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ST. LOUIS GREEN BUSINESS CHALLENGE – GREEN PRODUCTS & SERVICES EXPO

GREEN CLEANING AS A BUSINESS ADVANTAGE

Good Morning everyone – My name is Tim Murch, President of 4M Building Solutions, a multi-regional 36 year old janitorial building services company.

First off, I would like to thank the St. Louis Green Business Challenge and our customer partner UMB for sponsoring today's event and inviting me here to speak to you all about a topic that has been essential to my company's success over the last decade. UMB has been and outstanding business partner to 4M and is also progressively committed to green and sustainable practices with their initiatives.

I've been involved in the janitorial and facilities services industry my entire life but full time since 1980, joining 4M less than two years after our inception. I worked in several different areas of the company before moving into the role of President in 1991 and took the company from \$12 million in sales in a one state operation, to its current revenue of about \$60 million in 14 states with over 2,500 Team Members. I've also been heavily involved with IFMA and BOMA and serve on the board of directors of the Building Services Contractors Association International and World Federation of Building Service Contractors associations, which allows me to be exposed to the latest industry trends, leading edge innovations and technology. I was also an original stakeholder on the development of the Green Seal Cleaning Services Standard. This standard defines an environmentally responsible cleaning service and provides a basis for certifying services that meet the Green Seal standard. The standard covers chemicals, products, equipment, cleaning procedures, training, and communications.

If we didn't embrace the ideas and practices of sustainability and green cleaning as a progressive leader over the past ten years we wouldn't have gained a distinct competitive advantage over our competitors.

So what is Green Cleaning and Sustainability all about?

Green cleaning or the practice of cleaning to protect health without harming the environment is very important. Until recently, many facility managers and building owners avoided it because they believed it would increase their costs without producing significant or tangible benefits. However, recent studies and experts have shown that a successful sustainable cleaning policy and program can actually increase a company's bottom line by improving workers health and productivity and decrease overall cleaning and chemical costs, all while saving electricity and water resources.

It really begins with changing the mindset of traditional cleaning for appearance alone. Green cleaning starts with utilizing responsible green certified products, equipment and dispensing technologies to clean for health and the environment. At 4M, we utilize chemicals and equipment that have been certified by independent parties such as Green Seal and Environmental Choice. 4M also utilizes microfiber technology for cleaning cloths and mop heads which have been proven to be more effective.

Micro fiber cloths remove 99% of bacteria on surfaces without the use of chemicals which contributes to less water usage and improved indoor air quality. Microfiber also captures more of the dust, allergen, and dirt particulates than traditional mops or towels.

The way in which 4M dilutes and dispenses our cleaning chemicals is also environmentally sustainable. The RTD or Ready-To-Dispense chemical system allows for accurate, portable dispensing in containers that are 100% recyclable. The RTD easily connects to any faucet and has an easy to use knob to accurately dilute for a spray bottle or mop bucket so there is absolutely no waste for maximum water savings and minimal chemical usage.

It is estimated that 6 billion pounds of chemicals are used each year in the United States alone to clean commercial buildings and facilities. However, the U.S. EPA has found that indoor air is at least 2 to 5 times more contaminated than outdoor air. This is evidence that previously used conventional cleaning methods and processes are not improving indoor air quality. Green cleaning methods have shown a significant decrease in chemical usage while improving indoor air quality, which leads to improved environmental and occupant health.

At 4M, not only do we utilize Diversey Green Seal certified chemicals, but we also utilize Green Seal certified equipment such as backpack vacuums that have a 4 filter HEPA filtration system. These backpack vacuums capture dust particulate and allergens down to .3 microns which is invisible to the human eye instead of sending them back into the air and workplace and ultimately back to the work surfaces and carpet like most upright vacuums do. Therefore, we are simultaneously improving the indoor air quality and reducing dust and allergens in the environment. The use of these backpack vacuums also protects the facility's carpet investment by extending its life by removing more soil that damages the carpet than an upright vacuum with a beater bar.

Many studies have shown that with improved indoor air and environmental quality, occupant productivity increases and worker sick days decrease. A study found that U.S. businesses could save as much as \$58 billion in lost sick time absenteeism and an additional \$200 billion in worker productivity performance if improvements were made to indoor air quality. (Case Study #1 - Health and Productivity Gains from Better Indoor Environments and their Relationship with Building Energy Efficiency)

There is a larger cost of absenteeism than just the payroll. In the United States every year, businesses lose \$74 billion dollars and 407 million workdays, due to absenteeism according to a 2003 study. (Case Study #2 – Health and Productivity among U.S. Workers) Absenteeism is a large cost to businesses that can be reduced through proper green cleaning practices and frequencies. When thinking about absenteeism, most people only consider the hours per week of individuals absent from work as the cost of absenteeism. However, you might be surprised how many hidden costs there are when calculating the financial impact of absenteeism. In addition to the payroll cost of the absent Team Member, there might be temporary labor or overtime to cover absent Team Member's responsibilities because the work still has to get done. Medical costs and insurance costs are also significant expenses to all companies. There is also the administrative support that is managing the absent benefits and tracking, reviewing and processing the absenteeism of the company. However, the largest impact, especially in our world, comes from the disruption of service and a loss in productivity due to an unfamiliar replacement Team Member. When this occurs, there is an ever present risk of quality slipping and customer satisfaction being compromised. You can see there is a much larger impact from absenteeism

when you start to examine all of the ripple effects of a Team Member missing work. Therefore, it just makes good sense to do everything in our and your power to reduce absenteeism and create a healthy high performance work environment for all our customers and their building occupants. 4M is also certified as a Healthy High Performance Cleaning provider.

With an increased focus on the environment and performing sustainable services, many companies have realized that by investing in improved cleaning services and frequencies, they can benefit from improvements across all functions of their business. As mentioned, one of the largest areas of improvement comes in the form of reduced absenteeism. A study conducted in 2011 found that the average sick days per employee per year were 7.7 days and a payroll expense of approximately \$869. (Case Study #3 – Absence Management) The most common causes of short-term absences were illnesses such as colds, flu, upset stomach and headaches; illnesses that can be reduced with improved green and Healthy High Performance cleaning. Another study showed that by consistently utilizing hand sanitizer, employees' absenteeism can be reduced by 21%. (Case Study #4 – Evaluating Effects of an Alcohol Hand Sanitizer Program on Employee Absenteeism)

By providing a comprehensive, green Healthy High Performance cleaning program at your facility, you can begin to reduce the number of germs, improve the indoor air quality, reduce your employee absenteeism, and increase your bottom line. Through the continued implementation of green cleaning, 4M has seen a reduction in our Team Member absenteeism. From 2010 to 2012, we saw a reduction of almost 15% in the number of sick days taken by our Team Members. We're also forecasting another reduction of about 10% by the end of 2014. By utilizing green cleaning methods and reducing the number of harmful chemicals, 4M is able to produce a healthier environment for both our customers and our Team Members, as well as creating tangible value for our customers.

A shift from cleaning for appearances to cleaning for health and the environment takes more than green certified products and equipment alone. It requires the right systems, processes and procedures as well. That is why 4M created each of our unique branded and trademarked Path Programs, one of which is our GreenPath™ Program to ensure that all green cleaning practices and procedures are standardized company-wide to proactively meet and ensure that we exceed all of our customers' expectations.

4M has also been awarded the CIMS and CIMS-Green Building accreditations, both with Honors, from ISSA, the International Sanitary and Supply Association, which has independent auditors who evaluate building service contractors quality systems, service delivery, human resources, safety, management commitment and sustainable practices. The CIMS and CIMS-GB or Green Building certifications are a great indication that a building service contractor is reputable and has shown evidence that they utilize consistent standard operating procedures with Green Cleaning processes consistently company-wide. As a result, you know that our GreenPath™ program and all of our practices and procedures have been examined and utilized consistently throughout the company accounts in hundreds of locations.

At 4M, we work with our customers as an innovative solutions partner to advance their sustainability strategies. The best way to achieve this goal is with constant and continuous communication with our customer partners. We stress the importance of communication and conduct formal, quarterly Customer Partner Reviews to discuss past performance metrics, KPI's and future goals. During these meetings, we'll discuss their sustainability strategy and address any current issues, as well as offer any new innovative solutions to better achieve their goals. Innovation is a huge part of our culture and is at the core of our company's Vision, Mission, Goals and Values. The moment we "stop to smell the roses"

is the moment the competition is catching up and passing us. It's all about constant continuous Improvement.

I would encourage you all to discuss with your current janitorial partners what they are currently doing to provide you with a sustainable, green Healthy High Performance cleaning program and express to them what your expectations are.

The truth is that there is a large spectrum for green cleaning from green certified chemical and equipment choices, paper and tissue choices, trash liners and recycling programs. The important takeaway is to communicate with your janitorial building service contractors. With understanding and teamwork, you can provide a healthy, clean working environment for all of your employees, tenants and improve and extend the life of your assets and increase your bottom line.

I want to sincerely thank you all very much for your time and I hope what I shared with you was beneficial to you and your companies.

I again want to thank UMB for sponsoring this event and thank Glen Caul, our 4M Analytics and Compliance Manager who helped put this presentation together and is actively involved in the St. Louis Green Business Challenge.

Thank you all and have a great and green day!