Annual Report

For year ending December 31, 2007

LA-Z-B0Y UTAH

Facility Name

350 W 10TH NORTH   TREMONTON   84337
Facility Street Address   City   Zip

Project Status

On a separate sheet, summarize:
- your Clean Utah project commitments and accomplishments made to date,
- major indicators of environmental improvements (measurable ways that you are determining the environment is improving as the result of steps you are taking),
- public participation activities you have undertaken, and
- your project plans for next year, as they relate to this program.

Certification Statement

(to be signed by the senior facility manager)

I certify that the information outlined in the attached annual report is correct and that this facility continues to meet all program criteria and has an active EMS, as defined by the Clean Utah! program. I further certify that this facility has conducted periodic assessments of compliance with legal requirements, has corrected all identified instances of noncompliance, and is currently in compliance with all applicable federal, state, and local environmental rules and regulations.

Signed: RICHARD V. HAWKES

Date: GENERAL MANAGER

Print Name

Title
La-Z-Boy Utah

Environmental Improvement Project Results

**Project #1:** Reduce solid waste going to the local landfill, measured in pounds per equivalent piece of furniture produced.

**Measurements (in tons):**

<table>
<thead>
<tr>
<th>Year</th>
<th>Weight to Landfill</th>
<th>Recycled Weight</th>
<th>Total Weight</th>
<th>Percent weight recycled</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>334</td>
<td>2,452</td>
<td>2,787</td>
<td>88.0%</td>
</tr>
<tr>
<td>2006</td>
<td>560</td>
<td>2,471</td>
<td>3,031</td>
<td>81.5%</td>
</tr>
<tr>
<td>2005</td>
<td>613</td>
<td>2,435</td>
<td>3,048</td>
<td>79.9%</td>
</tr>
<tr>
<td>2004</td>
<td>787</td>
<td>2,455</td>
<td>3,242</td>
<td>75.7%</td>
</tr>
</tbody>
</table>

**Benefit to the environment for year:** As the table above shows, waste to the landfill was reduced by 226 tons for a 40% reduction when compared to 2006. A big part of this was done by finding a way to recycle scrap fabric rather than sending it to a landfill. The fabric is now being used as an alternate fuel source at a cement plant.

**Benefit or savings for company:** By reducing the amount of solid waste going to the landfill, costs associated with landfill disposal were also reduced by $6,860 or 24%. An additional benefit is knowing that our actions will extend the life of the county landfill.
Targeted Goal for 2008: We will continue to look for ways to recycle our waste and reduce waste to the landfill. We are looking for another 10% reduction in total waste going to the landfill.

Project #2: Enhance the facility’s energy efficiency and, subsequently, reduce air emissions.

<table>
<thead>
<tr>
<th>Year</th>
<th>Gas Used (MMBTU)</th>
<th>Electric Use (KWH)</th>
<th>Electric Use (MMBTU)</th>
<th>Total Energy Use (MMBTU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>15,002</td>
<td>7,898,400</td>
<td>26,957</td>
<td>41,959</td>
</tr>
<tr>
<td>2006</td>
<td>15,521</td>
<td>9,520,200</td>
<td>32,492</td>
<td>48,013</td>
</tr>
<tr>
<td>2005</td>
<td>18,043</td>
<td>9,480,600</td>
<td>32,357</td>
<td>50,400</td>
</tr>
<tr>
<td>2004</td>
<td>22,071</td>
<td>9,363,600</td>
<td>31,958</td>
<td>54,029</td>
</tr>
</tbody>
</table>
**Benefit to the environment for year:** Total energy use for the plant was reduced by 6,054 MMBTU or 12.6% when compared to 2006. Much of this reduction was achieved by changing to a single shift operation. However, conversion of some of our lighting from a HID system to more energy efficient T-8 lights also contributed to this savings. With these savings, Green House gases were also reduced both in the reduction of natural gas burned in the plant and the reduction in purchased electricity.

**Benefit or savings for company:** As the above graph shows, this is the fifth year in a row that we have been able to reduce energy use. This reduction results in a direct savings for the plant. As the graph below shows, the savings in utility costs over the previous year was $30,567 or 5.6%. This savings was realized even though electrical rates were raised by 10% at the first of the year.

![LA-Z-BOY UTAH ENERGY COSTS](image)

During last year we were able to reduce air emissions from our plant by reducing natural gas consumption. In addition we shut down our finish room operations and thereby, have completely stopped emissions from the finish operations. The charts below show the results of these actions.

![CO2 Emissions](image)

CO₂ emissions were decreased by 173 tons or 18.6%.
N₂O emissions were cut by 50%.

Methane emissions were reduced by 22.2%.

Emissions from the finish room operations were totally eliminated for calendar year 2007.
**Targeted Goal for 2008:** Throughout 2008 we will continue to convert to a cellular manufacturing concept. As we install new cells, we will remove the HID lights and install more efficient T-8 lights. This will have a small, but positive impact on our electrical energy use.

**Public Participation:** La-Z-Boy Utah sponsors a class of Environmental and Engineering students from Utah State University. These students spend about three hours in the plant learning about our environmental programs and the challenges facing industry in the environmental arena. In addition, the plant published a Sustainability Report that was sent to all interested parties. This report detailed the environmental and economic impact the plant has on the surrounding area.