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VIA EMAIL: thomas.eggert@wi.gov

RE: 2015 Annual Green Tier Report – KS Kolbenschmidt, US Inc.

Dear Mr. Eggert,

In August of 2014, KS Kolbenschmidt US, Inc. (KS KUS) applied for the Green Tier Program, which was accepted in November of 2014. Since 2002, KS KUS has been ISO 14001 certified and in 2006 was accepted as a member into the EPA's National Performance Track, which is a program which recognized companies who consistently exceed environmental regulation requirements.

KS KUS is located in Marinette, WI and produces pistons for passenger cars and well as light- and medium-duty commercial vehicle engines. The latter part includes a range of piston products for marine, industrial and leisure applications (motor boats and motorbikes). Being in the industry for over 72 years, KS KUS is an industry leader in responding to environmental impacts throughout the automotive industry.

ENVIRONMENTAL MANAGEMENT SYSTEM

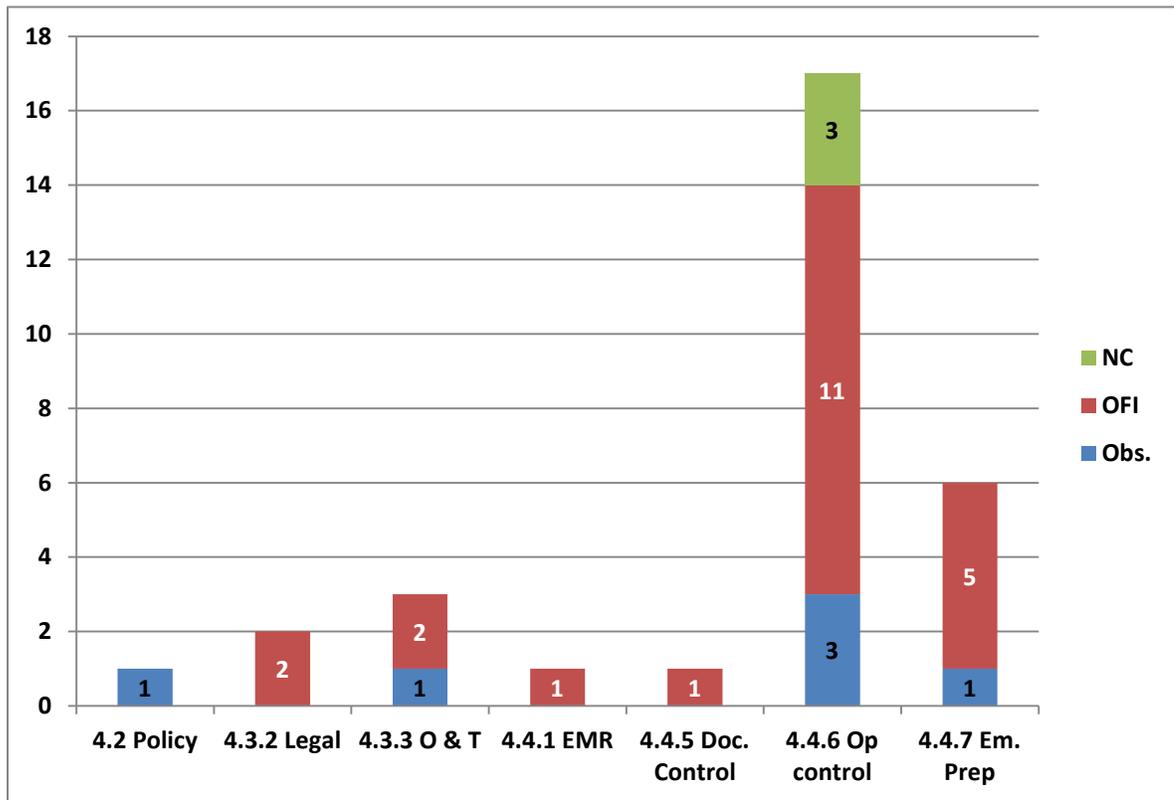
KS KUS's Environmental Management System (EMS) is exceeding expectations – KS KUS is on track to reach the facility wide environmental goals and has made improvements in their processes since last year. At KS KUS the EMS is defined by upper management which has a strong commitment to the environment. KS KUS strives to continually improve their workplace and prevent harmful situations, for both employees and the ecosystem. They are in compliance with all applicable legal requirements and have provided a framework for setting and reviewing environmental objectives by comparing their goals to these requirements.

One of the main focuses of the EMS is communication; KS KUS wants both their associates and their community to know where they are and what they are working on. By documenting reviews, objectives and targets, KS KUS makes sure that information is available to the public. They continually strive to maintain strong, open relationships.

According to the EMS KS Kolbenschmidt must conduct internal audits at planned intervals to determine whether the EMS both conforms to plans and has been properly maintained. KS KUS then must provide

information on the results to management. Last year at the completion of the internal EMS audit 22 Opportunities For Improvement (OFI), seven Observations (Obs.) and three Non-conformances (NC) were found. Figure 1 below gives a visual representation of the results.

Figure 1. The number of OFI's (red), NC's (green) and Obs. (blue) we had in the different sectors of our company.



Management was pleased with the results and they want to keep the KS KUS Environmental Health and Safety policy the same for the coming year, as it met all the requirements. Also, the follow-up audits within 30 days of the original internal audit were executed to verify that the OFI's and NC's were closed. The results of these audits were very positive, all the NC's and OFI's had been closed in a timely fashion. Moving forward, management will be reviewing the new ISO 14001:2015 standards to see what changes and new corporate responsibilities were required to comply with not only ISO 14001:2015, but Green Tier as well.

DESCRIPTION OF PROGRESS

The Green Tier Application originally submitted in 2014 identified three O&T for the 2014 calendar year:

Figure 2. KS KUS environmental objectives, tasks and areas effected for 2014. This includes company goals and the person(s) responsible for overseeing their completion.

2014 ISO14001 Environmental Objectives & Targets				
	Category	Objective	Target	Responsibility
1	Performance	Improve environmental performance by obtaining WI DNR Green Tier Status	Submit and obtain acceptance to program by June 2014	Versch/Welty
2	Waste Reduction	Implement effective program to reduce coolant by capturing / recycling coolant from chip hoppers	Determine responsibility, and ownership of draining coolant hoppers by July 1, 2014. 5% improvement in coolant usage per piston by Dec. 31, 2014.	Facilities Manager, KS Plant Manager, Operations Managers,
3	Involvement	Increase overall employee awareness of environmental efforts. Post recycling accomplishments monthly starting in May 2014. Quarterly Env. Articles in newsletter	10% improvement compared to 2013 audit results. Awareness measured by knowledge of efforts during internal audits.	Bay Environmental/ Welty

Each of these objectives & targets were obtained. Normalized data for coolant usage on a gallons per piston machined showed a 18% decrease, exceeding the 5% target, during 2014 and 2015 when compared to 2013 baseline data. Beginning in 2015 coolant reduction was no longer an O&T however, reduction measures have been maintained. Communication of Recycling & Beneficial Reuse accomplishments has proven successful in increasing employee awareness. The data is posted quarterly for employees to inform them of their contribution to reducing key waste disposal metrics.

Figure 3. This shows KS KUS recycling totals for 2013-2015, and the YTD recycling numbers for 2016. So far in 2016 KS KUS is on track to have a total recycled materials increase of 5% from last year.

		 KS KUS ISO 14001 Pollution Prevention!  Recycling & Beneficial Reuse Accomplishments								
Program			2013	2014	2015	2016				YTD
						1st Qrt	2nd Qrt	3rd Qrt	4th Qrt	
▶	Onsite Chip Recycling	tons	4,047	4,124	3,890	954	919			1,873
▶	Onsite Scrap Recycling	tons	4,688	4,475	3,625	831	895			1,726
▶	Spill Socks & Pads Program	tons	39	44	52	11.8	11.8			24
▶	Copper Mesh	pounds	914	218	252	-	257			257
▶	Steel Turnings, Misc. Steel, & Misc Steel w/ turnings	tons	1,042	1,117	1,269	210	257			467
▶	Aluminum Dust	pounds	113,960	85,100	103,600	9,340	29,100			38,440
▶	Fluorescent Bulbs	bulbs	2,189	1,063	1,398	513	171			684
▶	Batteries (Facility & Associate Household)	pounds	2,534	3,919	1,900	-	750			750
▶	Computer Equipment	pounds	397	4,758	100	2,552	-			2,552
▶	Wood, Cardboard, and Paper	tons	1,730	583	335	74	66			140
▶	Used Oil Recycling	gallons	4,450	8,200	1,950	2,200	3,300			5,500
▶	Sodium Hydroxide Beneficial Reuse (Ultrasonic Cleaner)	gallons	2,800	1,300	600	650	-			650
▶	Coating Department Beneficial Reuse Chemicals	gallons	1,500	3,300	1,350	-	-			-

In 2015, KS Kolbenschmidt had different Objectives and Targets, which were more focused on prevention of unnecessary energy and material use, and increased effectiveness in their recycling programs and emergency response. Again, these are outlined in the previous ISO14001 Environmental Objectives and Targets, which can be found in Figure 4.

Figure 4. KS KUS environmental objectives, tasks and areas effected for 2015. This includes company goals and the person(s) responsible for overseeing their completion.

2015 ISO14001 Environmental Objectives & Targets				
	Category	Objective	Target	Responsibility
1	Performance	Improve existing recycling practice to decrease overall waste stream	Increase recycling tonnage	Safety Manager Foundry CI Engineer B&G Supervisor Operations Managers
2	Performance	Increase utilization of utility measurements	Net reduction of usage	Facilities Manager Foundry CI Engineer
3	Effectiveness	Increase effectiveness of emergency preparedness	Additional classroom training, two emergency chemical spill drills, leadership training	Bay Environmental Safety Manager

Targets have been tracked in various ways. For all recycling initiatives a data chart has been created to compare previous data to both the 2015 data and the YTD information. For data on these goals – decreasing waste tonnage and increasing recycling tonnage – please refer to Figure 3. This figure highlights the different areas in which KS KUS has made efforts to recycle and also shows how many tons of material has been recycled since 2013.

As these figures show, the KS KUS EMS is exceeding expectations. KS KUS is having very high levels of success in all current tasks while not letting previous efforts go to waste. One of the key aspects of the KS KUS EMS is continuity; choosing meaningful projects that the company can successfully complete by continuously improving and utilizing our old efforts. When we combine our efforts in such a way we are able to more effectively reduce our environmental footprint.

TRANSPORTATION

Being a world class piston manufacturer means that KS KUS has shipments leaving the plant for destinations across the nation on a daily basis. However, KS KUS tries to balance out the effects on the environment by providing workers with opportunities to burn a little less fuel. All locker rooms in the facility are equipped with showers and bike racks are available at most entrances. All lunchrooms now have a dedicated board for healthy living, where employees can find recipes, recycling and energy saving tips, and ideas to help get active.

STAKEHOLDER INVOLVEMENT

KS KUS strives to maintain open relationships with our employees, community and state. One of the main goals of KS Kolbenschmidt is to build employee awareness about environmental issues. This is done through a continued recycling program, weekly safety meetings, and quarterly trainings. Maintaining an open door policy is imperative for company success – any employee may speak with management about safety or environmental concerns at any time.

DNR RELATIONSHIP

KS KUS has maintained a history of compliance with all major environmental regulations. Current permits are held under the Clean Air Act (State Operating Permit), WPDES, and local wastewater utility. The facility is also subject to the Oil Pollution Act (SPCC), EPCRA, TSCA, NESHAPs, Hazardous Materials Shipping and European Union requirements. The Green Tier program has been a positive for the facility with its relationship with the DNR. The program has helped increase the partnership with both Air Program and Waste Program contacts with the Department.

CONCLUSION

KS KUS is dedicated to the environment and the increased environmental awareness of the automotive industry. This awareness resulted in KS KUS first receiving certification to the ISO14001 standard in 2002. The most recent Re-Certification Audit occurred in July of this year (2016), where we passed with a total of zero non-conformances.

The commitment to regulatory compliance and reducing environmental impacts has been at the core of KS KUS' business planning. The Environmental Management System implemented in conformance with ISO14001, and in accordance with Green Tier, has provided us with organizational structure to drive lasting, and meaningful improvements.