



INDIANA ENVIRONMENTAL STEWARDSHIP PROGRAM ANNUAL PERFORMANCE REPORT

State Form 53475 (11-07)

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
ENVIRONMENTAL STEWARDSHIP PROGRAM

Indiana Department of Environmental Management
Office of Pollution Prevention and Technical Assistance
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Indianapolis, IN 46204-2251
Telephone: (800) 988-7901
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www.in.gov/idem/prevention/esp

When to use this annual report form...

STOP! Is your facility a member of the U.S. Environmental Protection Agency's National Environmental Performance Track and Indiana Environmental Stewardship Program? If so, please use the U.S. EPA National Environmental Performance Track Annual Performance Report form available at <http://www.epa.gov/performance/track/program/report.htm>. The U.S. EPA will notify IDEM after receiving your annual performance report.

GO! Please use this annual report form if you are only a member of the Indiana Environmental Stewardship Program and not a member of the National Environmental Performance Track. Your Annual Performance Report should be reviewed and signed by a senior manager at your facility prior to submittal. Once signed, fax, mail, or e-mail the report to IDEM. If you have any questions, please contact the ESP Program Manager at 800-988-7901.

The Indiana Environmental Stewardship Program (ESP) Annual Performance Report should demonstrate progress toward objectives and targets AND certify ESP requirements continue to be achieved. The Annual Performance Report should cover the twelve (12) month calendar year and include the status of projects committed to in your facility's original ESP application, results of completed projects, and assurance that an annual internal environmental management system audit was conducted by your facility. Indiana ESP facilities must submit an Annual Performance Report 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.

Please do not include any confidential business information in your Annual Performance Report. Public access laws require IDEM to make the Annual Performance Report publicly available, which may include posting all portions of your report on the Indiana ESP Web site.

SECTION A

FACILITY INFORMATION

Name of Facility

Metaldyne Sintered Components

Name of Parent Company (if applicable)

Metaldyne Corporation

Street Address (number and street)

3100 N. State Hwy. #3

City/State/ZIP Code

North Vernon, IN 47265

Facility/Company Web site

www.metaldyne.com

CONTACT INFORMATION

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

Mr. Jeff Gee

Title

Facilities Maintenance Group Leader/Environmental Coordinator

Telephone number

(812) 346-0363

FAX number

(812) 346-4970

E-mail address

jeffgee@metaldyne.com

Mailing Address (if different from facility address)

City/State/ZIP Code

Reporting Period Dates

If this is your third Annual Performance Report, 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, you can skip Section D of this annual report.

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? If so, please list them in the space below.

☒ Yes ☐ No

Added three new processes to the machine line: two drilling machines and one TeePee machine. It did not increase or decrease any waste stream.

SECTION B
ENVIRONMENTAL MANAGEMENT SYSTEM ASSESSMENT
Why do we need this information?

IDEM needs information on the performance and assessment activities of your Environmental Management System (EMS).

What do you need to do?

Please summarize your facility's EMS assessments. Attach additional sheets as necessary.

| | | |
|--|---|---|
| <p>1. Is your facility currently registered to a recognized third-party EMS standard?</p> <p><input checked="" type="checkbox"/> Yes</p> <p>a. If yes, when was an EMS audit or other assessment last conducted by an independent third party at your facility? Please provide the <i>type</i> (e.g., ISO 14001 certification), <i>scope</i>, and <i>month</i> of the last assessment.</p> <p><input type="checkbox"/> No</p> <p>b. If no, when was an internal or corporate EMS audit last conducted at your facility? Please provide the <i>scope</i> and <i>month</i> of the last assessment.</p> | <p>Year: 2006</p> <p>Type: ISO14001 Certification</p> <p>Assessment of the continuing suitability of the environmental management system in meeting the requirements of the company objectives & targets, policies and procedures, standards, and customer specifics.</p> <p>Scope: Please note: this is a corporate umbrella certificate with each facility identified. Each facility is audited on site on a triannual basis. Facility scheduled for triennial audit June 2-4, 2009.</p> <p>Month: May</p> <p>Year:</p> <p>Scope:</p> <p>Month:</p> | |
| <p>2. When did your facility last conduct an internal or corporate compliance audit? Please provide the <i>scope</i> and <i>month(s)</i> of each audit, and indicate <i>who</i> conducted the audit(s) (e.g., facility staff, corporate groups, third party). Do not include audits, inspections, or site visits by regulatory organizations.</p> | <p>Year: 2008</p> <p>Assessment of the continuing suitability of the environmental management system in meeting the requirements of the company objectives & targets, policies and procedures, standards, and customer specifics.</p> <p>Scope:</p> <p>Month(s): July/November</p> <p>Who: Facility Staff</p> | |
| <p>3. (Optional) Please describe any other audits that were conducted at your facility.</p> | <p>Semi-annual continuing assessment audits for TS16949 (every March and September)</p> | |
| <p>4. Has your facility corrected all instances of potential non-compliance and EMS non-conformance identified during your audits and other assessments?</p> <p><input checked="" type="checkbox"/> Yes</p> <p>a. If yes, briefly summarize corrective actions taken and other improvements made as a result of your EMS assessment(s) or compliance audit(s).</p> <p><input type="checkbox"/> No</p> <p>b. If no, please explain your plans to correct these instances.</p> <p><input type="checkbox"/> No such instances identified.</p> | <p>Contractor/vendor training has been enhanced to include all who could possibly impact the significant aspects of the facility. A powerpoint presentation was written, Excel spreadsheet matrix established, and training provided by the Environmental Coordinator as contractors/vendors are brought into the facility.</p> | |
| <p>5. 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?</p> | <p>No emergencies have been experienced. A couple of spills were treated as emergencies as a precaution and all elements of the program were found to be effective.</p> | |
| <p>6. When was the last Senior Management review of your EMS completed?</p> | <p>Month/Year: December 17-18, 2008 (held every June and December)</p> <p>Who headed the review? Name and Title: Cindy Thompson, Quality/Environmental Management Representative</p> | |
| <p>7. When did your facility last conduct a systematic identification or review of your environmental aspects?</p> | <p>Month/Year: November 2008</p> | |
| <p>10. (Optional) Please provide a narrative summary of progress made toward EMS objectives and targets <u>other than those reported as an Environmental Performance Initiative in the following section</u>. You may limit the summary to environmental aspects that are <i>significant</i> and towards which <i>progress</i> has been made during the last calendar year. Attach additional sheets as necessary.</p> | <p>Environmental Aspect</p> <p>Elimination of EDM Sludge as a waste stream</p> | <p>Progress Made This Year (e.g., quantitative or qualitative improvements, activities conducted)</p> <p>No EDM produced or sent to landfill as special waste</p> |

| | | |
|--|--|---|
| | | <p>in past 2 years. EDM sludge contained hex chrome and when large amounts was created by burning the punches for the forge and mold presses there was a possibility of exceeding the regulatory limit. Replaced all EDMs (except one maintained as a back-up) with one hard mill machine that produces metal chips that were incorporated into an existent waste stream. Annual TCLP testing for hex chrome was also eliminated for the EDM sludge waste stream.</p> |
| | | |
| | | |

SECTION C**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?

Use the following table to summarize your facility's environmental performance as compared to your ESP environmental improvement initiative.

Category: **Waste**

Aspect: **Non-hazardous waste generation, broken down by management method**

Specific Information on Aspect (optional): **Recycle used oils instead of being sent out via the UST**

| | Baseline | Progress during year 2008 | Environmental Improvement Initiative Goal | Cost Savings (if applicable) |
|--|-----------|------------------------------|--|---------------------------------|
| Actual Quantity (per year) | 1,291,552 | 962,986 | | |
| Measurement Unit | pounds | pounds | | |
| Normalized Quantity (per year) | | | | |
| Basis for your Normalizing Factor (e.g., gallons of paint produced) | | | | |

Briefly describe how you achieved improvements for this aspect or, if relevant, any circumstances that delayed progress.

Some of the oils were recycled however due to the decline of the automotive industry and budgetary constraints not all oils were able to be replaced/recycled as projected. The goal is to continue to evaluate and monitor all oils, both current and new, for the program and within a 3 year time frame have all oils on the recycle replacement program.

Please note production run time and quantity of parts produced were drastically reduced during 2008 due to the decline in the overall automotive market. Unfortunately the trend continues into 2009/

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

N/A

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

2007 ESP Project -Energy Use-Production Electricity; maintain current lumen levels at production floor level using lower wattage bulbs thereby reducing kilowatts used per fixture and cost savings: The program continues albeit slowly with positive results. This is a long-term (5 year) project for the facility. Baseline

| Info Required | Baseline (2006) | Progress 2007* | Progress 2008* |
|------------------------------|---|-------------------|-------------------|
| Actual Quantity per year | 3,189,639 | 2,850,801 | |
| Measurement Unit | kwh | kwh | kwh |
| Normalized Quantity per year | N/A | N/A | 2,700,039 |
| Basis for Normalizing Factor | Quantity of rods produced and hours facility open | | |
| Cost Savings | | \$128.25/fixture* | \$160.30/fixture* |

*2007 cost = \$0.06/kwh; 2008 cost = 0.075/kwh

As time, money, and personnel become available this project will be continued.

SECTION D**ENVIRONMENTAL IMPROVEMENT INITIATIVES****Why do we need this information?**

Facilities need to demonstrate their commitment to improving environmental performance.

What do you need to do?

Refer to the Environmental Performance Table.

For ESP membership, you must identify three (3) environmental improvement initiatives for each 3-year membership term. One (1) initiative was identified in the application and the remaining will be identified each year in the annual report. Identify the new initiative that will begin this year by answering the following questions. Choose an indicator from the Environmental Performance Indicator Table to measure the identified environmental initiative. The Environmental Performance Indicator Table is provided with the ESP Application and is also available at <http://www.in.gov/idem/prevention/esp/table.doc>. The indicator you select for your initiative should be related to the objectives and targets in your EMS. Where possible, indicators should also be identified as having a significant environmental impact in your EMS. No more than two of your indicators can be from the same environmental category during the 3-year term. If you are not sure how your objectives and targets fit into the indicators from the Environmental Performance Indicator Table or whether your indicators are significant, call IDEM at 800-988-7901.

Please complete the following questions according to the environmental indicator you selected from the Environmental Performance Indicator Table. Additional information is required for air, hazardous waste, solid waste, and energy indicators as requested in Appendix 1.

What category have you selected from the Environmental Performance Table? (If the category is Energy Use, Waste, or Air Emissions for Total GHGs, please turn to Appendix 1 to complete additional questions pertaining to the category you have selected.) **Waste**

What indicator have you selected from the Environmental Performance Table? **Non-hazardous waste generation, broken down by management method**

All measurements should represent the performance level for the indicator across the entire facility. For many indicators, you may choose to focus your initiative on a specific subset of the indicator (e.g., a specific material, process, VOC, group of toxic air emissions, or particular waste component). Does your initiative include everything covered by the indicator (e.g., all VOCs, all non-hazardous waste), or a specific process, substance, or component (e.g., ethane, cardboard)?

- ☒ All
☐ Specific

If your initiative is specific to a substance or component, please provide additional detail on your indicator (e.g., specific chemical to be reduced, specific waste component).

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)? **Improve current recycling program by 50% throughout the entire facility. Established during 2008 but due to the decline of the automotive industry and the unexpected layoff of personnel at all levels it needs to be revitalized and brought to the forefront.**

Employees will receive comprehensive training identifying the "upgrades" in the program; responsibilities will be assigned and completion will be tracked; quarterly status reports will be provided to the associates; posters, reminders, and other "attention-getters" will be utilized to keep the project in focus.

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.

Stop! If the category listed in Question 1a is Energy Use, Waste, or Air Emissions for Total GHGs, please skip Questions 3a – 3b below and turn to Appendix 1 to complete the questions pertaining to the category you listed. After completing Appendix 1, return to question 4 and complete the remaining questions regarding your facility's environmental improvement initiative.

What units are you using to quantify this indicator?

(Please refer to the Environmental Performance Indicator Table for the acceptable units for each indicator.)

List the baseline annual quantity of the indicator and the annual quantity you are committing to achieve by the future year.

| | |
|---|------|
| Baseline quantity | Year |
| Future year quantity (not including production) | Year |

Does the quantity presented in the future quantity column represent an absolute goal or a normalized goal?

- ☒ Normalized goal (i.e., indexed to level of business in baseline year)
☐ Absolute goal (i.e., demonstrates improvement even if production increases)

Whether your goal is absolute or normalized, you will need to provide normalizing factors and normalized quantities in your annual performance reports. Please briefly describe your basis for normalizing. Examples of potential normalizing basis include: gallons of paint produced, square feet of circuit boards sold, number of patients seen, dollars of sales adjusted for inflation, or number of employees (for R&D and administrative sites only).

number of production hours and/or parts produced

Are you subject to Federal, State, tribal, or local regulatory requirements for this indicator?

- ☐ Yes
☒ No

If yes, explain how your initiative exceeds regulatory requirements.

SECTION E

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. Feel free, but not obligated, to attach supporting materials (e.g., meeting agendas, public announcements).

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.

- ☐ Website (<http://www.>)

- ☐ Open House
- ☐ Meetings
- ☒ Press Releases
- ☐ Community Advisory Panel
- ☒ Other Word of mouth by associates

SECTION F

Why do we need this information?

This information will help IDEM to effectively manage the Environmental Stewardship Program.

ADDITIONAL INFORMATION

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 (include information about each particular program).
Corporate gold flag for Environmental, Health, and Safety (highest achievable level) second consecutive year
- Has your facility taken advantage of any ESP incentives? If so, please describe the implementation process and list additional benefits IDEM should consider.
None to date
- 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
- Explain the measured or perceived results from receiving, documenting, and responding to external communication.
Although we have not received many requests for information, our reputation for quick and courteous responses to any and all requests confirms our commitment to our associates and community as well as our customers to provide quality product in a safe and environmentally friendly manner. An example would be when one of our suppliers was involved in an accident and couldn't respond to the County's request for a representative to be present. The local authorities called the facility and Jeff Gee, Environmental Coordinator responded and provided assistance.
- How have community residents and businesses reacted to your facility participating in the Indiana Environmental Stewardship Program?
Very complimentary
- According to the measurement program developed and implemented by your facility to measure Environmental Management System success, is your facility's EMS successful? Why or why not? If not, what changes will be made to ensure continual environmental improvement and future EMS success?
Yes, the EMS is extremely successful within the facility. Continued improvement in all facets of EMS, maintained ISO14001 certification since 2000, consistently have several environmental continuous improvement plans ongoing, all facility personnel are involved with the daily functions of the program. Facility personnel will continue to be encouraged to seek out and present improvements to the EMS whether overall or specific categories.

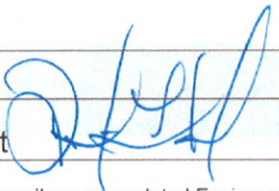
CERTIFICATION AND PLEDGE

On behalf of Metaldyne Sintered Componentes, North Vernon, Indiana (name of facility),

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, Metaldyne Sintered Componentes, North Vernon, Indiana, 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 1st 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 Dave Tempest  | Title Plant Manager | Date (month, day, year) March 31, 2009 |
| <p>Please mail, fax, or e-mail your completed Environmental Stewardship Program Annual Performance Report to:</p> <p style="text-align: center;">IDEM-OPPTA ESP Program Manager MC 64-00 IGCS W041 100 North Senate Avenue Indianapolis, IN 46204-2251</p> <p style="text-align: center;">FAX: 317-233-5627 E-mail: esp@idem.IN.gov</p> | | |

Additional questions for environmental improvement initiatives for the following categories/indicators:

Energy Use - Non-Transportation

In the table below, please enter the amount of energy that you currently use and that you intend to use in your future reporting year. Break the energy use down by fuel type. Please note that you need only complete those lines that are relevant to your facility. If all of your energy is purchased from a local electricity generator, you may only need to complete the first line. If the facility uses natural gas, please be sure to complete the appropriate line (natural gas is typically combusted on site so it is listed in the "onsite" section).

Please note that this table categorizes sources of energy according to where the energy is generated.

17 Is the goal of your energy use commitment to:

- ☐ Reduce total energy use
☐ Invest in renewable energy sources
☐ Combination of both strategies

18 How much energy of each type does your facility use?

| | | Baseline Year | Future Year | Units |
|---|--|---------------|-------------|-------|
| | | 20 | 20 | |
| Energy Generated Off-Site | Electricity | | | |
| | Steam | | | |
| | Total Energy Generated Off-Site | | | |
| Sources of Energy Generated On-Site | Coal | | | |
| | Natural Gas | | | |
| | Crude Oil | | | |
| | Fuel Oil | | | |
| | Diesel | | | |
| | Propane / LPG | | | |
| | Gasoline | | | |
| | Hydrogen Powered Fuel Cells | | | |
| | Natural Gas / Methane Powered Fuel Cells | | | |
| | Biomass | | | |
| | Solar | | | |
| | Wind | | | |
| | Landfill Gas | | | |
| | Geothermal | | | |
| | Hydroelectric | | | |
| | Tire Derived Fuel | | | |
| | Other Fuel or Source | | | |
| | Specify: | | | |
| | Total Energy Generated On-Site | | | |
| Total Renewable Energy Use | | | | |
| Total Non-Renewable Energy Use | | | | |
| Total Energy Use | | | | |
| Metric Tons of CO2 Equivalents | | | | |
| Metric Tons of CO2 Equivalents | | | | |
| Offset Through Purchases of Electricity from Renewable Off-Site Sources | | | | |
| Net Metric Tons of CO2 Equivalents | | | | |

Waste - Non-Hazardous Waste Generation

In the table below, please enter your facility's amount of non-hazardous waste, broken down by waste management method. Please enter both the amounts you manage currently and that you intend to manage in your future reporting year. "Waste" is defined as all materials sent off-site that are neither product nor product packaging.

Is the goal of your non-hazardous waste commitment to:

- ☐ Reduce non-hazardous waste
☐ Improve waste management methods
☒ Combination of both strategies

50% ↓ to landfill via recycling improvements

How much of your waste is handled using each management method?

| Method of Waste Managed | Baseline Year 2008 | Future Year 2009 | Units |
|----------------------------------|-----------------------|---------------------|---------------|
| Landfill | 521,560 | 260,780 | pounds |
| Incineration | | | |
| Reused/recycled off-site | 1,415,213 | 1,675,993 | pounds |
| Other management - Specify: UST | 962,987 | | pounds |
| Total Non-Hazardous Waste | 2,899,760 | | pounds |

Waste - Hazardous Waste Generation

In the table below, please enter your facility's amount of hazardous waste, broken down by waste management method. Please enter both the amounts that you manage currently and that you intend to manage in your future reporting year. Include all hazardous waste that is treated on-site or sent off-site.

Is the goal of your hazardous waste commitment to:

- ☐ Reduce hazardous waste
☐ Improve waste management methods
☐ Combination of both strategies

How much of your hazardous waste is handled using each management method?

| Method of Waste Managed | Baseline Year 20 | Future Year 20 | Units |
|------------------------------|---------------------|-------------------|-------|
| Landfill | | | |
| Incineration | | | |
| Reused/recycled off-site | | | |
| Treated on-site | | | |
| Other management Specify: | | | |
| Total Hazardous Waste | | | |

Air Emissions – Total GHGs

Is the goal of your Total GHGs commitment to:

- ☐ Reduce energy use
- ☐ Reduce process-related emissions
- ☐ Combination of both strategies

How much greenhouse gas does your facility emit from each source?

| Source | | Baseline Year 20 | Future Year 20 | Units |
|-----------------------------|--|---------------------|-------------------|-------|
| Direct Emissions | Stationary Combustion | | | |
| | Mobile Sources | | | |
| | Refrigeration/AC Equipment Use | | | |
| | Process/Fugitive Specify Source: | | | |
| | Process/Fugitive Specify Source: | | | |
| | Process/Fugitive Specify Source: | | | |
| | Total Direct Emissions Process/Fugitive | | | |
| Indirect Emissions | Purchased Electricity | | | |
| | Purchased Steam | | | |
| | Purchased Hot Water | | | |
| | Total Indirect Emissions | | | |
| Optional Indirect Emissions | Other Specify Source: | | | |
| | Other Specify Source: | | | |
| | Other Specify Source: | | | |
| | Total Optional Indirect Emissions | | | |
| Offsets | Offsets Specify Source: | | | |
| | Offsets Specify Source: | | | |
| | Offsets Specify Source: | | | |
| | Total Reductions from Offsets | | | |
| | Total Emissions Less Offsets | | | |
| Supplemental Information | Total CFC | | | |
| | Total HCFC | | | |
| | Total Stationary Combustion – Biomass CO2 | | | |
| | Total Mobile Sources – Biomass CO2 | | | |
| | Electricity trading transactions- Electricity Purchase for Resale | | | |