



## INDIANA ENVIRONMENTAL STEWARDSHIP PROGRAM ANNUAL PERFORMANCE REPORT

State Form 53475 (R3 / 1-11)

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT  
ENVIRONMENTAL STEWARDSHIP PROGRAM

Indiana Department of Environmental Management  
Office of Pollution Prevention and Technical Assistance

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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 1<sup>st</sup> of every year, for each calendar year in which the entity has been a member for at least three (3) full months. Section C of your APR should be signed by your ISO 14001:2004 EMS Lead Auditor. 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](mailto: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](mailto:esp@idem.IN.gov) or (800) 988-7901.

### SECTION A

#### FACILITY INFORMATION

Name of facility

Eli Lilly and Co., Elanco Clinton Laboratories

Name of parent company (If applicable)

Street address (number and street)

10500 South SR 63, P.O. Box 99

City / State / ZIP code

Clinton, IN 47842

Web site of Facility/Company

<http://www.lilly.com/>

#### CONTACT INFORMATION

Name of Contact (Mr. / Mrs. / Ms. / Dr.)

Mrs. Olga Jones

Title

Consultant, HSE

Telephone number

765-832-4656

FAX number

765-832-4660

E-mail address

[jones\\_olga\\_i@elanco.com](mailto:jones_olga_i@elanco.com)

Mailing address (if different from facility address)

City / State / ZIP Code

#### REPORTING PERIOD

Reporting period dates (month, day, year)

2011

1a Is this the third 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: \_\_\_\_\_

☒ No

### SECTION B

#### PUBLIC OUTREACH AND PERFORMANCE REPORTING

Why do we need this information?

What do you need to do?

IDEM needs to know how environmental information was shared with the public.

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.

On a quarterly basis the site hosts Community Advisory Panel (CAP) meetings. On an annual basis the site hosts a neighbor meeting. Topics pertaining to the site's environmental performance are presented. In addition, the site hosts tours that include visits to the wildlife habitat restoration areas and the manufacturing areas. In 2011 the site, in collaboration with the DNR, started several projects pertaining to the Healthy Rivers Initiative.

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.> ) ☐ Open house ☒ Meetings ☐ Press releases ☒ Other CAP, Neighbor Meetings and tours.

## 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 14001:2004 EMS Lead Auditor at least every 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 14001:2004 EMS Lead Auditor performed an EMS assessment at your facility? See Attachment 1

2. Is the date of the most recent EMS assessment performed by an ISO 14001:2004 EMS Lead Auditor within the past 36 months?

☐ Yes—If yes, skip to Question 3.

☐ No—If no, please have your ISO 14001: 2004 EMS Lead Auditor complete and sign the following checklist, indicating whether or not your EMS meets the listed criteria for ESP membership:

- |                              |                             |                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | Evidence of senior management support, commitment, and approval.                                                                                                                                                                                                                                                                                                                                                                        |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | A written environmental policy directed toward compliance, pollution prevention, and continuous improvement.                                                                                                                                                                                                                                                                                                                            |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | Identification of the environmental aspects at the entity.                                                                                                                                                                                                                                                                                                                                                                              |
| <input type="checkbox"/> Yes | <input type="checkbox"/> 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.                                                                                                                                                                                                                                             |
| <input type="checkbox"/> Yes | <input type="checkbox"/> 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. |
| <input type="checkbox"/> Yes | <input type="checkbox"/> 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.                                                                                                                                    |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | Incorporation of environmental and pollution prevention planning in the development of new products, processes, and services and modifications of existing processes.                                                                                                                                                                                                                                                                   |
| <input type="checkbox"/> Yes | <input type="checkbox"/> 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.                                                                                                                                                                                                                   |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | Documentation of the implementation procedures and the results of implementation.                                                                                                                                                                                                                                                                                                                                                       |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | Appropriate written EMS procedures.                                                                                                                                                                                                                                                                                                                                                                                                     |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | An annual evaluation of the EMS with written results provided to senior management and affected employees.                                                                                                                                                                                                                                                                                                                              |

Signature of ISO 14001:2004 EMS Lead Auditor

Date (month, day, year)

3. Were any deficiencies found during the most recent EMS assessment?

☐ No—If no, skip to Question 4.

☒ Yes—If yes, describe any deficiencies found and the corrective action taken to address each deficiency: See Attachment 1

4. Name, title, and organization of ISO 14001:2004 EMS Lead Auditor that conducted the most recent EMS assessment: \_\_\_\_\_

5. What type of protocol was used to perform the independent EMS assessment?

- ☐ ISO 14001:2004 Certified audit  
☒ Responsible Care EMS audit  
☐ Responsible Care 14001 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 14001:2004  
☒ Responsible Care EMS  
☐ Responsible Care 14001

☐ No.

7. When was the last Senior Management review of your EMS completed?

Month / Year: 4/ 2011

Who headed the review (name and title)? George Rogers, General 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: Assess the level of compliance for Health, Safety and Environmental regulatory requirements

Month(s) / Year(s): 4/2011

Who conducted the audit(s) (e.g., facility staff, corporate, third party)? Lilly Corporate HSE group and external HSE EMS auditor.

- 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?

In 2011, Clinton Labs had several minor fire events involving equipment, electrical devices and hot work. In all cases, the appropriate Emergency Response Plans was executed. All emergencies were contained within the site and had no impact to the environment and people. The site's emergency and contingency plans outlined in the EMS were effective in the response to these events.

- 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).

To address the observations and improve the environmental management system training was assigned and completed; validated spreadsheets; upgraded control systems and revised procedures.

☐ No—If no, please explain your plans to correct these instances.

☐ No such instances identified.

- 11 (Optional) Please provide a narrative summary of progress made toward EMS objectives and targets other than those reported as an Environmental Performance Initiative in Section E. You may limit the summary to environmental aspects that are *significant* and towards which *progress* has been made during the last calendar year. Attach additional sheets as necessary.

Environmental aspect	Progress made this year (e.g., quantitative or qualitative improvements, activities conducted)
<b>Energy Use</b>	In 2011, in addition of the ESP initiatives, the site completed and implemented several other energy reduction projects (e.g. demolition of equipment that was no longer needed, retrofitted controls and piping, replaced light fixtures in the warehouse with increased efficiency lighting and installed a motion detector) adding up to approximately 2,511,100 KWH savings.

#### 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.

- In addition to ESP, please list environmental awards received or voluntary programs participated in during the past twelve months.  
Collaboration with the DNR, starting several projects pertaining to the Healthy Rivers Initiative. Recipient of the Friend of Conservation Award for 2011. The site participates in the Global Day of Service, a volunteer initiative to help address local community needs.
- Has your facility taken advantage of any ESP incentives? If so, please describe the implementation process and list additional benefits IDEM should consider.  
The site worked with the IDEM on a Plantwide Applicability Limit (PAL) permit for Clinton Labs.
- 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?  
At this point the site is not pursuing ISO 14001 certification.

#### 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.

What do you need to do?

Summarize your facility's progress on achieving the initiative you identified in the application or last year's APR.

Category: <b>ENERGY USE</b> Indicator: <b>STEAM &amp; ELECTRICITY</b>	Baseline Quantity	Future Goal Quantity	Current Quantity	Cost Savings
Calendar year	2010	2011		
Actual quantity (per year)	734,591,000	719,080,000	725,120,000	
Normalized quantity (per year)	83,857	82,087	82,776	
Basis for your normalizing factor (e.g., gallons of paint produced)	<b>HOURS OF OPERATION (24 hr./day) = 8,760 HRS</b>			
Measurement unit (e.g., pounds)	<b>KWH</b>			

Briefly describe how you achieved improvements for this environmental initiative or, if relevant, any circumstances that delayed progress.  
Disconnected the steam distribution piping for the old North Bulk Pharmaceutical Manufacturing (BPM) side of the plant. Installed a gravimetric feeder at the coal fired boiler which improved the control of the coal fed to the boiler over the old volumetric weigh feeder system making the process more efficient. The reuse of the boiler condensate was postponed until 2012.

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

(Optional) If your facility has experienced continued results for environmental improvement initiatives pursued in past years of ESP membership, please share those results here.  
See Section C item 11

## 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 environmental improvement initiative selected by your facility. For the category and indicator selected, list the **baseline year** (e.g., 2009) and the **future year** (e.g., 2010). 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 2011	Future Year 2012	Unit
<input type="checkbox"/> Material Procurement	<input type="checkbox"/> Recycled content			Pounds, tons
	<input type="checkbox"/> Hazardous/toxic components			Pounds, tons
<input type="checkbox"/> Suppliers' Environmental Performance	<input type="checkbox"/> Specify indicator: _____			As specified for the particular indicator
<input type="checkbox"/> Material Use	<input type="checkbox"/> Materials used			Pounds, tons
	<input type="checkbox"/> Hazardous materials used			Pounds, tons
	<input type="checkbox"/> Ozone depleting substances used			CFC-11 equivalent pounds
	<input type="checkbox"/> Total packaging materials used			Pounds, tons
<input type="checkbox"/> Water Use	<input type="checkbox"/> Total water used			Gallons
<input checked="" type="checkbox"/> Energy Use	<input checked="" type="checkbox"/> Electricity	302,177,000	287,877,000	kWh / MWh, Btu / MMBtu
	<input checked="" type="checkbox"/> Steam	434,320,000	419,020,000	kWh / MWh, gallons, ft <sup>3</sup>
	<input type="checkbox"/> Natural gas			Btu / MMBtu
	<input type="checkbox"/> Diesel			Gallons
	<input type="checkbox"/> Propane / LPG			Btu / MMBtu, gallons
	<input type="checkbox"/> Gasoline			Gallons
	<input type="checkbox"/> Solar			kWh / MWh
	<input type="checkbox"/> Wind			kWh / MWh
	<input type="checkbox"/> Landfill gas			Btu / MMBtu
	<input type="checkbox"/> Combined heat and power			kWh / MWh, Btu / MMBtu
	<input type="checkbox"/> Other: _____			
<input type="checkbox"/> Land and Habitat	<input type="checkbox"/> Land and habitat conservation			Square feet, acres
	<input type="checkbox"/> Community land revitalization			Square feet, acres
<input type="checkbox"/> Air Emissions	<input type="checkbox"/> Total GHGs			MTCO <sub>2</sub> E
	<input type="checkbox"/> VOCs			Pounds, tons
	<input type="checkbox"/> NO <sub>x</sub> , SO <sub>x</sub> , PM <sub>2.5</sub> , PM <sub>10</sub> , or CO			Pounds, tons
	<input type="checkbox"/> Air toxics			Pounds, tons
	<input type="checkbox"/> Odor			European Odour Units
	<input type="checkbox"/> Radiation			Curies, Becquerels
	<input type="checkbox"/> Dust			Pounds, tons
<input type="checkbox"/> Discharges to Water	<input type="checkbox"/> COD or BOD			Pounds, tons
	<input type="checkbox"/> Toxics			Pounds, tons
	<input type="checkbox"/> Total suspended solids			Pounds, tons
	<input type="checkbox"/> Nutrients			Pounds, tons of N or P
	<input type="checkbox"/> Sediment from runoff			Pounds, tons
	<input type="checkbox"/> Pathogens			MPN/ml, CFU/ml
<input type="checkbox"/> Non-hazardous Waste	<input type="checkbox"/> Landfill			Pounds, tons
<input type="checkbox"/> Hazardous Waste	<input type="checkbox"/> Incineration			Pounds, tons
	<input type="checkbox"/> Reused/recycled off-site			Pounds, tons, gallons
	<input type="checkbox"/> Other: _____			Pounds, tons, gallons
<input type="checkbox"/> Noise	<input type="checkbox"/> Noise			dBA
<input type="checkbox"/> Vibration	<input type="checkbox"/> Vibration			Inches per second
<input type="checkbox"/> Products	<input type="checkbox"/> Expected lifetime energy use			kWh / MWh, Btu / MMBtu
	<input type="checkbox"/> Expected lifetime water use			Gallons
	<input type="checkbox"/> Expected lifetime waste to air,			Pounds, tons

	water, or land from product use			
	<input type="checkbox"/> Waste to air, water, or land from disposal or recovery			Pounds, tons

2. 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)? See Attachment 2

3. 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*) Eli Lilly and Company, Elanco Clinton Laboratories

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.

Eli Lilly & Company, Elanco Clinton Laboratories

We, \_\_\_\_\_, 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 the Annual Performance Report must be submitted to IDEM by April 1<sup>st</sup> of each year and that we must reapply to the Indiana Environmental Stewardship Program every three 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 <u>Veronica L. Johnson</u>	Title <u>GENERAL MANAGER</u>	Date (month, day, year) <u>MARCH 15 2012</u>
Printed signature <u>VERONICA L. JOHNSON</u>		

**Attachment 1**  
**Eli Lilly and Company, Clinton Laboratories**  
**Environmental Stewardship Program**

**Description of Eli Lilly and Company Environmental Management System audits**

Lilly began implementing Environmental Management Systems [EMS] more than 15 years ago. Company policy requires all sites to develop Health, Safety, and Environmental [HSE] management systems based on the ISO 14001 system.

This program includes periodic audits of the management system. All manufacturing sites are audited at least once every four years, and the audit includes a comprehensive review of the HSE management system.

Site audits are conducted by Lilly's Global HSE auditing group. The audit team typically consists of a lead auditor and several team members who focus on specific programs and topics. The lead auditor is a Lilly corporate employee and the team members are a mix of external auditors and Lilly subject matter experts from the Global HSE organization and plant sites.

The corporate audit program is an important element of Lilly's Global HSE program. The Global HSE program is patterned after ISO14001 and is Responsible Care Management System (RCMS) certified.

The environmental management system portion of the audit is conducted using the company's HSE management system protocol. This protocol addresses each of the elements of an ISO 14001 EMS. Lilly's Global EMS standard, applicable at each plant site is patterned after ISO 14001 standards. The audit protocols used to assess each site's EMS includes 115 questions to assure that each element of the ISO 14001 EMS is addressed and implemented.

The HSE management system audit protocol includes questions on the following topics:

1. Management commitment and accountability
2. Site specific policy
3. Aspects, permits, and regulatory requirements
4. Performance objectives and targets
5. Management plans and programs
6. Management system documentation
7. Organizational structure and responsibilities
8. Training
9. Communication
10. Document control
11. Operational control
12. Emergency preparedness and response

Lilly conducted a thorough comparison of each element of the IDEM Independent Assessment Protocol to Lilly's HSE management system audit protocol and found that Lilly's protocol addresses all the elements of the IDEM protocol and in many respects it exceeds the IDEM protocol.

The EMS audit conducted at Clinton Laboratories in April 2011 was led by Mr. Ronald E. Lund - Vice President - EHS Auditing, Midland Engineering Ltd., an external consultant who is a Certified Professional Environmental Auditor (CPEA) and is certified and approved by BEAC to perform environmental MS audits.

- Information to page 2, Section C, Question 3, of the ESP Annual Performance Report:

During the April 2011 EMS audit there was one deficiency noted related to RCMS 1.1. Requirement – **Policy and Leadership** - Senior management shall develop, document and implement a policy for the organization that recognizes Responsible Care, and shall communicate it to employees and stakeholders, including members of the public.

Recommendation: Senior management shall develop, document and implement a policy for the organization that recognizes Responsible Care®, and shall communicate it to employees.

The action plan included the following:

- 1/ The site to implement an initial and periodic refresher training to familiarize employees with the content of the site HSE Policy.
- 2/ The site will evaluate and implement measures to improve communication linkages to the site HSE Policy.



**Attachment 2**  
**Eli Lilly and Company, Clinton Laboratories**  
**Environmental Stewardship Program 2011 Annual Performance Report**

**2012 Environmental Improvement Initiative**  
**Energy Reduction Project Description**

Clinton Laboratories environmental improvement initiative for 2012 will consist of projects to continue to reduce energy usage.

The following are short descriptions of projects that are in the forecast for 2012:

- Change the C21 Loop steam distribution piping configuration for the Animal Health production areas removing current limitations and restrictions.  
Estimated energy savings in 2012: 1,400,000 KWH
- Reuse the boiler condensate. This will save on pre-heat of feedwater and chemical treatment.  
Estimated energy savings in 2012: 8,700,000 KWH
- Upgrade the C49 compressors to new models gaining efficiency and control thus saving on both usage and demand and operations stability.  
Estimated energy savings in 2012: 14,100,000 KWH
- Install new controls on the C22 laboratory HVAC system increasing the efficiency of the HVAC unit..  
Estimated energy savings in 2012: 5,400,000 KWH
  - The hours of operation will be used as the normalizing factor.

Approximate total energy savings from these four projects: 29,600,000 KWH

Olga Jones.