INDIANA ENVIRONMENTAL STEWARDSHIP PROGRAM ANNUAL PERFORMANCE REPORT

State Form 53475 (R6 / 2-19)
INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
ENVIRONMENTAL STEWARDSHIP PROGRAM

Indiana Department of Environmental Management
Office of Program Support
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Indianapolis, IN 46204-2251
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Please use this form if you are a member of the Indiana Environmental Stewardship Program (ESP) to report on progress toward objectives and targets AND certify ESP requirements continue to be achieved. Indiana ESP facilities must submit an Annual Performance Report (APR) by ***April 1st*** *of every year, for each calendar year in which the entity has been a member for at least three (3) full months. Membership terms are renewed every four (4) years through submitting your APR. Your APR should be reviewed and signed by a senior manager at your facility prior to submittal. Once signed, e-mail the APR to IDEM at esp@idem.IN.gov. Please do not include any confidential business information in your annual performance report.* ***Public access laws require IDEM to make the APR publicly available****, which may include posting all portions of your report on the Indiana ESP Web site. If you have any questions, please contact IDEM at esp@idem.IN.gov or (800) 988-7901.*

SECTION A — FACILITY INFORMATION

Name of facility
Schlage Lock Company LLC

Name of parent company (*if applicable*)
Allegion PLC

Street address *(number and street)*
2720 Tobey Drive

City / State / ZIP code
Indianapolis IN 46219

Website of facility / company
www.allegion.com

CONTACT INFORMATION

Name of Contact (Mr. / Mrs. / Ms. / Dr.)		Title
Joseph Jones		EHS Manager
Telephone number (317) 429-2108	FAX number ( )	E-mail address joseph.jones@allegion.com

Mailing address (*if different from facility address*)
2720 Tobey Drive

City / State / ZIP Code
Indianapolis, IN 46219

REPORTING PERIOD

Reporting period dates from prior calendar year (*mm/dd/yyyy – mm/dd/yyyy*)
01/01/2019 - 12/31/2019

1a. Is this the fourth Annual Performance Report of your membership term?
- ☐ Yes—If yes, answer question 1b.
- ☑ No—If no, skip to the "Change in Information" section of this report.

1b. Do you wish to renew your Indiana Environmental Stewardship Program membership?
- ☐ Yes—If yes, please complete all sections of this annual report.
- ☐ No—If no, please complete all sections of this annual report except for Section F.

CHANGE IN INFORMATION

In your ESP application and, perhaps, in previous annual performance reports, you described what your facility does or makes. Have there been any changes or additions to your facility's list of products or activities?

- ☑ Yes—If yes, please describe them: _____
  Facility is installing an aluminum anodizing line. Installation activities began in CY2019. Line is not yet operational at the time of report preparation.
- ☐ No

SECTION B — PUBLIC OUTREACH AND PERFORMANCE REPORTING

Why do we need this information?
IDEM needs to know how environmental information was shared with the public.

What do you need to do?
Describe how the facility has shared and plans to share environmental information.

Please briefly describe the activities that your facility conducted during this reporting period to interact with the community on environmental issues and to report publicly on its environmental performance. Quarterly Partners for Pollution Prevention Meetings. The company also continues to help facilitate and instruct courses during IIOA WITtec conference.

Please indicate which of the following methods your facility plans to use to make its ESP Annual Performance Report available to the public. Please check as many as appropriate.

☑ Web site (http://www.in.gov/idem/prevention/2400.htm) ☐ Open house ☐ Meetings ☐ Press releases ☐ Other _____

SECTION C **ENVIRONMENTAL MANAGEMENT SYSTEM ASSESSMENT**

Why do we need this information?
Facilities need to have implemented an EMS that meets certain criteria and use an ISO 14001 EMS Lead Auditor at least every thirty-six (36) months to assess the EMS.

What do you need to do?
Answer the following questions about your EMS.

1. What is the most recent date that an ISO 14001 EMS Lead Auditor performed an EMS assessment at your facility? Jan 15 - 17, 2020

2. Name, title, and organization of ISO 14001 EMS Lead Auditor who conducted the most recent EMS assessment: _____
Patti Arms, Audit Leader TUV Rheinland

3. Is the date of the most recent EMS assessment performed by an ISO 14001 EMS Lead Auditor within the past thirty-six (36) months?
   - ☑ Yes—If yes, skip to Question 4.
   - ☐ No—If no, please have your ISO 14001 EMS Lead Auditor complete and sign the following checklist, indicating whether or not your EMS meets the listed criteria for ESP membership:

☐ Yes	☐ No	Evidence of senior management support, commitment, and approval.
☐ Yes	☐ No	A written environmental policy directed toward compliance, pollution prevention, and continuous improvement.
☐ Yes	☐ No	Identification of the environmental aspects at the entity.
☐ Yes	☐ No	Prioritization of the environmental aspects and a determination of those aspects deemed significant considering, at the minimum, environmental impacts and applicable laws and regulations.
☐ Yes	☐ No	Established priorities, and environmental objectives and targets for continuous improvement in environmental performance and for ensuring compliance with applicable environmental laws, regulations, and permit conditions. Objectives and targets must go beyond current legal requirements and specify the environmental media, types of pollution to be prevented or reduced, implementation activities, and projected time frames.
☐ Yes	☐ No	An established community outreach mechanism that includes identifying and responding to community concerns; informing the community of important matters that affect the community; and reporting on the EMS, including reporting to the public on the environmental policy and significant aspects.
☐ Yes	☐ No	Incorporation of environmental and pollution prevention planning in the development of new products, processes, and services and modifications of existing processes.
☐ Yes	☐ No	Evidence of clear responsibility for implementation, training, monitoring, EMS maintenance, taking corrective action, and ensuring compliance with applicable environmental laws, regulations, and permit conditions.
☐ Yes	☐ No	Documentation of the implementation procedures and the results of implementation.
☐ Yes	☐ No	Appropriate written EMS procedures.
☐ Yes	☐ No	An annual evaluation of the EMS with written results provided to senior management and affected employees.

Signature of ISO 14001 EMS Lead Auditor *Date (month, day, year)*

4. Were any deficiencies found during the most recent EMS assessment?
   - ☑ Yes—If yes, describe any deficiencies found and the corrective action taken to address each deficiency: _____
     Please see Attachment A for description of findings communicated by auditor and proposed corrective actions to address each finding.
   - ☐ No

5. What type of protocol was used to perform the independent EMS assessment?
   - ☑ ISO 14001:2015 Certified audit
   - ☐ ESP Independent Assessment Protocol
   - ☐ Other *(please specify)*: _____

6. Is the EMS certified to a recognized standard?
   - ☑ Yes—If yes, what standard does the EMS follow *(please provide a copy of the most recent certificate)*?
     - ☑ ISO 14001:2015
     - ☐ Responsible Care EMS
     - ☐ Responsible Care 14001
   - ☐ No

SECTION C — ENVIRONMENTAL MANAGEMENT SYSTEM ASSESSMENT *CONTINUED*

7. When was the last Senior Management review of your EMS completed?
   Month / Year: 09/2019
   Who headed the review *(name and title)*? Joseph Jones, EHS Manager

8. When did your facility last conduct an internal or corporate environmental compliance audit? Do not include inspections or site visits by regulatory organizations.
   Scope of the compliance audit: Legal and Other Requirements (Compliance Obligations)
   Month(s) / Year(s): January 2018
   Who conducted the audit(s) (e.g., facility staff, corporate, third party)? Corporate: Dan Stevens - Senior Global Environmental Specialist

9. Explain the emergencies experienced within the facility during the past year. Were the applicable emergency and contingency plans detailed in the EMS effective? What changes, if any, have been made to your facility's emergency or contingency plans?

N/A

10. Has your facility corrected all instances of potential environmental non-compliance and EMS non-conformance identified during your audits and other assessments?

☐ Yes—If yes, briefly summarize corrective actions taken and other improvements made as a result of your EMS assessment(s) or compliance audit(s).

☑ No—If no, please explain your plans to correct these instances.
Corrective actions are currently being completed; See C.4 and Attachment A.

☐ No such instances identified.

SECTION D — ADDITIONAL INFORMATION

Why do we need this information?
This information will help IDEM to effectively manage the Environmental Stewardship Program.

What do you need to do?
Answer the questions as completely as possible.

1. In addition to ESP, please list environmental awards received or voluntary programs participated in during the past twelve (12) months.

ISO 14001, OHSAS 18001, Partners for Pollution Prevention, OSHA VPP Star

2. Has your facility taken advantage of any ESP incentives? If so, please describe the implementation process and list additional benefits IDEM should consider.

Yes. Expedited permits. Advanced notification of routine inspections. Low routine inspection priority. Some reduced reporting frequency.

3. If your facility was not registered to the ISO 14001 standard prior to becoming an ESP member, has ESP helped you to pursue registration? If so, how has ESP been instrumental in achieving registration?

N/A

SECTION E — ENVIRONMENTAL IMPROVEMENT INITIATIVE RESULTS

Why do we need this information?
Facilities need to share the results of the environmental improvement initiative that was pursued during the reporting period. IDEM needs to report cumulative program reduction results.

What do you need to do?
Reference Section F for "Category" and "Indicator" options to complete this section. Summarize your facility's progress on achieving the initiative you identified in the application or last year's APR. For assistance, please call (800) 988-7901 or email esp@idem.IN.gov.

Initiative #1

Category 1: Water Use Indicator 1: Total Water Used	Baseline *(indicate measurement unit)*	Current *(indicate measurement unit)*	Cost Savings
Calendar year	2017	2019	
Actual quantity *(per year)*	19,016,493 gallons	18,995,720 gallons	
Production unit *(select one)*	Earned Labor Hours X Production units Production lbs. Other -- specify (e.g. Gallons, length, etc.)		
Production Quantity	1,473,108 hours	1,522,559 hours	NA

Normalization factor (Current year production ÷ Baseline year production)

Normalized quantity (Actual current year quantity - Actual baseline quantity) x Normalization factor -21,470 gallons

Briefly describe *how* you achieved improvements for environmental initiative #1 or, if relevant, any circumstances that delayed progress.
Restroom renovation (plumbing fixture replacement/upgrade); improved process controls; flow restrictors on process tank fills; reduced flow rate of continuous once-through cooling water on hydraulic power units from 12 gallons per minute to 3 gallons per minute (this improvement was implemented in December 2019, so had limited impact on data for 2019)

SECTION E	ENVIRONMENTAL IMPROVEMENT INITIATIVE RESULTS *CONTINUED*		

Initiative #2

Category 2: Energy Use Indicator 2: Electricity	Baseline *(indicate measurement unit)*	Current *(indicate measurement unit)*	Cost Savings
Calendar year	2018	2019	
Actual quantity *(per year)*	12,728,300 kWh	12,328,440 kWh	
Production unit *(select one)*	Earned Labor Hours X Production units Production lbs. Other -- specify (e.g. Gallons, length, etc.)		
Production Quantity	1,472,662 hours	1,522,559 hours	NA

Normalization factor (Current year production ÷ Baseline year production) 1.03

Normalized quantity (Actual current year quantity - Actual baseline quantity) x Normalization factor -411,856 kWh

Briefly describe *how* you achieved improvements for environmental initiative #2 or, if relevant, any circumstances that delayed progress.
All contributing factors causing this reduction in electricity use are not known. However, some contributing factors have included the continued methodical replacement of fluorescent light bulbs/fixtures with LED, reduced operation of air makeup units, and efficiency improvements on the powder coat cure oven.

Initiative #3

Category 3: Energy Use Indicator 3: Natural gas	Baseline *(indicate measurement unit)*	Current *(indicate measurement unit)*	Cost Savings
Calendar year	2018	2019	
Actual quantity *(per year)*	44,191 MMBtu	39,997 MMBtu	
Production unit *(select one)*	Earned Labor Hours X Production units Production lbs. Other -- specify (e.g. Gallons, length, etc.)		
Production Quantity	1,472,662 hours	1,522,559 hours	NA

Normalization factor (Current year production ÷ Baseline year production) 1.03

Normalized quantity (Actual current year quantity - Actual baseline quantity) x Normalization factor -4,320 MMBtu

Briefly describe *how* you achieved improvements for environmental initiative #3 or, if relevant, any circumstances that delayed progress.
All contributing factors causing this reduction in natural gas use are not known. However, some contributing factors have included reduced operation of air makeup units and efficiency improvements on the powder coat cure oven and powder coat rack cleaning oven.

1. Briefly describe the *impacts or wastes* eliminated resulting from the environmental initiative(s). If multiple initiatives, please indicate which specifically.
Reduced greenhouse gas emissions.

2. Are there other best management practices (BMPs) you can share correlating to your initiative(s)?
N/A

3. If the objectives and targets associated with the environmental improvement initiative(s) were not attained, please verify continued progress toward the environmental initiative(s). If multiple initiatives, please indicate which specifically.
N/A

4. Please provide a narrative summary of progress made toward *qualitative, significant* EMS objectives and targets, if any.
N/A

5. Please list any state, U.S. EPA, or other partnership programs to which you are reporting this data (e.g., Energy Star, Project XL).
N/A

6. Is your entity willing to share the environmental improvement initiative(s) and its best management practices (BMPs) at the ESP Annual Meeting and/or a Partners for Pollution Prevention quarterly meeting or conference? ☐ Yes ☑ No

SECTION F **ENVIRONMENTAL IMPROVEMENT INITIATIVE**

Why do we need this information?
Facilities need to show they are committed to improving their environmental performance.

What do you need to do?
Refer to the Environmental Performance Table and answer the following questions.

1. *Select the appropriate boxes in the following table to indicate the **category** and **indicator(s)** that represents the next environmental improvement initiative selected by your facility. For the category and indicator selected, list the **baseline year** (e.g., 2015) and the **future year** (e.g., 2016). Next, list the **baseline annual quantity** (e.g., 5 tons) and **future annual quantity** (e.g., 2 tons) you are committing to achieve by the end of the future year.*

Category	Indicator	Baseline Year 20 19	Future Year 20 20	Unit
☐ Material Procurement	☐ Recycled content			Pounds, tons
	☐ Hazardous/toxic components			Pounds, tons
☐ Suppliers' Environmental Performance	☐ Specify indicator: _____			As specified for the particular indicator
☐ Material Use	☐ Materials used			Pounds, tons
	☐ Hazardous materials used			Pounds, tons
	☐ Ozone depleting substances used			CFC-11 equivalent pounds
	☐ Total packaging materials used			Pounds, tons
☐ Water Use	☐ Total water used			Gallons
☐ Energy Use	☐ Electricity			kWh / MWh, Btu / MMBtu
	☐ Steam			kWh / MWh, gallons, ft^3
	☐ Natural gas			Btu / MMBtu
	☐ Diesel			Gallons
	☐ Propane / LPG			Btu / MMBtu, gallons
	☐ Gasoline			Gallons
	☐ Solar			kWh / MWh
	☐ Wind			kWh / MWh
	☐ Landfill gas			Btu / MMBtu
	☐ Combined heat and power			kWh / MWh, Btu / MMBtu
	☐ Other: _____			_____
☐ Land and Habitat	☐ Land and habitat conservation			Square feet, acres
	☐ Community land revitalization			Square feet, acres
☐ Air Emissions	☐ Total GHGs			MTCO2E
	☐ VOCs			Pounds, tons
	☐ NOx, SOx, $PM_{2.5}$, PM_{10}, or CO			Pounds, tons
	☐ Air toxics			Pounds, tons
	☐ Odor			European Odour Units
	☐ Radiation			Curies, Becquerels
	☐ Dust			Pounds, tons
☐ Discharges to Water	☐ COD or BOD			Pounds, tons
	☐ Toxics			Pounds, tons
	☐ Total suspended solids			Pounds, tons
	☐ Nutrients			Pounds, tons of N or P
	☐ Sediment from runoff			Pounds, tons
	☐ Pathogens			MPN/ml, CFU/ml
☐ Non-hazardous Waste ☐ Hazardous Waste	☐ Landfill			Pounds, tons
	☐ Incineration			Pounds, tons
	☐ Reused/recycled off-site			Pounds, tons, gallons
	☐ Other: _____			Pounds, tons, gallons
☐ Noise	☐ Noise			dBA
☐ Vibration	☐ Vibration			Inches per second
☐ Products	☐ Expected lifetime energy use			kWh / MWh, Btu / MMBtu
	☐ Expected lifetime water use			Gallons
	☐ Expected lifetime waste to air, water, or land from product use			Pounds, tons
	☐ Waste to air, water, or land from disposal or recovery			Pounds, tons

If you need assistance filling out the form, please contact the ESP program manager at either esp@idem.in.gov or 1-(800) 988-7901.

SECTION F	FUTURE YEAR ENVIRONMENTAL IMPROVEMENT INITIATIVE *CONTINUED*

2. If the environmental improvement initiative(s) will be *qualitative* in nature, please describe._____
Revise and renew the Management of Change (MOC) process of the EMS to ensure aspects/impacts considering a lifecycle perspective are identified for new or modified activities, products, and services. This initiative should help us identify potential future quantitative initiative opportunities related to future changes by incorporating a more cross-functional approach to change management and earlier consideration of positive environmental opportunities.

3. What activities or process changes do you plan to undertake at your facility to accomplish your initiative (e.g., technology changes in a particular process line, employee training)? _____
Documentation updates, employee training, internal auditing to verify effectiveness

4. Does this initiative address a significant aspect in your EMS?
   - ☑ Yes
   - ☐ No—If no, please explain why you believe this indicator should be included as an environmental improvement initiative: _____

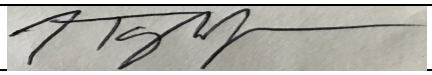
CERTIFICATION AND PLEDGE

On behalf of (*name of facility*) Schlage Lock Company LLC,

I certify that the information contained in this Annual Performance Report and attachments is accurate to the best of my knowledge and that this facility is, to the best of my knowledge and based on reasonable inquiry, currently in compliance with all applicable federal, state, and local environmental requirements, or has a corrective action program in place to attain compliance.

We, Schlage Lock Company LLC, commit to maintaining the principles and goals outlined in our Environmental Management System for our facility's Indiana Environmental Stewardship Program status. We agree to strive for full compliance with all regulations promulgated by the U.S. EPA, state, or local jurisdictions. We agree to promote the Indiana Environmental Stewardship Program and to share our success stories with other facilities. We understand that we must meet the requirement of implementing one (1) new, independent environmental improvement initiative each year of membership (for a total of four (4) initiatives), that the Annual Performance Report must be submitted to IDEM by April 1st of each year, and that we must reapply to the Indiana Environmental Stewardship Program every four (4) years.

I understand that the information provided in this Annual Performance Report will be public record. I am the senior facility manager or authorized facility signatory, and fully authorized to execute this statement on behalf of the corporation or other legal entity whose facility is submitting this Annual Performance Report.

Signature	Date *(month, day, year)*
	05/08/2020

Printed signature	Title
Joseph Tyler Jones	EHS Manager

Attachment A - Corrective Actions

Finding Description:

(Major) - ISO 14001:2015 - 6.1.2

- **Non-conformity statement:**
  - The site has not fully and consistently implemented an effective process for managing change to allow EHS weigh-in so that aspects/impacts considering a lifecycle perspective may be made for new or modified activities, products and services.
- **Objective Evidences:**
  - New Chemical Review form – Anodal Etch Additive Liquid (for Anodizing Process – 25 Nov 2019) and Ferrocote 61 A US (29 Aug 2019); Management of Change EHS Checklist for Extrusion Polishing Unit (10 Jan 2020); the EHS section in the Management of Change checklist is inconsistently used

Root Cause Determination:

Problem Statement: MOC not fully implemented or effective.

Why: MOC processes used sporadically

Why: EHS team not always notified of changes

Why: MOC process not clearly defined

Why: MOC not supported or enforced historically

Why:

Root Cause(s): MOC historically not supported or enforced

Correction:

1. Communicate the need for cross-functional reviews during change management.

Corrective Action(s):

1. Revise and renew MOC change process/written program.
2. Complete training on new program for affected personnel.
3. Update EWI-00032, Evaluating EHS Impacts of Change to reflect new program.
4. Update EHS-MS Manual to reflect MOC requirements.
5. Upload all EHS related MOC checklists to doc management system.

Owner(s): Tyler Jones

Target Completion Date(s): April 1, 2020

Finding Description:

(Minor) - ISO 14001:2015 – 8.1

- **Non-conformity statement:**
  - The organization did not document the results of its corrective actions.
- **Objective Evidences:**
  - Polishing Dust Collection Inspection Log for January 2020 – organization's established criteria requires daily inspection on each shift and after power outages (this was/is not a permit requirement). Last recorded input was on 8 Jan 2020 and only 2nd shift data was filled in up to that date (this is for operation of the air pollution control device)

Root Cause Determination:

Problem Statement: Log wasn't completed as it was previously.

Why: Log was owned by a single idividual

Why: Log was not passed down after the primary person retired

Why: Log was redundant and no longer needed for compliance assurance

Why: System was interlocked electronically (polishing units won't turn on unless dust collector is on)

Why: Air Permit compliance gap was identified and preventative action implemented

Root Cause(s): Poka-yoke installed to prevent compliance issue, therefore the log was no longer reviewed.

Correction: Remove hard copies of log from polishing area.

Corrective Action(s):

1. Remove log from all reference documents.

Owner(s): Steve Shaver

Target Completion Date(s):

Finding Description:

(Minor) - ISO 14001:2015 – 10.2

- **Non-conformity statement:**
  - The organization did not document the results of its corrective action.
- **Objective Evidences:**
  - There is no documented verification of effectiveness for the corrective actions implemented in response to the 2 EMS-related nonconformities issued during the 3rd-party audit conducted in 2019. (Obj and Target planning failure, outdated procedure posting in WWT.)

Root Cause Determination:

Problem Statement: No documented evidence of effectiveness check

Why: site not clear how to document an effectiveness check for administrative task

Why: inexperienced in effectiveness checks and their documentation requirements

Why: believed the act of planning and obj/target tracking sheet creation would meet the requirement

Why:

Why:

Root Cause(s): Site not clear on the requirements for documentation of effectiveness checks.

Correction:

Corrective Action(s):

1. Update EHS-MS manual to reflect effectiveness check requirements.
2. Update all appropriate written programs (including ESOP-00012, SI-01050, others?) to explain use of "closure verification required" button in ATS to be used as effectiveness check. When closing the action, user must include comments on what was done, audited, checked, etc. to verify the corrective action was sustained. Include potential thresholds for when box must be checked (recordable, serious injury/NM, environmental compliance gap, audit non-conformance, when training is required, etc.). Include guidance for the date of verification following the corrective action.

Owner(s): T Jones, A Coughenour

Target Completion Date(s): March 13, 2020