

# ENVIRONMENTAL PROGRAM OVERVIEW



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## INTRODUCTION

Colorado Industrial Recycling considers environmental accountability to be a core company value. We understand that we cannot be healthy as a business if we allow our operations to make the community unhealthy. We recognize that we have an obligation to keep the public safe and to diminish the negative impacts our operations have on our local environment. Our commitment to public health and environment is fundamental to our desire to be a business that operates with integrity. This connection between environmental accountability and our success as a business is especially important given the industry in which we operate. As a recycling company, we are uniquely connected to the culture of environmental sustainability. The services we provide through our business are part of the solution to building a more sustainable economy. Therefore, the more the community values sustainability, the more our business stands to benefit. Consequently, it is in our interest to broaden our perspective beyond just our operations and look for ways to advance environmental sustainability as a cultural value within our society.

Although it seems logical for a recycling company to promote environmental sustainability as a core value, the recycling industry, especially the scrap recycling industry, does not have a stellar reputation when it comes environmental performance. Over the years, several recycling operations have been cited for violating environmental regulations. A number of these violations were serious enough to garner public attention. With some justification, this has resulted in the industry receiving a pretty poor reputation when it comes to environmental accountability. As a result, Colorado Industrial Recycling has had to work hard to overcome the negative stereotypes about scrap recycling and demonstrate that we take our environmental obligations seriously. We have done this by making a commitment to transparency and by adopting a culture that promotes continual improvement in environmental performance. Our efforts in this regard have been recognized by state regulators, customers, and others in our industry. As a result, we have acquired a reputation as an industry leader when it comes to environmental performance.

### COLORADO GREEN BUSINESS NETWORK (CGBN) – GOLD MEMBER



The State of Colorado developed the Colorado Green Business Network (CGBN) as a way of encouraging and recognizing environmental best practices. The program is administered by the Colorado Department of Public Health and Environment (CDPHE). The CGBN has three levels of membership (bronze, silver, and gold) to distinguish members based upon levels of achievement. Prior to admitting a company into the program, the CDPHE performs a comprehensive audit of the business. At the gold level, a business must possess a clean regulatory history (going back three years), prove best management practices, and be able to demonstrate community involvement in sustainability related public education efforts. Starting in 2012, Colorado Industrial Recycling achieved gold status in the program. We were the first metal recycler in the State to get that distinction (we are still the only metal recycler in the Pikes Peak area admitted into the CGBN). Our gold level status must be recertified every three

years. We have successfully recertified each three-year-term and have maintained our gold status without interruption.

## **ENVIRONMENTAL POLICY**

Our company is committed to environmental leadership in all aspects of our business practices. We implement, adhere to, and review policies that protect the public, our employees, as well as the environment. We believe these policies will create a safe working environment, as well as conserve energy and natural resources.

As a company, we collectively pledge to:

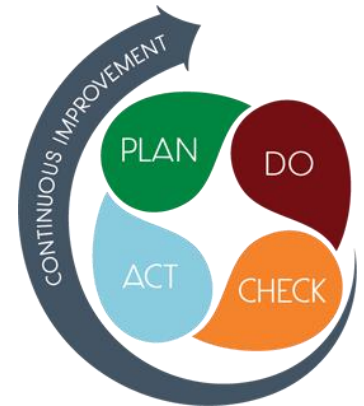
- Provide a safe workplace by ensuring that all personnel are properly trained with the appropriate safety and emergency equipment.
- Ensure the responsible use of energy throughout our business, including conserving energy, improving energy efficiency, and giving preference to renewable over non-renewable energy when feasible.
- Use pollution prevention to reduce or eliminate the toxicity and the amount of toxic substances and/or hazardous wastes, minimize their undesirable effects on natural resources (including air, water, and soil), and to conserve our natural resources.
- Meet and exceed all applicable Federal and State requirements in place for the metal recycling industry.
- Strive to continually improve our Environmental Management System (EMS) through active participation in the EMS by employees and management staff, as well as periodically reviewing and analyzing EMS procedures and policies.
- Promptly report all noncompliance issues in accordance with applicable governmental reporting requirements, evaluate causes of noncompliance, and implement corrective actions.
- Continuously seek opportunities to improve the effectiveness of our environmental program

## **ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)**

An environmental management system (EMS) is an operating model that seeks to ensure environmental impacts are given consideration when making decisions on behalf of a company. An EMS requires that a business seek to understand its current impacts and then strive to make continual improvement in its environmental performance. There are no regulatory obligations

that force a business to adopt an EMS. Consequently, an EMS is enacted solely by businesses that see environmental accountability as a core value and voluntarily seek to tie company goals and objectives to environment performance. An EMS is structured around a **PLAN, DO, CHECK, ACT** model. This model involves the following:

- **PLAN:**
  - Conduct a thorough inventory of environmental impacts and aspects
  - Identify which impacts are significant
  - Establish goals and objectives that relate to improving performance around significant impacts
- **DO:**
  - Establish roles and responsibilities
  - Develop action steps and timetables
- **CHECK:**
  - Measure performance related to goals and objectives
  - Review outcomes with management
- **ACT:**
  - Implement corrective action



An environmental management system is not something you ever finish. Upon completion of the **PLAN, DO, CHECK, ACT** cycle, a new cycle will begin. In the case Colorado Industrial Recycling, our EMS is currently on a three-year cycle. In this way, companies with an EMS in place look to continually build upon improvements in performance and seek continual improvement.

### **ROLES AND RESPONSIBILITIES**

- **Ownership:** is responsible for establishing the company vision as it relates to environmental management. Ownership will also ensure that the EMS is implemented effectively. This requires the allocation of resources towards the development and achievement of the objectives established through the EMS. Ownership must also assign roles and responsibilities for the EMS and provide supervision of all the personnel responsible for its implementation.
- **EHS Manager :** is responsible for coordinating all the activities related to the EMS, including updates to the aspect and impact analysis, schedules for internal audits and management reviews, and the development of new objectives. The EHS Manager will also maintain records related to the system, including revising policy documents and tracking any data related to EHS objectives. The EHS Manager is also responsible for

ensuring CIR understands its regulatory requirements and remains in conformance with those mandates.

- **EHS Yard Liaison:** will participate in all internal audits and help ensure follow through on any required corrective action produced through those audits.
- **Management Staff:** are responsible for providing input concerning environmental aspects and impacts, issues related to regulatory compliance, the root cause of nonconformities, the establishment of corrective action, and the development and implementation of EMS objectives. Management staff will also communicate to their respective staff concerning all pertinent EMS related information.
- **Employees:** are responsible for complying with regulatory requirements and internal standard operating procedures within the course of performing their primary duties. Employees are also required to provide accurate information during internal auditing and implement any corrective actions delegated to them. Employees are also to provide feedback and input when it comes to the development of EMS goals and the overall effectiveness of the system.

## **ENVIRONMENTAL IMPACTS**

Through an understanding of our regulatory obligations, the feedback received from our environmental health and safety consulting firm, and through our own internal aspect and impact analysis, we seek to educate ourselves concerning the environmental risks involved in our operation. By understanding the environmental risks associated with our operations, we are better positioned to take steps to either eliminate or reduce their impacts.

## **SOIL AND WATER CONTAMINATION**

The release of potentially hazardous waste into the soil and water table is the most significant potential impact our operation could have on our environment. Such contamination could result from improper disposal of hazardous materials, a discharge of contaminated stormwater, or potentially an accident of some sort that results in a spill of automotive fluids. The consequence of one of these events could be significant. Soil and water contamination can devastate ecosystems and ultimately endanger public health through the contamination of drinking water.

- **Improper Disposal of Hazardous Waste:** Although we do not recycle hazardous waste, the potential always exists for us to unwittingly receive hazardous materials from our customers. Beyond the material we collect, our operations also generates some hazardous waste. Through the processing of cars for recycling, the maintenance activities performed by our mechanics and welders, and our other operations, we

produce a variety of hazardous automotive fluids, toxic gases, and cleaning supplies. Improper disposal of these wastes could lead to environmental contamination.

- **Stormwater Pollution:** As referenced above, there are a number of toxic automotive fluids and cleaning supplies that we produce through our operations. In addition to these waste materials, the fibers from the various metals we stage at our yard could contaminate the water supply if they were released into the environment. Even with proper disposal of this material, there is still the potential for contamination to occur from an unintentional release into the environment through stormwater. Indeed, when precipitation occurs on our site, the water from the rain and snow melt could potentially wash waste materials and metal fibers off our yard and into the waterways. This phenomenon is referred to as stormwater pollution. The consequences of stormwater pollution would be particularly severe for Colorado Industrial Recycling given the proximity of our yard to Sand Creek, a major source of water for much of the city.
- **Spills:** We operate several commercial vehicles that perform commercial hauls and transport material to downstream processors. The possibility exists for one of these vehicles to sustain damage that causes it to spill hazardous automotive fluids. Depending upon the location of the spill, this could result in environmental contamination.

### **AIR POLLUTION**

Beyond management of toxic materials, our operation is also responsible for a variety of forms of air pollution. The electricity we use and the vehicles and equipment we operate all either directly or indirectly result in the emission of carbon into the atmosphere. In addition to these vehicle emissions, we also operate have to be mindful of the emissions from our wire processing plant.

- **Electricity:** The electricity used to power our lights, kitchen and IT equipment, and the various equipment throughout our yard (e.g. our baler, shearers, grinders, etc.) is generated from Colorado Springs Utilities. Colorado Springs Utilities currently gets 85% of its energy through the burning of coal. The burning of coal generates greenhouse gas emissions that contribute to global warming.
- **Gas:** We utilize a variety of different forms of gas to heat, power generators, and weld. The burning of these gases emits carbon into the atmosphere and also contributes to global warming.
- **Gasoline Powered Vehicles:** We operate a variety of trucks, cars, and heavy mobile equipment that are gas powered (both diesel and unleaded). The emissions from these vehicles also contribute to global warming.

- **Super Chopper and Wire Processing Plant:** Through the chopping and granulation of various types of cable and wire, we emit particles of plastic, dust, and metals.
- **Management of chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs):** We recycle refrigerators, household air conditioning units, and motor vehicle air conditioning units that contain CFCs and HCFCs. The improper release of refrigerants damages the ozone layer and has a significant greenhouse effect.

### SOLID WASTE

As a recycler, we seek to recycle as much material as we can. That said, there are some materials generated through our operations that cannot be recycled. Although our level of waste is much less than most businesses, we do still generate solid waste. This solid waste is landfilled leading to a loss of natural resources.

### ENVIRONMENTAL CONTROLS

Recognizing all the ways our operations could potentially impact the environment, we have enacted a number of measures to either reduce the risk of occurrence or to diminish the severity of those impacts that cannot be eliminated entirely. In looking at strategies to mitigate our environmental impacts, we have taken a multi-level approach. These controls generally fall into one of two categories:

- **Engineered Controls:** Where appropriate, we have implemented structural modifications to our yard and equipment to prevent unintended contamination or pollution.
- **Best Management Practices (BMPs):** We have developed a comprehensive program of documented procedures, training, and internal audits that are explicitly aimed at reducing the risk of negative environmental impacts.

### WASTE MANAGEMENT POLICY

Colorado Industrial Recycling does not take any materials that are classified strictly as hazardous waste. We also do not take any items that have costs associated with proper disposal. Likewise, we do not accept material that may have been stolen. Broadly speaking, this policy excludes us from taking any of the following:

- **Hazardous Wastes:**
  - Liquids
  - Gas cylinders/tanks (that have not been de-valved)
  - Mercury containing devices (including light bulbs)
  - Paint

- Televisions and monitors.
  - Most types of batteries (we only take lead acid batteries)
  - Ballasts or transformers that contain polychlorinated biphenyl (PCBs)
  - Radiation emitting material.
  - Appliances with lines cut (unless refrigerant recovery can be verified).
- **Material with Cost:**
    - Trash (except for contracted commercial accounts)
    - Plastics (except for contracted commercial accounts)
    - Glass (except for contracted commercial accounts)
    - Wood (except for contracted commercial accounts)
    - Tires (unless on aluminum or as part of a scraped vehicle)
    - Dirt (under any circumstances)
    - Tar (under any circumstances)
- **Material that Might Be Stolen:**
    - Cars without titles or vin numbers
    - Material with asset tags from the railroad or a governmental agency (unless coming from the source)
    - Shopping carts (without memorandum from the source).
    - Beer kegs (without memorandum from the source)

We attempt to prevent customers sending us unauthorized material by providing all of our commercial accounts an overview of our material acceptance policy. That said, we cannot assume the customers will comply with our policy. Our procedures are designed to ensure that all material is inspected upon receipt and any material in violation of our material acceptance policy is rejected. If the material arrived through one of our roll-off containers, we will take pictures of the rejected material and contact the customer/generator to inform them of the violation. If we have a qualified vendor to recycle or dispose of the material, we will offer the customer the option of having us charge a service fee to manage the material on their behalf. Otherwise, we will arrange to return the material back to the customer's site.

We review our Authorized and Unauthorized Materials policy extensively during our onboarding training of new hires to ensure all our staff can properly identify and reject hazardous materials from customers. However, as indicated above, we do generate some hazardous materials through our actual operations. We take our responsibility managing these hazardous wastes very seriously. Spent/retired automotive fluids, freon, and other hazardous wastes are managed exclusively through qualified vendors that have the competency and capacity to safely recycle or dispose of these materials. Colorado Industrial Recycling strictly forbids the disposal of these hazardous materials through our standard solid waste stream. These hazardous wastes are segregated and properly stored until one of our qualified vendors can transport the material offsite.



Although it does not impact environmental contamination, it is important to note that our waste management policy also looks to diminish non-hazardous waste within our facility. We look to recycle as much material as possible. While this effort to recycle includes diverting commonly recycled items like paper, cardboard, and aluminum cans, we have taken this recycle a step further. We have designed our automotive processing to try and recycle as many of the automotive fluids we extract from the vehicles as possible. Provided the water is not contaminated or stagnant, we also look to reuse the stormwater and reuse for power-washing.

### **STORMWATER MANAGEMENT PLAN (SWMP)**

While directing hazardous waste towards proper disposal is relatively straightforward, proper environmental management requires much more than just waste management. To prevent soil and water contamination we must also proactively work to mitigate against the risk of an unintentional release. One likely source for an unintentional release of hazardous substances is stormwater pollution. In recognition of this potential risk, the Clean Water Act (CWA) and the National Pollutant Discharge Elimination System (NPDES) Permit were developed to regulate how businesses should proactively manage stormwater outfalls. In compliance with these regulations, we have applied for and received a permit through the CDPHE and have developed a Stormwater Management Plan (SWMP). As with other aspects of our environmental program, the SWMP is centered around a combination of engineered controls and best management practices. The core aspects of our SWMP are as follows:

- **Proper Containment of Hazardous Materials:** Colorado Industrial Recycling is committed to ensuring all hazardous materials generated through our operations are properly identified and stored in enclosed barrels or tanks.
- **Containment of Stormwater:** We have designed our yard to limit the discharge of stormwater offsite. All areas of yard that are used for processing material, welding, or maintenance activities have been concreted. This layer of concrete is designed to prevent hazardous fluids and metal fibers from leaching into the soil and the water table. We have also engineered our yard to capture rainwater and snow melt in one of a series of cisterns and basins. Our Pit is completely lined and, in effect, acts as a point of collection for stormwater. The Pit could potentially hold up to 50,000 gallons of water. We also have constructed a stormwater pond by our automotive processing area and installed three 10,000 gallon underground tanks on the far southwest corner of our yard. We have also engineered a smaller basin northwest of our wire processing plant. Our yard is laid out in such a way as to direct the vast majority of precipitation that falls onsite is directed towards one of these secured areas of containment. As the pond and tanks become full, we will pump the water out and either recycle it or properly dispose of it depending upon the level of contamination. Generally speaking, our tanks and our pond are pumped about two or three times a month depending upon the amount of precipitation.

- **Monitoring of Discharges:** Should there be precipitation beyond the capacity of our containment, that water will eventually go towards one of two outfalls. If this water does reach the outfalls, we will sample it on at least a quarterly basis to ensure there are no pollutants contaminating that water. The water samples are sent to a lab for analysis and the results of those tests are reported to the State.
- **Housekeeping:** Perhaps the most vital aspect of our stormwater management plan is our housekeeping and organizational standards. Housekeeping is emphasized in every department of our operations. We expect **every** employee to clean their work area as they go. If we are promptly cleaning up spills, putting things in proper containers, and sweeping up dirt and metal fibers, it should not matter if stormwater leaves our facility; indeed, if our yard is clean there will not be any environmental contaminants to wash off site. It is also critical that we keep things well organized. We have designed the layout of our yard to ensure that every material we collect and all the equipment we use has a designated spot where it belongs. In this way, there is an order to every facet of our operations. This level of organization improves efficiency, but it also makes it easier to identify when something is out of compliance with our environmental policies.
- **Inspections and Audits:** Colorado Industrial conducts daily closing inspections, monthly inspections, and quarterly audits that specifically evaluate the effectiveness of our SWMP. The quarterly audits we perform are done through an independent environmental consulting firm. Essentially, we are paying a company to be tough on us and scrutinize our operations. Our goal with these audits is to quickly identify when there is something out of compliance, so we can ensure it is quickly corrected.
- **Training:** Colorado Industrial Recycling reviews the primary aspects of our SWMP during initial employee orientation, throughout our onboarding training, periodically during departmental meetings, and through a mandatory annual training session provided by our environmental consulting firm.

### **SPILL PREVENTION CONTROL AND COUNTERMEASURE (SPCC) PLAN**

Part and parcel to our Stormwater Management Plan is our Spill Prevention Control and Countermeasure (SPCC) Plan. The SPCC plan outlines our procedures for identification, storage, and spill response for the hazardous materials we have onsite. Those procedures can be summarized as follows:

- **Proper Containment:** All hazardous material needs to be stored in containers that protect against spillage. Containers should be filled no more than three inches from the top. The containers must have sealable lids and sit in secondary containment. The secondary container must have a surface area at least 15% larger than the primary container and be nonporous. Within our operations, we will generally use either above ground storage tanks (ASTs) sitting in a protective outer shell or 55 gallon drums with

sealable lids sitting in a plastic tote or spill-proof pallet.. **There should never be a barrel or other container with hazardous materials that is sitting directly on the concrete.**

- **Labelling:** All hazardous materials must be identified through labeling. The labels should clearly identify the contents and provide insight into the hazard. If empty drums or containers are being stored onsite, they should be labeled as “empty” to help avoid confusion. **If a barrel with contents does not have an identifying label, contact a supervisor to make sure it immediately gets a label.** The labelling requirement applies to all liquids as well. **Even bottles of water must be identified!**
- **Spill Response:** With auto processing and the various maintenance activities we perform, spills of automotive fluids and other hazardous materials are a part of daily life within our operations. Consequently, it is critical that we are very responsive in cleaning up these spills when they do happen. Employees must immediately stop work activities to address spills. **Cleanup cannot wait until the end of the day; we must clean spills as we go in order to maintain a clean yard.** If the spill is a gallon or less, it is simply on each employee to see to the spill. For most common spills, staff will need to put down an absorbent over the entire area of the spill. We typically will use mulch. Once the spill is covered by the absorbent, the employee can return to the task he or she was working on. After the spill is fully absorbed the absorbent will need to be swept up and disposed of in the Pit (where there is proper containment). If a spill larger than a gallon occurs, contact a manager to determine how best to clean the area.

### **VEHICLE MAINTENANCE AND FUEL CONSERVATION**

We possess a rather large fleet of diesel-powered trucks and gas powered (diesel and unleaded) powered heavy mobile equipment. These vehicles are used extensively and the emissions from these vehicles produce a significant carbon footprint. As referenced above, there is also always a risk that an accident involving one of these vehicles could lead to a large spill of hazardous fluids. All of that said, our operations are sustained by these vehicles; the footprint from their use is a cost of doing business. Although we cannot eliminate the environmental impacts of our fleet of vehicles and equipment, we do take several steps to help mitigate those impacts. These mitigation efforts include the following:

- **Pre-Shift Inspections:** One of the most significant ways that we can diminish the negative environmental impacts associated with vehicle and equipment operation is to ensure our vehicles and equipment are operating properly. No vehicle or piece of equipment is put into operation without first being thoroughly inspected. Prior to qualification as a driver or operator, employees must undergo training regarding how to conduct these daily inspections.
- **Vehicle and Equipment Maintenance:** While well-maintained equipment and vehicles still produce carbon emissions and still can be involved in accidents that cause spills, proper proactive maintenance can greatly improve fuel efficiency and significantly

diminish the likelihood of an accident. Colorado Industrial Recycling has a full service maintenance department. Every piece of equipment is on an aggressive maintenance schedule that is tracked and followed closely. In most cases, oil changes, filter changes, and part replacements are done at frequencies that are far more conservative than what is recommended by the manufacturer. Having a team of mechanics onsite also allows us to promptly respond to service repair issues. Finally, we have ensured that we have a spare truck for each type of vehicle we utilize. Having a spare available, makes it very easy for us to put a vehicle out of service should there be any question as to its fitness for operation.

- **Efficiency in Operation:** Beyond our maintenance program, we have also sought to establish procedures for operation that will promote efficiency. All of our CDL vehicles have regulators in place to limit top speed. This ensures that cruising speed on highways and interstates remains at an optimal level for fuel efficiency. Fuel efficiency is also prioritized when it comes to how we route our jobs. When routing our hauls, our drivers and dispatch are incentivized to be as efficient as possible. For each scheduled haul, we look for the most efficient ways of fulfilling the job as possible (e.g. proactively bringing an empty container to a job site to swap it out for the full container, as opposed to the less efficient dump and return of the same container). Our logistics software platform, Scrap Runner, evaluates driver speed and efficiency throughout the day. This tool scores driver efficiency and helps us evaluate driver performance. Finally, we have established the ability to do all of our own fueling onsite. This too significantly improves efficiency.
- **Spill Response:** All of our drivers are trained concerning how to respond to an accident. If an accident leads to a ruptured tank and results in a significant spill, the spill will be reported immediately and Colorado Industrial Recycling will work with authorities in ensuring prompt cleanup.

### **REFRIGERANT RECOVERY**

We have established a program to recover the chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs) from small appliances and motor vehicle air conditioners. We train our staff to inspect appliances and cars for refrigerants and have two refrigerant evacuators onsite to safely recover the freon from these units. The freon evacuated from these units is then recycled through a downstream processor. We track the recovery process and keep records of this process for mass balance accounting. If a customer brings us an appliance with refrigerant already extracted, we have the customer verify that the recovery was properly recovered prior to its arrival.

### **WIRE PROCESSING ENGINEERED CONTROLS**

For the most part, Colorado Industrial Recycling does not actually process material for recycling. At our stage in the recycling process, we collect material, sort and/or disassemble it then send it

to other recyclers for shredding or smelting. When this is the case, we are not actually changing the property of the material we collect. However, our Wire Processing Division is different. Our wire processing operation is actually changing the property of the cable by chopping, granulating, and separating it into pure commodity streams (i.e. granulated insulation/jacketing, steel, aluminum, and copper). A consequence of this chopping and granulating is the release of particles of dust, plastic, and metal that is released into the atmosphere. If uncontrolled, this could lead to air pollution. To reduce the significance of this impact, our plant was designed with a series of engineered controls to help prevent air pollution. The machine has a system in place that vacuums the particles released through the granulation process and filters that air through a baghouse system. The plastic, dust, and other waste materials are then deposited in an enclosed roll-off container. The waste material is currently being used as alternative daily cover at the landfill. We have conducted air quality tests in our wire processing plant during operation to test the effectiveness of this baghouse system. The results from these air quality tests have indicated pollutant levels below regulatory limits. In fulfillment of our regulatory obligations, Colorado Industrial Recycling has filed an Air Pollutant Emissions Notice (APEN) with the CDPHE and will continue to monitor pollutants from the machine to ensure the environmental impact remains small.