



Letter from
the Chairman
and CEO

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Financial

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THE CASCADE ENGINEERING TRIPLE BOTTOM LINE

report

Financial | Social | Environmental

OUR VISION

- Solutions for each of our customers: Excellence in our work

OUR MISSION

- Unmatched products and service
- Innovation in our solutions, processes and relationships
- Operational excellence
- Learning from one another
- Creating a sustainable company that serves as a benchmark in business and in the community

ABOUT CASCADE IN GRAND RAPIDS

- Privately owned
- Seven plants; eight facilities
- 735 employees
- \$157M sales

MARKETS

- Automotive
- Industrial
- Solid waste
- Materials

PURPOSE AND SCOPE OF REPORT

Cascade Engineering was founded in 1973 with the belief that a business could be profitable and socially and environmentally responsible. Over the years, this philosophy of business has been transformed into a commitment to achieve a sustainable enterprise with specific financial, social and environmental goals.

Today, Cascade Engineering is a leader in engineered plastic systems and components. We provide innovative expertise and intelligent solutions for the automotive, solid waste and industrial markets. Our capabilities range from compounding and testing, integrated design analysis and prototyping to large tonnage molding and plastics processing.

In this, our first Triple Bottom Line Report, we hope to create:

- A higher level of organizational accountability and transparency
- A balanced approach to continuous improvement
- An important learning tool—for us and for other medium-sized companies

This report encompasses activities and accomplishments in 2003 for the Grand Rapids, Michigan campus of Cascade Engineering. The campus includes three

solutions groups, seven plants, an engineering establishment called the Center For Innovation, and our corporate headquarters called the Learning Community. The material in this report, depending on specific reporting requirements, is based upon either fiscal year end (August 2003) or calendar year end data. Financial data is presented for the Cascade Family of Companies, which includes Cascade Engineering, two joint ventures in Michigan, one joint venture in Ohio, and two wholly-owned subsidiaries in Florida and Hungary. The financial data has been audited by BDO Seidman.

Because this is our first Triple Bottom Line Report, it is by no means perfect. With more experience, we expect that the collection, analysis and dissemination of data will improve, with resulting improvements in future reports. In some cases, this year's report will establish baseline measurements.

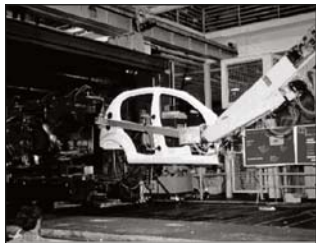
Shaping ideas in plastics™ means going beyond shaping every aspect of our products—it means shaping opportunities, shaping lives, shaping our footprint in the environment to be minimal, shaping vibrant and stable communities, and, to some degree, letting all of these things shape us. We invite you to read on and shape your opinion of Cascade Engineering.



CASCADE
engineering
shaping ideas in plastics™

DID YOU KNOW THAT CASCADE ENGINEERING...

- HAS THE LARGEST INJECTION MOLDING MACHINE IN THE WESTERN HEMISPHERE?
- HAS STRATEGIC PARTNERS IN JAPAN, ISRAEL, AND CHINA?
- HAS A WHOLLY-OWNED SUBSIDIARY IN BUDAPEST, HUNGARY CALLED CASCADE ENGINEERING EUROPE?
- CELEBRATED ITS 30TH ANNIVERSARY IN 2003?
- IS RANKED BY *PLASTICS NEWS* AS THE 30TH LARGEST INJECTION MOLDER IN NORTH AMERICA?
- DEVELOPED THE FIRST ALL-PLASTIC AUTOMOBILE BODY?



All-plastic automobile body engineered by Cascade Engineering



LETTER FROM THE CHAIRMAN AND CEO



Sustainable business is a subject near and dear to my heart because I believe that within the concepts of sustainable business lies our next growth opportunity as a company and as a region.

But first let me explain a few principles and concepts.

First concept: Sustainable business is the notion that there are three parts of business, not just the one that is taught in business school. Business schools generally teach that the important thing is to manage the financial bottom line. In sustainable business we teach that not only does business need to worry about the financial bottom line, but it needs to worry about the environmental bottom line and the social capital bottom line as well! This often leads to the conclusion by business leaders that sustainable business is just too complex and costly.

I would argue that when an organization is only focused on the financial bottom line, they are focused on survivability. However when they focus on ecological and social capital as well, they have the opportunity to pursue sustainability. It is a matter of sustainable versus survivable. Sustainability is all about recognizing that there is a relationship between three important assets: financial, social and ecological. Sustainability says that to favor one at the expense of the others is at the least short sighted, and in the worst case scenario, self

destructive. So sustainable is all about a positive—recognizing the need to integrate financial, social and ecological assets. Survivable is all about the absence of a negative—not going away.

Second concept: We are in a new industrial revolution. This is a concept that author and thinker Paul Hawken likes to talk about. The first industrial revolution was based on abundant resources and scarce people. This second industrial revolution will be based on abundant people and increasingly scarce resources.

The fact is that in today's manufacturing world there is too much capacity in the United States. This drives costs down. But I am reminded when there is too much capacity in an industry, this is not a problem for the industry, it is a problem for the weakest companies. Think about it. When there is too much capacity, some organizations will suffer, even go out of business. But some will stay and actually get stronger and better.

That is why I believe so strongly in sustainable business. As we build the social capital in Cascade Engineering to strengthen our culture to withstand the severe pressures of the market, and as we build products that are needed in an increasingly scarce resource world, we will build a business that is not only survivable, it will be sustainable and self renewing!

—Fred P. Keller



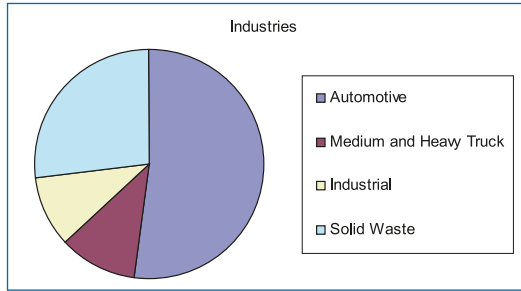
FINANCIAL

Each year the Cascade Family of Companies establishes financial milestones to measure how we are progressing toward our mission of providing solutions to our customers and achieving excellence in our work. These measures directly or indirectly impact our relationships with customers, employees, suppliers, capital providers, the environment and the community.

We set targets on these measures and report our progress against these targets on a quarterly basis, and for certain metrics, reward our employees with bonuses if the targets are achieved. While we may not achieve each of the goals we establish, we are making progress in many areas. In 2003 the bonus programs based on these measures paid out over \$3 million to our employees in the Family of Companies.

For our customers we provide solutions to their needs in a variety of industries. We have a supplier base in many fields including plastic resins, foam, tooling, equipment, consulting and strategic relationships. These suppliers include minority-owned companies, and we have joint venture partners from around the globe including Japan, Israel and Europe.

In 2003 the Family of Companies paid over \$2 million in taxes to federal, state and local governments in the United States.



THREE KEY FINANCIAL TARGETS AT CASCADE ENGINEERING

We have set three financial targets that we feel are important for financial sustainability in the areas of growth, return on equity and profitability.

SALES GROWTH

The Cascade Engineering Family of Companies includes various industries with different business cycles. Our target is that the Family of Companies as a whole has year-over-year growth of 10 percent. See Chart A.

RETURN ON EQUITY

Return to our stakeholders is important for the long-term success of the Family of Companies. Our target is a 15 percent return on equity. See Chart B.

PROFITABILITY

The Cascade Family of Companies makes decisions with proper regard to the long-term financial security of the company. Being a profitable company with positive net income each year is one way we measure our financial security. For example, the Cascade Engineering Grand Rapids campus has had net income in each of the past three years and in 29 of the last 30 years.

CHART A
Sales growth

The Cascade Engineering Family of Companies includes various industries with different business cycles. Our target is that the Family of Companies as a whole has year-over-year growth of 10 percent.

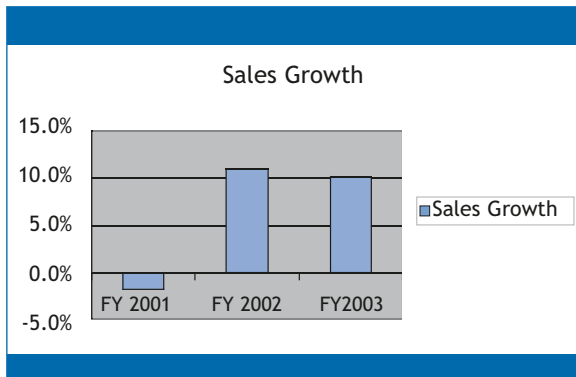
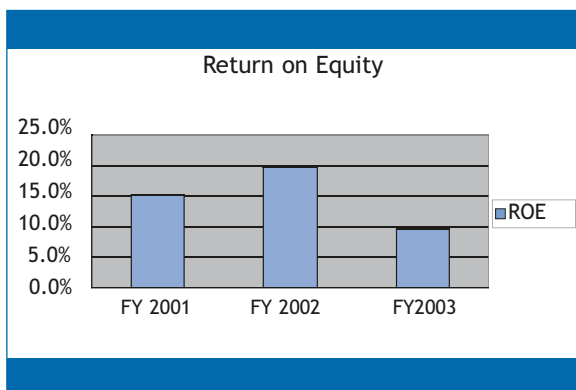


CHART B
Return on equity

Return to our stakeholders is important for the long-term success of the Family of Companies. Our target is a 15 percent return on equity.



Financial | Social | Environmental

Taking good care of our employees, our community, and our ecosystem while growing our business is the right thing to do.
— Mike Valz
President and COO

MAJOR AWARDS

Cascade Engineering has been honored to receive awards from local business clubs to the White House.

- KETTERING UNIVERSITY WEST MICHIGAN COOPERATIVE EDUCATION EMPLOYER OF THE YEAR- 2003
- APEX AWARD OF EXCELLENCE FOR THE CASCADE ENGINEERING INTRANET SITE (ACE) REDESIGN - 2003
- GOODWILL INDUSTRIES LARGE EMPLOYER OF THE YEAR - 2002
- FAMILY SUPPORT AMERICA KATHLEEN MCDONALD MEMORIAL WORK & FAMILY AWARD - 2002
- PLASTICS NEWS PROCESSOR OF THE YEAR- 2001
- RON BROWN AWARD FOR CORPORATE LEADERSHIP - 1998
- MICHIGAN MANUFACTURERS ASSOCIATION MANUFACTURER OF THE YEAR - 1998
- CHRYSLER ROLE MODEL AWARD FOR TECHNOLOGY - 1997
- GENERAL MOTORS SUPPLIER OF THE YEAR AWARD - 1993



SOCIAL CAPITAL

"Doing something good and then making it good business." —Fred Keller

Social capital is created when the company and the community engage each other to find mutually beneficial solutions to common problems. On a regional and national level, Cascade Engineering has been recognized for its efforts supporting business, social, and environmental improvements for the benefit of employees and the community. The company carefully evaluates the societal benefit of its community programs based on the **London Benchmarking Group** model, see diagram A, page 5. This model has helped us organize our social programs around charitable giving, community investments and commercial initiatives in the community. Cascade Engineering believes that a strong community, with employees who feel fulfilled and secure, is mutually beneficial. We believe we can accomplish this worthy goal by meeting employees' needs and offering them opportunities to help others in need, as well as encouraging the growth and vitality of the local community. Through this win-win process, we strengthen the fabric of Cascade's culture and our ability to adapt to challenging market conditions.

1. Charitable Giving

As a company, Cascade Engineering donated over \$208,000 to 103 different organizations in 2003. This includes Charitable Contribution Committee donations, but excludes separate contributions made by the Keller Foundation and the Keller family.

Charitable Contribution Committee

The purpose of this committee is: "to improve the vitality and quality of life in communities in which Cascade Engineering employees reside through educational, human service and health activities, with emphasis on activities with a preventative purpose." This group is made up of Cascade employees, and has an annual contribution budget of \$25,000 to be allocated each year to community programs and projects that meet specific qualifications. In 2003, the committee donated its full budget to 36 different organizations.

United Way

Cascade employees participate generously in the annual United Way of West Michigan Pacesetter Campaign. Cascade has accepted the annual pacesetter role, increasing employee participation and dedication with every new campaign. In 2003, employees contributed almost \$81,000 with the company matching the full amount. Employees also show their community support through the Christmas Adopt-A-Family program and Thanksgiving baskets. Twenty-five families referred to the company by United Way agencies received Thanksgiving baskets or Christmas presents donated and delivered by employees. During the 2003 United Way Day of Caring, Cascade employees worked at Sherwood Park Elementary School in Grand Rapids to set up classrooms and at Methodist Community House to build a fence and three picnic tables.



Dale Bowman assembles Thanksgiving food baskets



Lisa Hudson consults with our on-site FIA specialist, Joyce Bosscher



Congress School volunteers, Jodi Porraz and Glenn LeMieux

SOCIAL CAPITAL

continued...

2. Community Investments

Employer Assisted Housing Program

Cascade sponsors an Employer Assisted Housing Program, which was administered by the Grand Rapids Area Chamber of Commerce in 2003. The program is designed to lead employees through the credit, home selection and mortgage process. In 2003, 16 employees completed a home-ownership class taught by Michigan State University's extension services, which is required under the housing assistance program, and four employees purchased a new home.



Amy Valderas and her family stand proudly in front of their new home, which was purchased using the Employer Assisted Housing Program

Welfare-to-Career Program

The mission of the Cascade Engineering Welfare-to-Career Program is to support unemployed and underemployed individuals as they move from dependence to economic self-sufficiency. Through the program, Cascade Engineering offers opportunities to both employees and the community by providing education, coaching and mentoring, resource guidance, and transportation opportunities for employees. The program benefits employees financially and personally by making career awareness, advancement, and self-sufficiency a reality, with unique support that includes two on-site caseworkers. Cascade Engineering is the only company in the state that has one full-time and one part-time Family Independence Agency specialist (FIA) on site. In 2003, 116 former welfare recipients participated in the program, including 30 who achieved self-sufficiency, meaning they were no longer receiving any cash assistance from the state. The benefits of the program to participants, the company and the government have been the subject of case studies written by Thomas E. Cavanagh, a senior research associate at The Conference Board, and by Professor James R. Bradley for the *Stanford Social Innovation Review*. For example, participant turnover rate has consistently improved, see chart C. In 1999 the monthly retention rate for employees in the program averaged 83 percent; in 2003, the monthly retention rate averaged 96 percent. Other documented benefits include reduced cash assistance payments, increased tax receipts and wage subsidies. For more information on the case studies, visit www.conference-board.org or www.ssireview.com.

THE CHAIRMAN'S AWARD FOR SOCIAL CAPITAL

The Chairman's Award recognizes the development of "social capital" within Cascade Engineering. Social capital is created when the company and the community engage each other to find mutually beneficial solutions to common problems.

The Chairman's Award is presented to an employee who exemplifies this process of win-win problem solving.

- 2003: **DAVID BARRETT**
COMMUNITY LEADERSHIP AND EDUCATION
- 2002: **JODI PORRAZ**
CONGRESS ELEMENTARY SCHOOL PARTNERSHIP
- 2001: **RON JIMMERSON**
WELFARE-TO-CAREER PROGRAM

A DIVERSE COMPANY

Cascade Engineering maintains a voluntary affirmative action plan. In 2003, our workforce was comprised of:

- 64.8% Male
- 35.2% Female
- 66.6% White
- 22.6% Black
- 6.6% Hispanic
- 4.1% Asian
- 0.1% American Indian

For more information about Cascade's diversity program, please visit our Web site at www.cascadeng.com

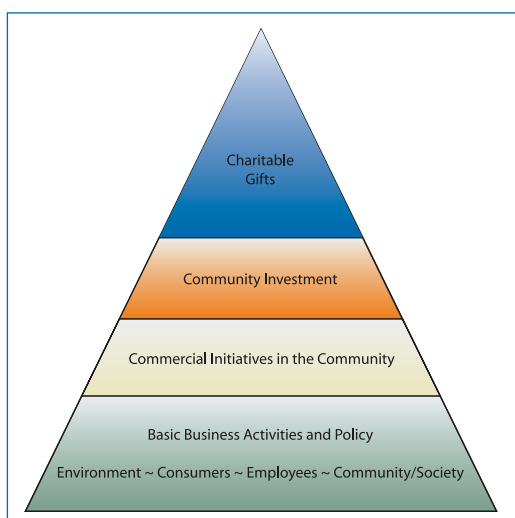


DIAGRAM A

London Benchmarking Group Model

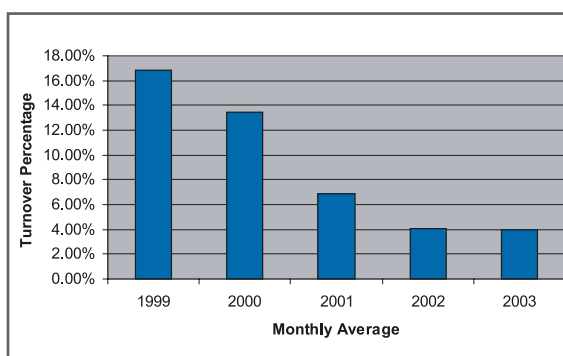


CHART C

Welfare-to-Career Turnover Rate

● Financial | ● Social | ● Environmental

At bottom, social capital means finding win-win solutions that help the community and the company make progress.
— Ron Jimmerson
Manager, Community Partnerships and Workforce Diversity

WORK AND FAMILY PROGRAMS AT CASCADE

PHASES Work and Family Program contains over 80 benefits and services that help employees maintain the balance between work and family that is crucial to personal and professional success. Examples include:

PHASES ACCESS

One-stop shopping on Cascade's intranet for child care referral, home and car insurance, mortgages, car discounts and other services that benefit employees and families.

COMPUTER PURCHASE PROGRAM

A loan program for employees interested in purchasing a computer for personal use.

SENIOR AND ADULT LONG-TERM CARE OPTIONS

A counseling program for employees who are facing long-term care decisions involving themselves or a loved one.

BABY BEEPERS

Expectant parents receive a company-paid pager during the last six weeks of a pregnancy.

WOW

(Working On Wellness)

A program promoting healthy lifestyles for employees and their families - services include: health risk screenings, classes, wellness publications and activities.

SOCIAL CAPITAL

continued...

School-to-Career Programs

Cascade Engineering participates in a School-to-Career Progressions Program in partnership with the Grand Rapids School District. Through classroom learning, a facilitated Success Center, workshops, and mentoring, the program is designed to help at-risk students develop the life skills necessary to overcome the barriers of poverty. Of the 25 at-risk high school seniors who participated in the pilot program in 2003, 95 percent had entered college, the armed forces or were gainfully employed in the year following their graduation.

Cascade employees participate in the Families And Community Together for Students (FACTS) Program to help tutor at-risk students at Congress Elementary School in Grand Rapids. In 2003, 18 employees tutored students on a weekly basis, 19 served as pen pals, and 11 taught Junior Achievement classes. The tutoring program led to a measurable improvement in reading proficiency. Through Cascade's Groundhog Job Shadow Day, local high school students have the opportunity to shadow Cascade employees and learn about the working world. In 2003, 40 students from East Kentwood High School shadowed 19 Cascade Engineering employees, holding a variety of positions within the company.

3. Commercial Initiatives in the Community

Goodwill

Joshua Rosenberger joined Cascade Engineering through the company's relationship with Goodwill Industries. Born with Asperger's Syndrome, a form of autism, Joshua has an obsessive attention to detail that is related to the syndrome. Previous employers had told him he lacked the skills necessary to succeed in a regular work setting. However, with the support of his Cascade front line leader and plant manager, his Goodwill retention specialist, and his family, today Joshua is a highly valued member of his team who uses his obsessive ability to detect quality defects during the production process. By focusing on his ability and not his disability, Cascade and Goodwill gave Joshua a new beginning. And by teaching the Cascade family about Asperger's Syndrome and demonstrating the true ability of someone who had been stereotyped, Joshua added to the richness of Cascade's culture.



Joshua Rosenberger carefully inspects a part for quality assurance

Being a Benchmark in the Community

In March 2003, Cascade hosted its first "Employer of Choice" conference dedicated to helping other companies develop employee-friendly programs similar to its own. Because customer focus, operational excellence, and the bottom line all depend on a company's ability to attract and retain good people, this interactive conference reviewed leading-edge ideas on every phase of retention dynamics. The conference was attended by 60 representatives from local companies, hospitals, and universities.

The SOURCE (Southwest Organizations Unifying Resources for our Community and Employees)

The SOURCE is modeled after the Cascade Engineering Welfare-to-Career program, but focuses on individuals living in poverty, not just those receiving welfare. The purpose of The SOURCE is to network with corporate neighbors, community partners, and government

— continued on page 10 —



ENVIRONMENTAL

Cascade Engineering is committed to protecting the environment by continuously reducing waste emissions to the air, land and water; continuously evaluating environmental management programs and systems; and continuously analyzing every phase of the life cycles of our products.

Cascade Engineering is dedicated to achievement in the following three areas specified in our Environmental Statement:

1. To protect the environment by continuously working towards the reduction of waste emissions into the air, land and water, with the ultimate goal of eliminating all negative impact on natural and man-made resources.
2. To evaluate our environmental management programs and systems to ensure continuous improvement in the area of waste and accident identification, reduction and elimination.
3. To understand every phase of the life cycles of our products—from raw materials and production to use and recycling—thereby contributing to the sustainability of our company and our community.

1. Reduction: Eliminating Negative Impact

Cascade Engineering is committed to creating the highest value for our customers as well as striving to be a sustainable organization and a benchmark for leadership in business and in the community. We believe in environmental value—that resources should be utilized responsibly, not only to ensure their continued use, but to eliminate the creation of waste. The continuous elimination of waste allows Cascade Engineering to provide solutions that are more cost-effective, faster and better for our customers.

Michigan's 50th Clean Corporate Citizen

Cascade's Automotive Trim and Acoustic groups achieved Clean Corporate Citizen (C3) status from the Michigan Department of Environmental Quality in 2003. This designation is given to companies that demonstrate consistent environmental compliance, adopt active pollution prevention programs and use an effective environmental management system (EMS). These two groups make up Cascade's Automotive Solutions Group, which through this designation is not only registered to ISO 14001 but recognized as an environmental leader by the State of Michigan. The C3 designation grants the company accelerated review by the DEQ of permit requests, a potentially important competitive advantage. For more information on C3, visit www.michigan.gov/deq.

Successful Pollution Prevention Initiatives at Automotive Solutions

The Automotive Solutions Group conducted an aggressive campaign to decrease the volume of scrap materials and contaminants transported to landfills. Because Cascade's core business is plastic injection molding, much focus was placed on reduction and recycling of plastic waste. The groups acted on these initiatives with the additional goals of reducing contaminants in water runoff presented in sanitary and storm water waste drains and reducing potential pollutants emitted into the air.

DID YOU KNOW THAT CASCADE ENGINEERING...

- IS A FOUNDING MEMBER OF THE GREEN POWER PARTNERSHIP BETWEEN THE EPA AND PRIVATE INDUSTRY?
- AUDITS SUPPLIERS' ENVIRONMENTAL SYSTEMS AND PERFORMANCE?
- ACTIVELY PARTICIPATES IN ANNUAL EARTH DAY ACTIVITIES?
- SPONSORS A CELL PHONE AND PHONE BOOK RECYCLING PROGRAM?
- IS AFFILIATED WITH AN ALTERNATIVE ENERGY COMPANY CALLED MACKINAW POWER?
- PARTICIPATES IN THE MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY'S RETIRED ENGINEER TECHNICAL ASSISTANCE PROGRAM TO IMPROVE ENERGY CONSERVATION AND POLLUTION PREVENTION?

● Financial | ● Social | ● Environmental

By placing value on the environment, we show that we value those who must live within it.
— Kelley Losey
Manager, Safety, Security and Environmental Services

SUSTAINABLE PRODUCTS MANUFACTURED AT CASCADE ENGINEERING

Cascade Engineering tries to understand every phase of the life cycle of its products—from raw materials and production to use and recycling, so we can contribute to the sustainability of the larger community.

Examples of such products include:

- A NEW NANOCOMPOSITE RESIN DEVELOPED BY NOBLE POLYMERS, A SUBSIDIARY OF CASCADE ENGINEERING. CALLED FORTE™; THIS PRODUCT OFFERS IMPROVED RECYCLABILITY AND REDUCED AMOUNTS OF FIBER CONTENT.
- AUTOMOBILE DASHMATS THAT DAMPEN PASSENGER COMPARTMENT SOUND THROUGH INNOVATIVE ACOUSTICAL PROPERTIES.
- RESIDENTIAL AND COMMERCIAL CARTS THAT ARE USED FOR SOLID WASTE COLLECTION AND RECYCLING. THESE CARTS ARE MADE OF 100 PERCENT RECYCLABLE CONTENT.
- OFFICE SEATING THAT IS DESIGNED FOR THE ENVIRONMENT, MANUFACTURED WITH RECYCLABLE MATERIALS, USING THE HIGHEST ERGONOMIC CRITERIA.

ENVIRONMENTAL

continued...

Environmental programs were carefully planned, executed, documented and evaluated as part of the group's environmental management system. The initiatives included:

- Establishing a recycle center and collection point in each of its plants.
- Training front-line leaders, die-setters, process technicians, team leaders, maintenance technicians and material handlers on waste reduction and recycling.
- Establishing measures to prevent lacquers/thinners from being introduced to drains.
- Eliminating contaminants transported to landfill in spent propane containers.
- Improving operational controls for diesel fuel by better defining the refueling and clean-up process.
- Disposing of light bulbs to prevent bursting and potential contamination.
- Reducing oil consumption by 15 percent in the Automotive Trim plants.
- Increasing the amount of paper and cardboard recycled by 5 percent at Automotive Trim plants.

Pollution Prevention Week

As part of the company's Pollution Prevention Week, Cascade Engineering employees instituted a paper-recycling program and were accepted into Michigan's Adopt-A-Highway Program. Cascade Engineering also hosted a presentation from the Michigan Department of Environmental Quality on pollution prevention. To get employees involved in pollution prevention, there were activities and incentives as well. Employees had the opportunity to win prizes by completing a recycling "pop quiz" and an activity calendar.

2. Continuous Improvement: Programs and

Systems

By making waste and accident reduction an essential thread of our systems and processes, Cascade Engineering is able to meet and exceed customer requirements while continuously increasing our own standards and expectations. By managing safety, obtaining certifications, having an Emergency Response Manual and Integrated Contingency Plans (ICPs) in place and through the work of our Waste Reduction Team, Cascade Engineering is able to measure our success and look for areas of improvement.

Safety

At fiscal year-end 2003, incident and lost/restricted workday rates for Cascade were 9.43 and 4.82, respectively, representing a 25 percent reduction from the year-end 2002 incident rate, see charts D and E on page 9.

ISO - 14001

Cascade Engineering successfully completed an external audit of ISO-14001 registration in Automotive Solutions, which is comprised of four plants, and our corporate building. Auditors from SGS only documented three minor findings. Our Industrial Solutions Group will have its registration audit for ISO-14001 compliance in mid-May of 2004, when Automotive Solutions will go through its renewal registration. After this audit, the entire Grand Rapids campus, with the exception of one of our subsidiary operations, will have one certified EMS. The documented EMS, including the Safety, Security and Environmental Services, (SSES) Manual and a new 18-page audit form, has been entered into Pilgrim, Cascade's quality system that stores and manages company-wide data and documents.

Emergency Response/ICPs

Integrated Contingency Plans (ICPs) have been written for each business unit and placed on Cascade's intranet. ICPs include emergency response plans, pollution incident prevention plans, chemical spill control and countermeasures, storm water pollution

ENVIRONMENTAL

continued...

plans and facility evacuation plans. Periodic drills are held where possible to test plan readiness. The ICPs are considered best environmental and emergency planning practices.

An Emergency Response Manual was also placed on Cascade's intranet, encompassing Integrated Contingency Plans, our Crisis Communication Policy, the Managing Traumatic Events in the Workplace Handbook, the Contractor Safety Policy and policies relating to weapons and violence in the workplace.

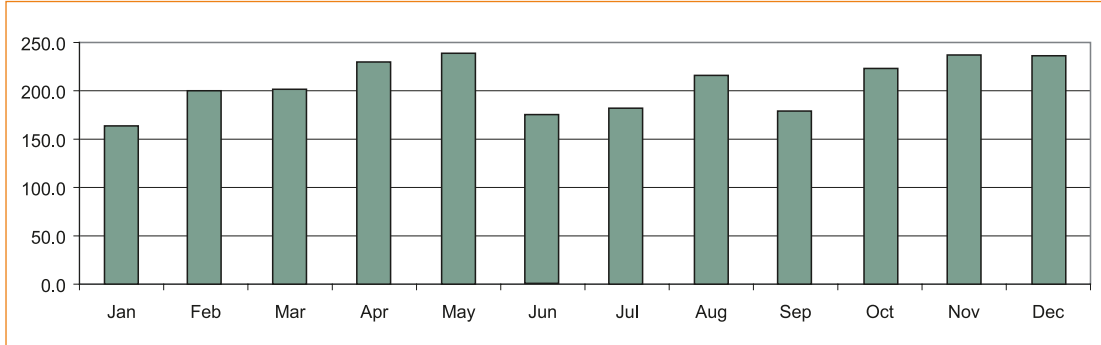


CHART F
2003 Waste Management Removal Tons to Landfill

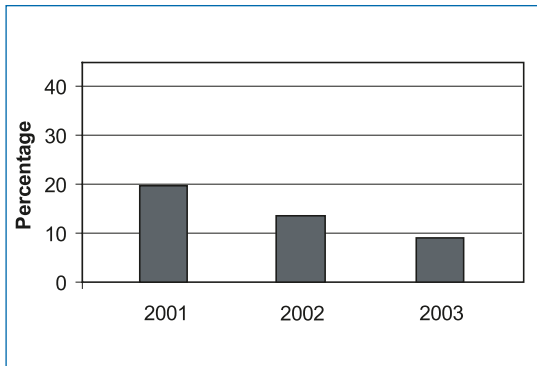


CHART D
Incident Rates

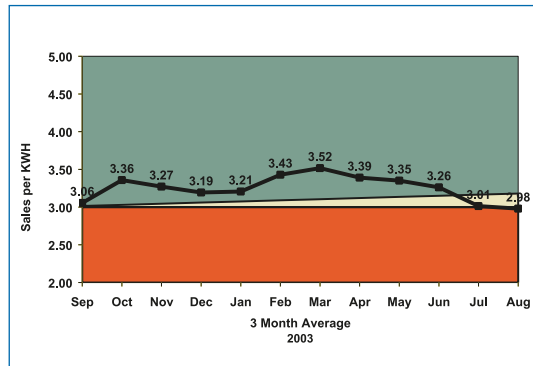


CHART G
2003 Sales Dollars vs. Kilowatt Hours

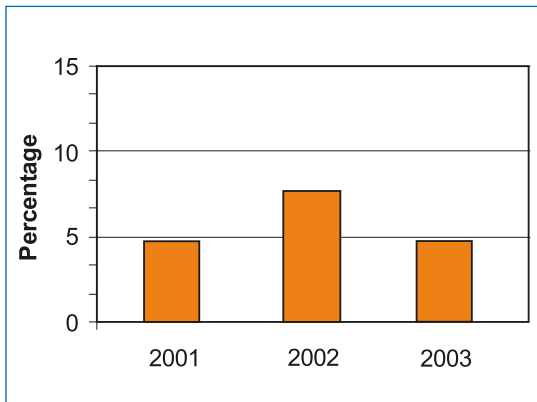


CHART E
Lost/Restricted Work Day Rates

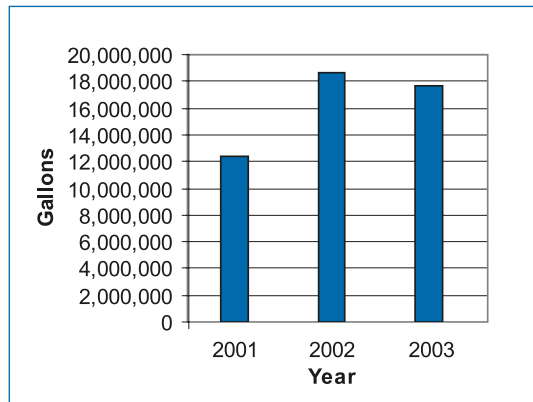
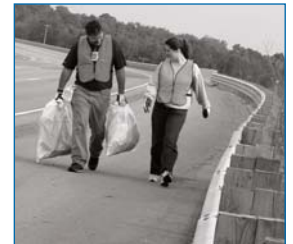


CHART H
Water Consumption

THREE GOALS; ONE PLANET

Cascade Engineering introduced its Three Goals; One Planet program in 2003. This multi-year program is based on three environmental goals. The goals are designed to help Cascade reduce or control potential negative impacts to the environment, and to support positive community-based initiatives.

- 15 PERCENT REDUCTION TO THE LANDFILL
- REMOVAL OF ABSORBENTS FROM THE WASTE STREAM
- ADOPT-A-HIGHWAY PROGRAM



Cascade Engineering Adopt-A-Highway Volunteers, Jerry Roper and Sharon Drake

● Financial | ● Social | ● Environmental

We pride ourselves on successful community programs and effective employee empowerment, with the constant goal of continually improving our company at every level.

—Mike Goldman
Vice President, Business Services

TO LEARN MORE ABOUT SUSTAINABILITY, VISIT THE FOLLOWING WEB SITES:

- GLOBAL REPORTING INITIATIVE
www.globalreporting.org
- COALITION FOR ENVIRONMENTALLY RESPONSIBLE ECONOMIES
www.ceres.org
- WORLD BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT
www.wbcsd.org
- INTERNATIONAL INSTITUTE FOR SUSTAINABLE DEVELOPMENT
www.iisd.org
- WORLD RESOURCES INSTITUTE
www.wri.org
- THE CONFERENCE BOARD
www.conference-board.org
- WEST MICHIGAN STRATEGIC ALLIANCE
www.wm-alliance.org
- UN COMMISSION ON SUSTAINABLE DEVELOPMENT
www.un.org/esa/sustdev

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Phone: 616.975.4800
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www.cascadeng.com

For more information on Cascade's Triple Bottom Line Report, please contact Michael Goldman, Vice President, Business Services, at 616-975-4721 or via e-mail at goldmanm@cascadeng.com.

ENVIRONMENTAL

continued...

Waste Reduction Team

The Waste Reduction Team (WRT) continued to document company waste streams in 2003. Other waste streams, particularly absorbents and other solid wastes, are being managed as cost centers. A new relationship with Circle Environmental is projected to lead to a 50 percent reduction in absorbent recycling costs and a 100 percent re-use of non-hazardous absorbent material. In addition, landfill volume, water consumption and kilowatt hours are being managed proactively, see charts F, G and H on page 9. Plastic and vinyl scrap are being recycled, creating both a revenue stream and a reduction in demand for dumpsters and hauling services. In 2003, a company-wide total of 2,608,275 pounds of plastic was diverted from the landfill to a plastic recycler and re-introduced to a manufacturing process. This represented an 85 percent increase from 2002. This is a result of a partnership formed with BATA Plastics, a materials recycler. On-site plant audits with this firm increase knowledge of alternative operational and recycling methods to reduce waste. The WRT implemented a formal paper recycling program, as well as complete recycling centers in each building. An expanded WRT site on Cascade's intranet detailing the team's activities and performance measurements supports the company's sustainability program.

3. Understanding the Cycle: Promoting Sustainability

Increasing our knowledge and promoting understanding of product life cycles, impacts and processes is essential to creating continuous growth and advances in the area of sustainability.

Cascade Engineering held its first annual Family of Companies' SSES Conference, with 50 participants and presentations from our CEO and COO, the SSES department, Cascade's Center For Innovation, our Quality Forum and solutions groups. Hands-on learning included an activity with Learning From Scratch, a non-profit organization that takes manufacturing waste and introduces it into the community as art supplies. The conference provided compliance and best practice information and promoted cross-company learning.

Fred Keller personally taught a 10-week sustainability seminar to Cascade's senior leadership team. The seminar explored the business case for sustainability and through readings, case studies, dialogue and special projects, participants learned the practical application of sustainability principles at Cascade Engineering. Fred also teaches a similar course at Cornell University's Johnson Graduate School of Management in Ithaca, New York.

SOCIAL CAPITAL

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agencies in a effort to pool and leverage community resources. These resources are then used to assist under- and unemployed residents of our community to obtain the skills and support

services they need to gain employment and move to economic self-sufficiency.

The SOURCE has two FIA specialists at its location. They facilitate hiring and training for nine Grand Rapids companies. Cascade is represented on The SOURCE board of directors, and accepts referrals from these companies after a person has been employed there for one year with a good work history. Based on research completed by the Community Research Institute at Grand Valley State University in Allendale, Michigan, The SOURCE in 2003 achieved 130 percent of its target for employee placement with participating companies; 70 percent of its target for training; and 103 percent of its target for social service interventions.