility and are continuously seeking new ways to be proactive in producing wallcovering products with the least amount of impact on the environment – without compromising on style and quality. Our customers can look forward to additional product lines with environmentally sound attributes in the near future. Specific objectives and targets include:

EMS: OBJECTIVES AND TARGETS

- 1. Obtain and Maintain NSF 342 Certification to encompass 100% of our products.
- 2. Monitor air emission and facility operation for low VOC output.
- Monitor water quality levels to ensure discharge water is acceptable.
- 4. Reduce energy consumption and purchase renewable energy to reduce Green House Gas for 100% of energy used at the facility.
- 5. Reformulate Materials to eliminate chemicals of concern.
- a. Reduce the VOC emissions by using water based versus solvent inks. Completely achieved.
- b. Constantly researching new and alternate materials to make high performance wallcovering,
 with reduced environmental impacts
- 6. Remove chemicals of concern as per CapProp65 100% achieved.
- 7. Create product loops to keep material out of landfills.
- 8. Reduce scrap levels to reduce cost and the need for more virgin vinyl.

- 9. Increase the recycled content in all aspects of the product.
- 10. Leftover ink will be returned to ink room and revamped into ink for upcoming product. Our goal is to recycle 85% of all ink.
- 11. Improve lighting to use less electricity and reduce the carbon footprint.
- 12. Replace motors with variable speed drives to save energy and reduce cost.