



INTRODUCTION

ABOUT THE COMPANY

Planar Systems, Inc. is a subsidiary of Leyard Optoelectronic Co. with operations in North America, Europe, and Asia.

REPORT SCOPE

Planar's headquarters is located in Beaverton, Oregon and handles design, product testing, quality assurance, marketing, sales, and customer service activities. This facility has approximately 150 employees and a footprint of 72,000 square feet. Hillsboro, Oregon is home to Planar's Evergreen manufacturing facility with approximately 100 employees and a footprint of 61,000 square feet.

The scope of this report is limited to these locations and the policies they implement that affect outside stakeholders and other interested parties.

This report is consistent with all four Entry Criteria listed in the *Performance Track Program Guide* published by the United States Environmental Protection Agency.

REPORT FREQUENCY

This report is published on an annual basis by the end of the first quarter of each calendar year and covers the preceding calendar year.

FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements where actual results may differ materially. This report is presented in good faith and without any expressed or implied guarantees about the accuracy of the information contained herein.

ENVIRONMENTAL MANAGEMENT SYSTEM

ENVIRONMENTAL POLICY

Planar maintains an environmental policy that serves as the basis for Planar's Environmental Management System and Planar's overall environmental program. This policy is consistent with ISO 14001:2004 requirements and is reviewed periodically to ensure it remains accurate and relevant to Planar.

The policy is available online at: <http://www.planar.com/about/green/>.

PLANNING

Planar's Environmental Management System includes a detailed plan for monitoring and minimizing Planar's environmental impact. This plan also requires the continual monitoring of the global regulatory landscape for changes that materially affect Planar.

CHECKING AND CORRECTIVE ACTION

Planar maintains a valid ISO 9001:2008 certification and audits its Environmental Management System at least once per calendar year in accordance with ISO requirements for internal audits. Corrective Action Plans are issued for any Major or Minor audit findings. Recommendations for Improvement may be recorded in addition to any Major or Minor audit findings, but do not impact the audit result.

Although Planar has not been certified to the ISO 14001:2004 standard by an accredited 3rd party, the Environmental Management System was reviewed by an outside consultant and found to be consistent with applicable ISO 14001:2004 requirements.

MANAGEMENT REVIEW

On an annual basis, members of the Executive Management Team are briefed in accordance with Planar's Management System Review Procedure. Key milestones – as well as areas for improvement – are presented during this meeting. Regulatory changes with a material impact on Planar are also discussed. Executives and lower-level managers use this as an opportunity to learn about and help strengthen Planar's environmental program.

DEMONSTRATED PERFORMANCE AND COMMITMENT TO IMPROVEMENT

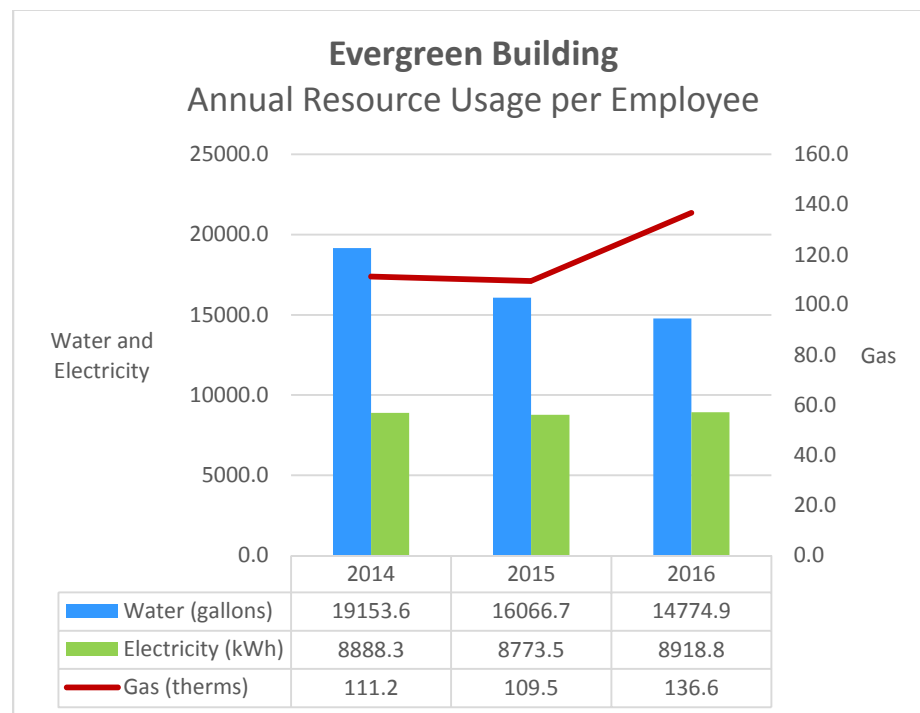
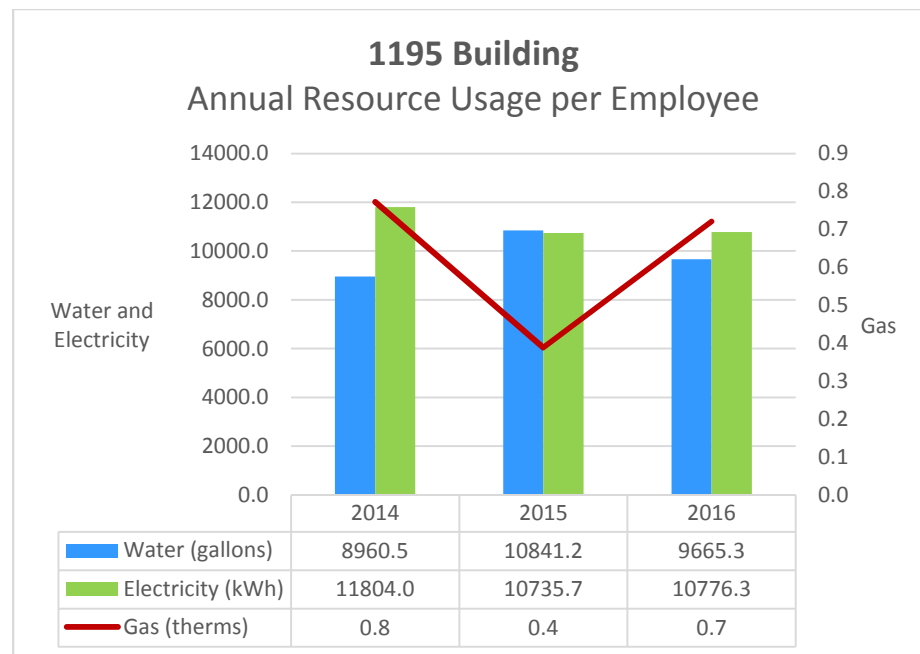
PROGRESS ON 2016 GOALS AND FUTURE COMMITMENTS

This report addresses the environmental impacts associated with the following aspects of Planar's business operations: resource usage, transportation, and employee health and safety.

Resource Usage - Utilities

Planar began monitoring its consumption of electricity, water, and gas in 2016, and this report includes detailed breakdowns for each facility. Operational efficiency has been calculated in terms of annual resource usage per employee. However, there are several important caveats to consider when reviewing these charts:

- Figures reflect usage of heating, cooling, lighting, and irrigation systems for which Planar is not directly responsible as a tenant.
- Employee headcounts are determined based on the figures calculated in December and include all temporary employees. Due to the relatively small size of Planar’s operations, fluctuations in headcount have significant impacts on the per-employee utilization rate.
- Data have been reported as-is without any controls or adjustments for extreme weather or other “outlier” events.
- For the Evergreen factory, it may be better to benchmark resource utilization against total output. However, product complexity varies significantly and makes this indicator difficult to define. Planar will continue to assess the relevance of reported indicators as part of its ongoing environmental program.
- Of the three resources being monitored, electricity is the only one over which Planar exerts a meaningful degree of control. This is due to several factors outlined below:
 - Planar displays are electronic devices that require power, and a significant number of them are powered on at any given time within the factory. All conference rooms in both facilities are equipped with large displays. However, some rooms are not equipped to automatically shut off the displays and overhead lighting. There is a human element to Planar’s environmental program that has a material impact on resource utilization.
 - Over the last few years, Planar transitioned most of its information technology resources from physical servers to virtual servers. However, this distribution did not change in 2016, and virtual servers still account for 96% of total capacity.
 - The CY 2015 report mentioned that certain lighting fixtures had been converted to LED technology. Planar chose to continue this trend and convert additional units in 2016.



Resource Usage - Office Supplies

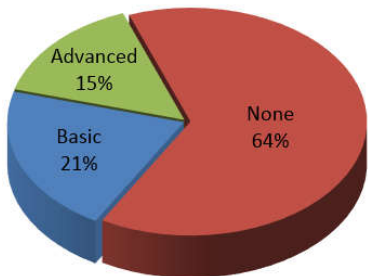
Paper cup usage in the corporate headquarters decreased by 30% or 6,000 cups to a total of 14,000 cups in 2016. The Evergreen location saw an increase of 5% or 2,000 cups to a total of 40,000 cups. Ecotainer cups accounted for 76% of the total spend, up from 0% in 2015.

The number of printed pages dedicated to marketing materials increased substantially from 53,350 in 2015 to 103,200 in 2016. Most of this increase is due to re-branding efforts associated with the acquisition by Leyard.

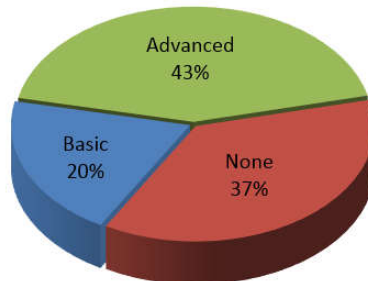
Paper usage resulting from non-marketing activities decreased 8% from 1,340 reams in 2015 to 1,232 reams in 2016. The average value of recycled content was 39.7% up from 0% in 2015.

The following charts summarize the environmental profile of all office supplies purchased:

Overall Snapshot - 2015



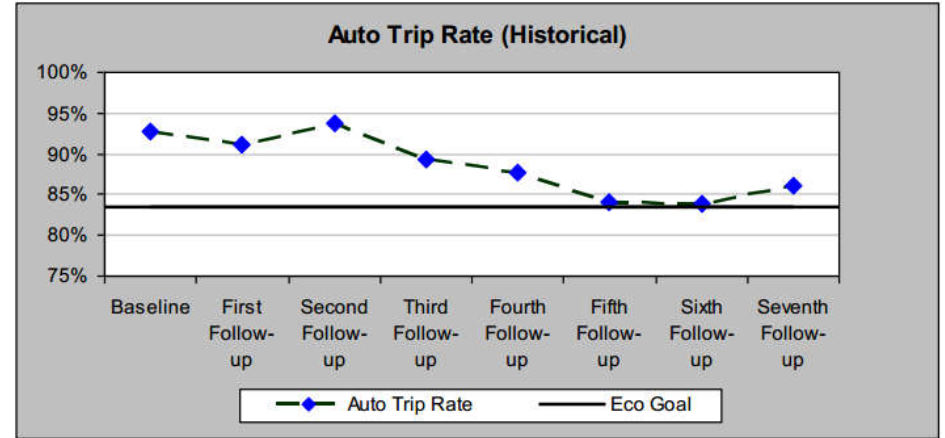
Overall Snapshot - 2016



- **Advanced** Products exceed 30% post-consumer recycled content, are remanufactured, or have certifications to Forest Stewardship Council®, Green Seal™, EPA Design for the Environment, BPI compostable, Rainforest Alliance Certified™, Fair Trade Certified™, Cradle to Cradle™, or contain at least 30% bio-based plastics/agricultural residues.
- **Basic** Products contain 30% post-consumer recycled content, have refillable designs, or have certifications to SFI, AP Non-Toxic, Indoor Advantage, and Greenguard.
- **None** Products do not contain any environmental features that can be tracked.

Transportation - Employee Commuting

Public transportation options in Portland, Oregon are provided by an agency called TriMet. This agency conducts an Employee Commute Option survey on a biennial basis, and the last survey took place in June of 2016. Results from this survey (seventh follow-up) are shown below and represent a slight increase in the percentage of single-occupancy auto trips taken. Planar will continue to provide employees with information aimed at making it easier and more convenient to carpool and take public transportation.



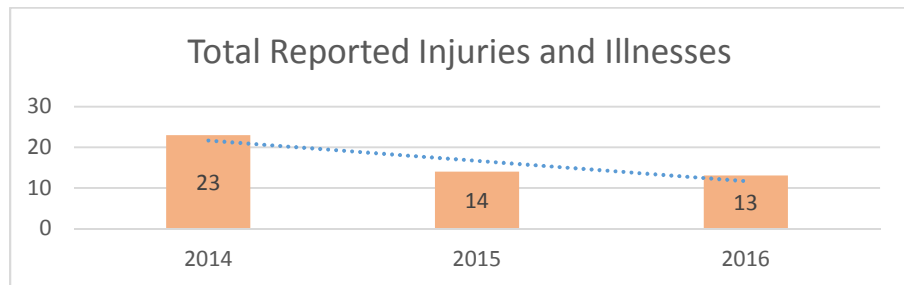
Weekly Employee Trips

The table below shows the number of employee trips TO this worksite during the week prior to the survey.

Number of trips	Total Weekly Trips	Drove alone	Carpool/Vanpool (by # of people in Carpool)						Bus/Max	Bike	Walk	Bike+Walk	Tele-Commute	Compressed Work Wk.
			2	3	4	5	6+	Total						
Reported	631	531	22	0	4	0	0	26	22	12	6	18	34	0
Total*	716	603	25	0	5	0	0	30	25	14	7	20	39	0
Auto Trips*	616	603	12	0	1	0	0	14	0	0	0	0	0	0
Percentage of Total Trips														
Baseline		90%	5%	0%	0%	0%	0%	6%	1.1%	--	--	3%	0%	1%
First Follow-up		89%	4%	1%	0%	0%	0%	5%	2.8%	--	--	3%	0%	0%
Second Follow-up		92%	2%	2%	0%	1%	0%	5%	0.4%	0%	1%	1%	2%	0%
Third Follow-up		87%	4%	2%	0%	0%	0%	6%	1.2%	--	--	2%	4%	0%
Fourth Follow-up		85%	5%	0%	0%	0%	0%	5%	2.2%	3%	0%	3%	4%	0%
Fifth Follow-up		81%	6%	0%	0%	0%	0%	7%	3.8%	2%	1%	3%	6%	0%
Sixth Follow-up		80%	8%	1%	0%	0%	0%	9%	1.9%	2%	2%	4%	5%	0%
Seventh Follow-up		84%	3%	0%	1%	0%	0%	4%	3.5%	2%	1%	3%	5%	0%
Change from baseline**		-6%	-2%	0%	1%	0%	0%	-2%	2.4%	2%	1%	0%	5%	-1%

Employee Health and Safety

A total of 13 illnesses and injuries were reported in 2016, down from a total of 14 in 2015 and 23 in 2014. These figures include all minor injuries that were treated solely with first aid. Furthermore, the total number of employees increased from 239 to 254 over that same time period. While these figures indicate that Planar provides a very safe work environment for its employees, Planar remains firmly committed to pursuing further reductions to the severity and frequency of workplace-related injuries over time.



Building	Type of Injury	2014	2015	2016	Grand Total
1195		2	3	2	7
	Bloody Nose			1	1
	Cut		1		1
	Fall		1		1
	Hazard	1			1
	Illness		1	1	2
	Strain	1			1
Evergreen		21	11	11	43
	Back Pain	1	1		2
	Body Part Hit	2	2	2	6
	Burn			1	1
	Cut	3	7	3	13
	Eye Contamination		1		1
	Fall			2	2
	Hazard	2			2
	Skin Irritation	2			2
	Sprain	1			1
	Strain	4		3	7
	Unknown	1			1
	Repetitive Motion	5			5
Grand Total		23	14	13	50

OTHER ACCOMPLISHMENTS AND ACTIVITIES IN 2016

Electronic Product Environmental Assessment Tool (EPEAT®)

EPEAT is based on environmental leadership standards created by accredited organizations through a voluntary process and addresses the following aspects of electronic products:

- Reduction or elimination of environmentally-sensitive materials
- Materials selection
- Design for end-of-life
- Product longevity and lifecycle extension
- Energy conservation
- End-of-life management
- Corporate performance
- Packaging

EPEAT-registered products have less environmental impact than products that do not meet EPEAT criteria and help businesses meet sustainability goals.

Planar's PXL2471MW display received an EPEAT Silver rating for the United States market, and the goal is to register as many as three additional models in 2017. For more information about EPEAT, please visit <http://www.epeat.net/>.



LED Lighting Fair

Planar hosted an LED lighting fair put on by the Energy Trust of Oregon at each facility. Over the lifetime of the bulbs purchased by employees, Energy Star estimates a net annual reduction of 44,075 pounds of carbon dioxide. This is equivalent to eliminating four passenger vehicles from the roads.

Revamped Environmental Management System

Planar overhauled its Environmental Management System based on the requirements of the ISO 14001:2015 standard. In contrast to the last version released in 2004, this standard places greater emphasis on business context and the assessment of not only risks, but also opportunities for positive outcomes associated with responsible environmental management.

Community Involvement

Planar recognizes not only the value of effectively managing and minimizing its environmental impacts, but also contributing positively to the local community. Shown below are a few of the institutions supported by Planar through employee donations and volunteer hours in 2016:



<http://4k4charity.com/>



<https://www.oregonfoodbank.org/>



<http://www.girlsinc.org/>



<http://www.4scotty.org/about.html>



<http://www.newcommunity.org/services/transitional-living-and-family-services/harmony-house-transitional-living/>



PARTNERSHIP PROGRAMS

In addition to being an EPEAT Participating Manufacturer, Planar would like to highlight three additional programs through which the company has made significant contributions:

Multiple Engineering Co-Op Program (MECOP)

MECOP is a business/education partnership specifically aimed at providing students with the learning opportunities they need to be successful in their careers with future employers based in the Northwest. In 2016, Planar granted three separate internships. Additional information about the program is available online: <https://www.mecopinc.org/>.

Business Education Compact (BEC)

Planar joined BEC as a corporate partner in 2016 to help communicate the importance of science, technology, engineering, and math (STEM) outside of the classroom. Planar employees worked with students over the course of the school year to complete a variety of science projects and connect those lessons to future career interests and life goals. Please visit <https://www.becpdx.org/> for additional information about the program.

PDX American Marketing Association (AMA) Community Outreach Program

Planar's own Jennifer Davis, the Chief Marketing Officer and Vice President of Marketing and Product Strategy, served as the executive sponsor of PDX AMA in 2016. Jennifer facilitated workshops for volunteers assigned to the following Portland-based non-profit groups:

- [Lift Urban Portland](#) – working to reduce hunger in downtown Portland
- [World Pulse](#) – focusing on increasing the global voice of women through unity and digital communication
- [The Pixie Project](#) – serving as an animal adoption and rescue center
- [Make a Wish Oregon](#) – granting wishes for children faced with terminal illnesses
- [PlayWrite](#) – helping youth experience success and learn resilience through theatre
- [Marathon Scholars](#) – alleviating the obstacles faced by underprivileged students as they strive to achieve academic success

Additional information about AMA PDX can be found online: <http://www.ama-pdx.org/get-involved/community-outreach/>.

PUBLIC OUTREACH AND PERFORMANCE REPORTING

IDENTIFYING AND RESPONDING TO COMMUNITY CONCERNS

Planar recognizes the importance of local issues in the cities of Beaverton and Hillsboro and the State of Oregon more broadly.

Staff responsible for implementing the Environmental Management System pay close attention to local news sources and also respond to inquiries received through the “Learn More” button located on the Environmental Initiatives page of Planar’s public website.

All other inquiries are directed to the Environmental Compliance team based in the corporate facility. Readers of this report are encouraged to direct questions or concerns to Environmental.Compliance@Planar.com.

Planar is not aware of any issue in either identifying or responding to community concerns as of the time this report was made public.

INFORMING THE COMMUNITY OF IMPORTANT MATTERS

Planar’s corporate facility is located within a business park that is operated by a 3rd party. Planar disposes of all electronic waste using recyclers certified to the industry-leading R2 standard maintained by the ANSI-accredited Standards Development Organization: <https://sustainableelectronics.org/about>.

As of the publication of this report, Planar does not foresee any environmental matter or concern that could potentially and reasonably require notification of the local community. However, in the event of an immediate environmental emergency requiring such notification, Planar would notify the property management company and/or appropriate local government body.

This report has been published on Planar’s corporate website as a form of community notification.

REPORTING ON ENVIRONMENTAL MANAGEMENT SYSTEM PERFORMANCE

Planar reports on its environmental performance through two primary channels. The first is by responding directly to external inquiries. The second is by publishing this report prominently on its corporate website for public consumption.

To download a copy of this report or learn about Planar’s Green Initiatives, please visit: <http://www.planar.com/about/green/>.

RECORD OF SUSTAINED COMPLIANCE WITH ENVIRONMENTAL REQUIREMENTS

CRIMINAL ACTIVITY

Regarding Section A.4 (Criminal Activity) of the EPA’s Performance Track Program Guide:

- *“Corporate criminal conviction or plea for environmentally related violations of criminal laws involving the corporation or a corporate officer within the past five years.”*
- *“Criminal conviction or plea of employee at the same facility for environmentally related violations of criminal laws within the past five years.”*
- *“Ongoing criminal investigation/prosecution of corporation, corporate officer, or employee at the same facility for violations of environmental law.”*

Planar hereby declares that all three statements do **not** apply.

CIVIL ACTIVITY

Regarding Section A.4 (Civil Activity) of the EPA’s Performance Track Program Guide:

- *“Three or more significant violations at the facility in the past three years.”*
- *“Unresolved, unaddressed Significant Non-Compliance (SNC) or Significant Violations (SV) at the facility.”*
- *“Planned but not yet filed judicial or administrative action at the facility.”*
- *“Ongoing EPA- or State-initiated litigation at the facility.”*
- *“Situation where a facility is not in compliance with the schedule and terms of an order or decree.”*

Planar hereby declares that all five statements do **not** apply.

CONTACT INFORMATION

For questions or comments about this report, please contact Environmental.Compliance@Planar.com.

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