NICHOLS

YOU FIRST

Nichols
LEED Journey

Global CO_2 Emissions by Sector

#1. Buildings

#2. Transportation

#3. Industry

Source: Energy Information Administration (2006). Emissions of Greenhouse Gases in the United States.

IMPACTS OF U.S. BUILDINGS ON RESOURCES

40% primary energy use*

72% electricity consumption*

39% CO_2 emissions*

13.6% potable water consumption**

Sources:
*Environmental Information Administration (2008). EIA Annual Energy Outlook.
** U.S. Geological Survey (2000). 2000 data.

Why LEED

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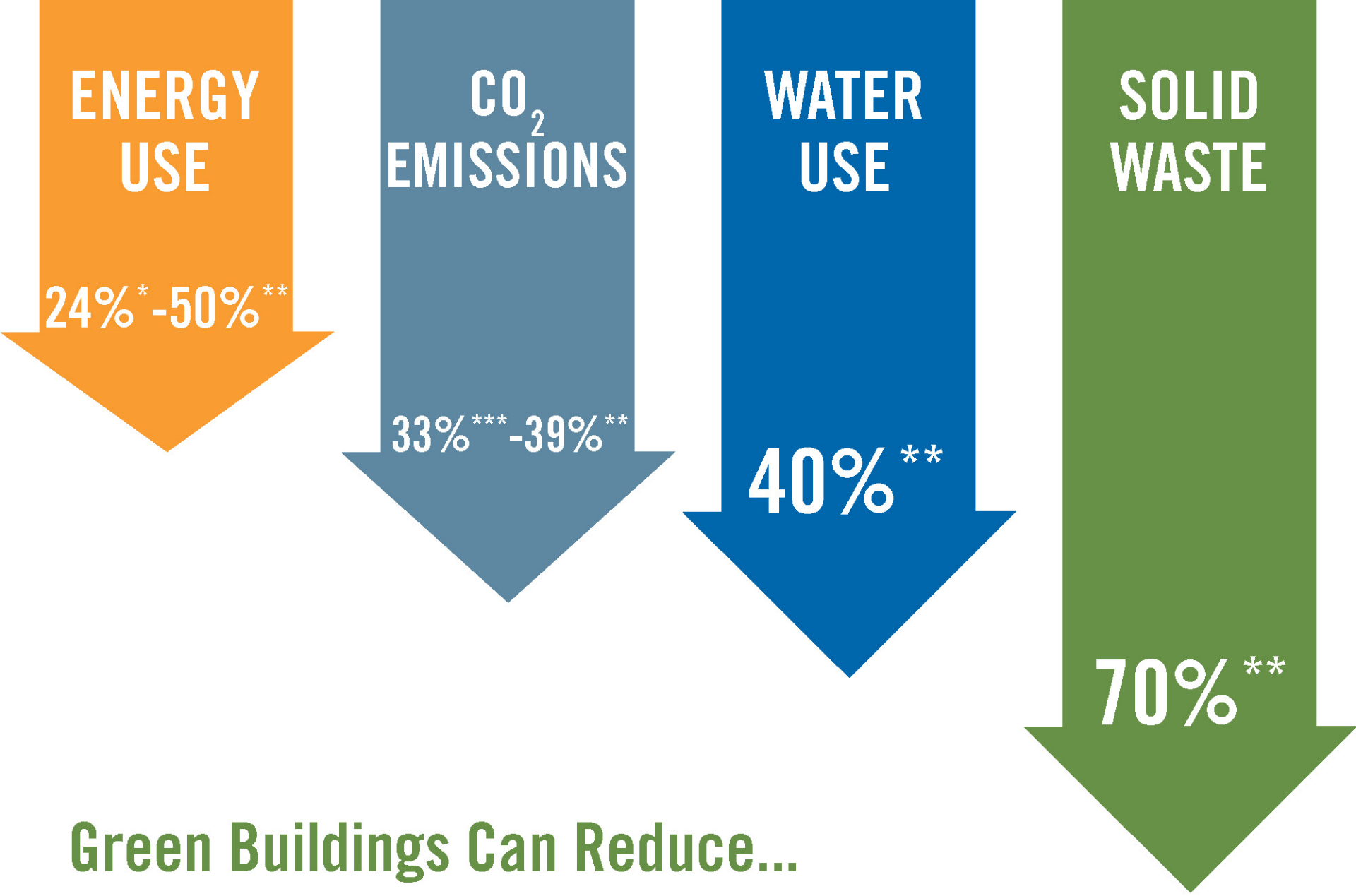
In a world that is constantly evolving, one of the hallmarks of LEED is continuous improvement. With each new version, LEED raises the bar on the green building industry. From improving energy performance to emphasizing human health and integrative building design, LEED encourages project teams to operate beyond the status quo.

LEED, or Leadership in Energy and Environmental Design, is the most widely used green building rating system in the world, 2.2 million SF certified daily and now more than 90,000 projects

Available for virtually all building, community and home project types. 165 countries and territories

LEED provides a framework to create healthy, highly efficient and cost-saving green buildings. Gives the ability to attract tenants, cost less to operate and boost productivity and retention.

LEED certification is a globally recognized symbol of sustainability achievement



Green Buildings Can Reduce...

* Turner, C. & Frankel, M. (2008). Energy performance of LEED for New Construction buildings: Final report.
** Kats, G. (2003). The Costs and Financial Benefits of Green Building: A Report to California's Sustainable Building Task Force.
*** GSA Public Buildings Service (2008). Assessing green building performance: A post occupancy evaluation of 12 GSA buildings.

What is LEED?

Leadership in Energy and Environmental Design

A leading-edge system for certifying the greenest performing buildings in the world

LEED SYSTEM GOALS

- Reduce contribution to global climate change
- Enhance individual human health
- Protect and restore water resources
- Protect and enhance biodiversity and ecosystem services
- Promote sustainable and regenerative material cycles
- Build a green economy
- Enhance community quality of life

THIS is

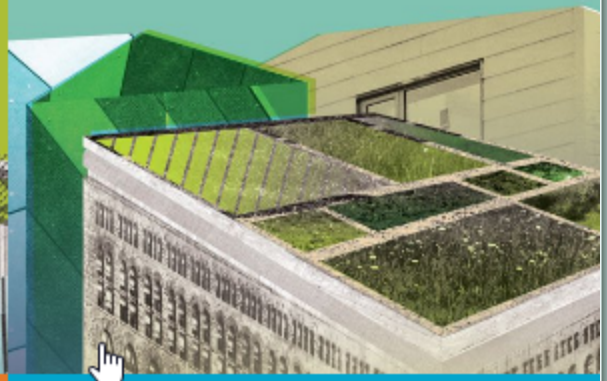
LEED®

LEED® *for*

BUILDING DESIGN + CONSTRUCTION

LEED® *for*

BUILDING OPERATIONS + MAINTENANCE



LEED® *for*

INTERIOR DESIGN + CONSTRUCTION

LEED® *for*

HOMES

LEED® *for*

NEIGHBORHOOD DEVELOPMENT

USGBC has four levels of LEED:


NICHOLS

TRAVERSE CITY
NORTON SHORES
GRAND RAPIDS
HOLLAND
GREATER DETROIT
BOWLING GREEN
CLEVELAND
FORT WAYNE

1391 Judson Road

- Built in 1995 as a warehouse for cross-docking
- 46 dock doors (front and back) – now 22
- 104,000 square feet, 12,000 is now office space
- Regional Distributor
- Achieved LEED EB O+M June 2010, Recertified LEED EBOM V4.0 October 2015

Nichols – Why Sustainability & LEED?

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- Best Practice Management / Accountability / Framework
- IAQ for our Associates, Cleaning Contractor Associates and Visitors
- Customer Demand
- Community Leader
- Industry Leader
- Walk the Talk One-third of the credits for certification can be obtained from a Green Cleaning Policy and Program

Results and Benefits

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From our first LEED EBOM Gold Certification 2010:

- Findings regarding our 3 water systems that support the property
- Energy Star Score of 79, Energy Reduction of 34%
- Waste Reduction
  - Reduced net waste hauling fees by 97%
  - net income gained
  - 2009/2010 Michigan Recycling Coalition Certified Recycler recognition
- Water Use Reduction 41%

Credit Categories

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LEED Version 4.0

- Location and Transportation
- Sustainable Sites
- Water Efficiency
- Energy and Atmosphere
- Materials and Resources
- Indoor Environmental Quality

Norton Shores, MI

Nichols v4 O+M Recertification

LEED v4 O+M: WDC

Attempted: 65, Denied: 5, Pending: 0, Awarded: 60 of 110 points

Project ID: 1000039304
Status: Certified
Certification level: Gold
Certification date: 10/12/2015

LOCATION AND TRANSPORTATION	4 OF 15
Alternative Transportation	4 / 15

SUSTAINABLE SITES	4 OF 10
Site Mgmt Policy	Y
Site Development - Protect or Restore Habitat	0 / 2
Rainwater Mgmt	3 / 3
Heat Island Reduction	0 / 2
Light Pollution Reduction	1 / 1
Site Mgmt	0 / 1
Site Improvement Plan	0 / 1

WATER EFFICIENCY	8 OF 12
Indoor Water Use Reduction	Y
Indoor Water Use Reduction	5 / 5
Building-Level Water Metering	Y
Outdoor Water Use Reduction	2 / 2
Cooling Tower Water Use	0 / 3
Water Metering	1 / 2

ENERGY AND ATMOSPHERE	25 OF 38
Energy Efficiency Best Mgmt Practices	Y
Minimum Energy Performance	Y
Optimize Energy Performance	16 / 20
Building-Level Energy Metering	Y
Fundamental Refrigerant Mgmt	Y
Existing Building Commissioning - Analysis	2 / 2
Existing Building Commissioning - Implementation	2 / 2
Ongoing Commissioning	0 / 3
Advanced Energy Metering	0 / 2
Demand Response	0 / 3
Renewable Energy and Carbon Offsets	4 / 5
Enhanced Refrigerant Mgmt	1 / 1

MATERIALS AND RESOURCES	4 OF 8
Ongoing Purchasing and Waste Policy	Y
Facility Maintenance and Renovation Policy	Y
Purchasing - Ongoing	0 / 1
Purchasing - Lamps	1 / 1
Purchasing - Facility Maintenance and Renovation	1 / 2
Solid Waste Mgmt - Ongoing	2 / 2
Solid Waste Mgmt - Facility Maintenance and Renovation	0 / 2

INDOOR ENVIRONMENTAL QUALITY	7 OF 17
Minimum IAQ Performance	Y
Environmental Tobacco Smoke Control	Y
Green Cleaning Policy	Y
IAQ Mgmt Program	0 / 2
Enhanced IAQ Strategies	1 / 2
Thermal Comfort	0 / 1
Interior Lighting	0 / 2
Daylight and Quality Views	0 / 1
Green Cleaning - Custodial EffectivenessAssessment	1 / 1
Green Cleaning - Products and Materials	1 / 1
Green Cleaning - Equipment	1 / 1
Integrated Pest Mgmt	2 / 2
Occupant Comfort Survey	1 / 1

INNOVATION	4 OF 6
Innovation	3 / 5
LEED Accredited Professional	1 / 1

REGIONAL PRIORITY CREDITS	4 OF 4
Site Development - Protect or Restore Habitat	0 / 1
Rainwater Mgmt	1 / 1
Light Pollution Reduction	1 / 1
Optimize Energy Performance	1 / 1
Renewable Energy and Carbon Offsets	0 / 1
Solid Waste Mgmt - Ongoing	1 / 1

TOTAL	60 OF 110

40-49 Points	50-59 Points	60-79 Points	80+ Points
CERTIFIED	SILVER	GOLD	PLATINUM

Results and Benefits – 2nd Time Around

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LEED EBOM is a continuous improvement process: since 2010 we have…..

- Reduced energy consumption, 7% in 2014 and winner in the Michigan Battle of the Buildings and 2nd place in 2015 with a 10.84% decrease
- Energy Star score 89
- Demand Ventilation on HVAC system – this automated fresh air coming into the warehouse and offices, was a manual process
- Purchased Renewable Energy Credits
- Composting – started in June 2012 – reducing landfill by approximately 12 yards/annually (4200 pounds)
- 87% waste diversion from landfill


LEADERSHIP IN ENERGY & ENVIRONMENTAL DESIGN
LEED
GOLD
NICHOLS
Norton Shores, Michigan
HAS FULFILLED THE REQUIREMENTS OF THE FOLLOWING LEVEL OF CERTIFICATION ESTABLISHED BY THE U.S. GREEN BUILDING COUNCIL
IN THE LEED GREEN BUILDING RATING SYSTEM™ AND VERIFIED BY THE GREEN BUILDING CERTIFICATION INSTITUTE.
LEED FOR EXISTING BUILDINGS: OPERATIONS AND MAINTENANCE
GOLD
October 2015
S. RICHARD FEDRIZZI, PRESIDENT & CEO
MAHESH RAMANUJAM, PRESIDENT

ENERGY AND ATMOSPHERE	25 OF 38
Energy Efficiency Best Mgmt Practices	Y
Minimum Energy Perfomance	Y
Optimize Energy Performance	16 / 20
Building-Level Energy Metering	Y
Fundamental Refrigerant Mgmt	Y
Existing Building Commissioning - Analysis	2 / 2
Existing Building Commissioning - Implementation	2 / 2
Ongoing Commissioning	0 / 3
Advanced Energy Metering	0 / 2
Demand Response	0 / 3
Renewable Energy and Carbon Offsets	4 / 5
Enhanced Refrigerant Mgmt	1 / 1

Energy Upgrade Summary

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2007 – Distribution Center Lighting Upgrade, metal halide to florescent – 6 lamp fixtures

2014 – Demand Ventilation – warehouse

- Project cost $7224.87, Incentive received $9753.30

2016 – Office Lighting Upgrade from 4 lamp florescent to LED & dock lighting at 22 dock doors to LED

- Project Cost apx $25,000, Incentive appx $800

2017 – sensors on irrigation system

2019 – Warehouse lighting upgrade to LED with occupancy sensor at each fixture.

Project cost $40,000, Incentive approximately $7,000

Interesting Fact

If Nichols was using the same amount of energy today in the Norton Shores facility that we were using in 2007 at today's prices of electric and natural gas, we would be spending $30,000 annually more than we are.

So we are cost avoiding $30,000 annually just by saving energy!

Energy Star Metrics Summary

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Metrics Summary

Metric	Dec 2007 (Energy Baseline)	Jul 2019 (Energy Current)	Change
ENERGY STAR Score (1-100)	63	76	13.00 (20.60%)
Source EUI (kBtu/ft²)	90.9	67.9	-23.00 (-25.30%)
Site EUI (kBtu/ft²)	43.6	43.3	-0.30 (-0.70%)
Energy Cost ($)	99,224.66	80,303.95	-18920.71 (-19.10%)
Total GHG Emissions Intensity (kgCO2e/ft²)	5.3	3.8	-1.50 (-28.30%)

Energy Star Certification

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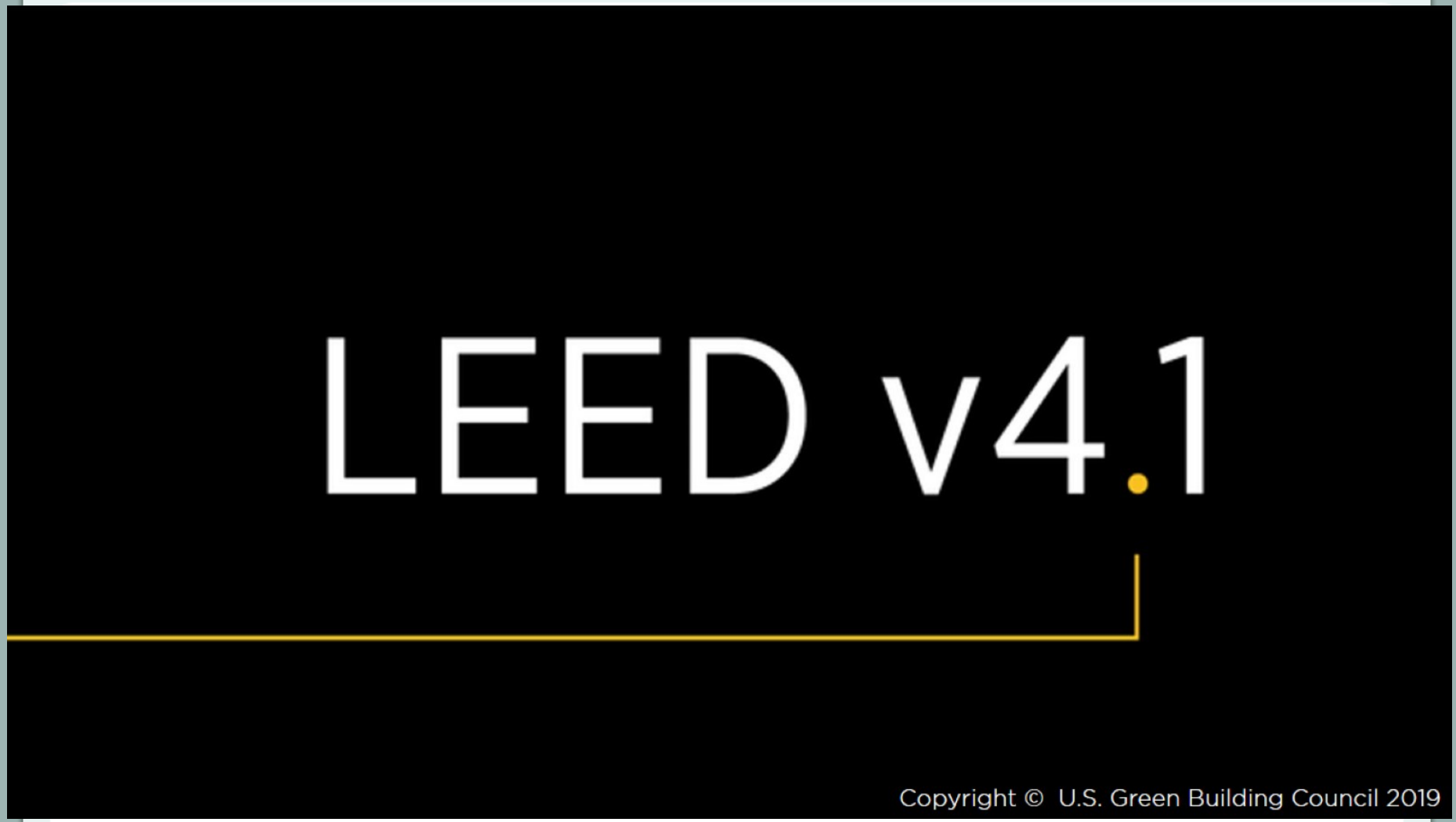
In recognition of superior energy performance, the U.S. Environmental Protection Agency awards the ENERGY STAR® to

Nichols

2018

Buildings that earn EPA's ENERGY STAR use 35 percent less energy and generate 35 percent fewer greenhouse gas emissions than similar buildings across the nation.

What is Next?



LEED O+M V4.1

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LEED v4.1 for Operations & Maintenance: Interiors

Scorecard

Y	?	N			
6	0	0	**Location and Transportation**		14
6			Prereq	Transportation Performance	14
0	0	0	**Water Efficiency**		15
6			Prereq	Water Performance	15
0	0	0	**Energy and Atmosphere**		34
Y			Prereq	Energy Efficiency Best Management Practices	Required
Y			Prereq	Fundamental Refrigerant Management	Required
13			Prereq	Energy Performance	33
			Credit	Enhanced Refrigerant Management	1
0	0	0	**Materials and Resources**		12
Y			Prereq	Purchasing Policy	Required
Y			Prereq	Facility Maintenance and Renovations Policy	Required
3			Prereq	Waste Performance	8
			Credit	Purchasing	4
0	0	0	**Indoor Environmental Quality**		24
Y			Prereq	Minimum Indoor Air Quality	Required
Y			Prereq	Environmental Tobacco Smoke Control	Required
Y			Prereq	Green Cleaning Policy	Required
8			Prereq	Indoor Environmental Quality Performance	20
			Credit	Green Cleaning	3
			Credit	Integrated Pest Management	1
0	0	0	**Innovation**		1
			Credit	Innovation	1
0	0	0	**TOTALS**	**Possible Points:**	**100**

Certified: 40-49 points, Silver: 50-59 points, Gold: 60-79 points, Platinum: 80+ points

Why Use LEED

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- Instant recognition for your building
- Faster lease up rates
- Higher resale value
- Healthier indoor space
- Lower use of energy, water and other resources
- Better for building occupants, the community and the environment
- Enhances your brand and establishes you as a leader in green building

Michigan Pollution Prevention Partnership (MBP3)

- We have been a member and recognized for two years (2015, 2016, 2018)
- We submit an annual report of our Environmental performance Results
- This keeps us in good-standing with customers

Sustainability DASHBOARD

Refresh

Year: 2011

2011 Target 2011 2010

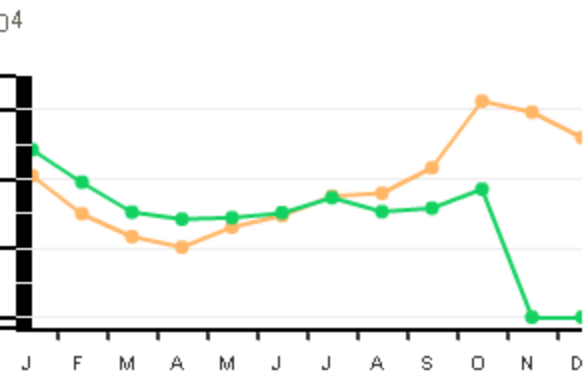
Normal YTD Per Sales

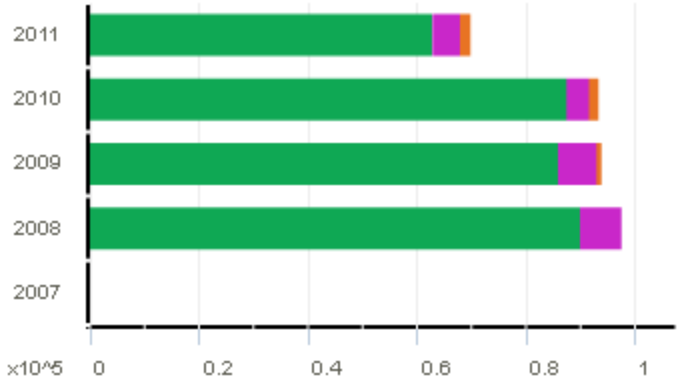
ost GHG

Sales

Home

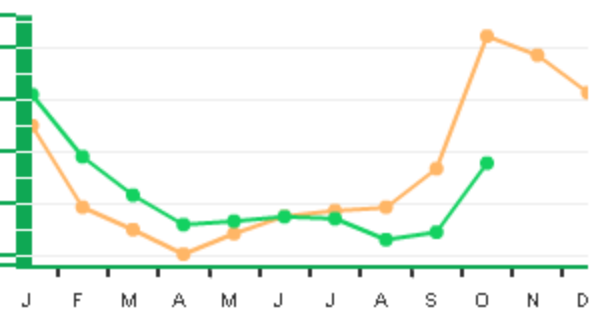
Total Cost



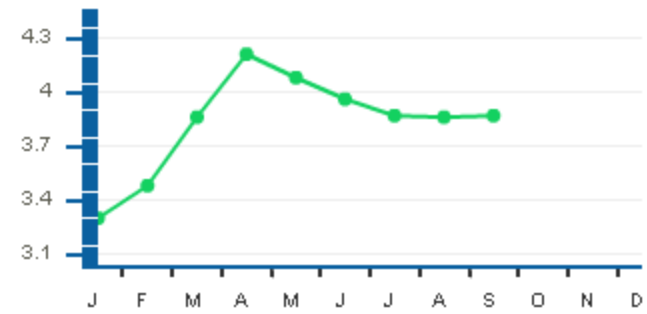


Sales has no data.

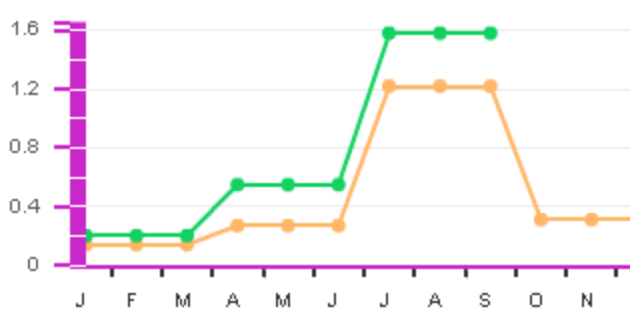
Energy



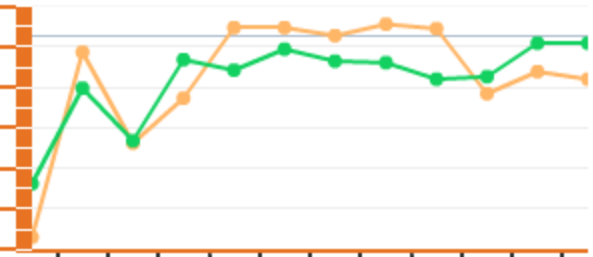
Transportation



Water



Waste/Recycling



Office Supplies has no data.

Product Sales has no data.

International Sanitary Supply Association

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ISSA's Distributor Efficiency Analytics & Learning (DEAL) program. DEAL is a comprehensive program that uses 'big data' and educational sessions to help association members operate their buildings and vehicles more efficiently, reduce waste, conserve natural resources, and save money.

Collectively, ISSA's members operate more than 5,000 buildings and 25,000 delivery trucks. By implementing more sustainable operating procedures, member companies could save an estimated US$21 million annually.

Thank you!

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(231) 799-3517