

Questionnaire Results: Calsonic Yorozu Corporation

SATURN +5 ISO PILOT PROJECT MEMBER ORGANIZATION QUESTIONNAIRE

Summary For Calsonic Yorozu Corporation Morrison, Tennessee

FOCUS: *Uncover and compare means of managing environmental affairs of the respective member organizations*

Preliminary Issues

1. *Briefly describe the company's industry and products (i.e., automobile manufacturer, etc.).*
Manufacture automotive suspension subassemblies, underbody members, and engine brackets.
2. *Briefly describe the company's size and number of plant and corporate locations.*
Calsonic Yorozu Corporation (CYC) is jointly owned by the Yorozu Corporation of Japan (51% ownership) and Calsonic Corporation of California. CYC's Morrison plant is a 561,000 square foot facility that employs approximately 750 persons.
3. *Briefly describe the major environmental aspects of the company's operations.*
 - Various waste oils from machining operations and general machine maintenance (including waste oil absorbing materials)
 - RCRA D008 waste from lead based paint processes and paint system bag filters
 - Zinc phosphate metal surface treatment (including sludges produced by same containing Zn, PO4, Ni, Mn and FI)
 - RCRA D007 waste from chrome sealer used as corrosion preventative
 - Paint sludges from paint processes (RCRA D008)
 - Mercury bearing waste from lab analyses (RCRA D012)
 - General municipal solid waste handled by BFI and landfilled
 - Air emissions (VOC permits/glycol ether categories)
 - Wastewater pretreatment permit (West Warren Utility District) – BOD, Solids and various metals are limited
 - Storm water permit (TDEQ) (SIC 3479)

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4. *Briefly describe the company's strategic business plan. Are environmental issues a part of that plan and, if so, what part?*

At the moment, CYC is primarily maintaining its current course. Some new product lines will be coming on in a few months and a couple of existing lines will be phased out. Environmental issues are a part of that plan to the extent that CYC is determined to expand and improve its current environmental management system and procedures.

EMS Issues

1. *Does the company have what it considers a formal Environmental Management System (EMS) in place?*

Yes. CYC has a series of written procedures that are a part of its QS 9000 quality management system. These consist of approximately 15 major procedures covering such areas as air pollution, storm water, waste water pretreatment, and manifesting and shipping of hazardous wastes. However, the adequacy of the system is an issue CYC intends to address.

2. *If not, what is the status of company efforts to develop an EMS?*

No efforts are currently in place to expand, supplement or replace the current EMS, with the exception of consideration of such issues within the context of participation in the Saturn +5 ISO pilot project.

3. *Does the company have a written EMS or a written policy statement on environmental management within the company?*

No.

4. *Would you prefer your EMS system to be integrated with your QM system or would you prefer them to run separately? Why or why not?*

CYC's EMS is integrated with its QS9000 quality management system as described in response to question 1 (EMS Issues) above. Integrating the systems made sense for three reasons: (1) from the standpoint of having more people understand what the EMS system is about, (2) for purposes of staffing the EMS system, and (3) there is not adequate support at this time for a stand-alone EMS.

5. *What perceived level of value does the top/upper level management of the company place on EMS and environmental issues faced by the company?*

Main point of emphasis with upper management at CYC is to have basic, "bare bones" environmental compliance. Upper management is satisfied that EMS is adequate as long as there are no environmental problems or "headaches."

6. *What is the company's view of the utility of ISO 14000 certification?*

At present, CYC upper management views ISO 14000 certification primarily as a customer satisfaction issue. CYC will most likely pursue ISO 14000 certification if a customer based push from its primary customers (Saturn, General Motors, Honda, etc.) requires it.

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7. *Does the company have any concerns about becoming ISO 14000 certified? If so, what are they? What potential downsides do the company feel ISO 14000 may bring?*

One potential downside of ISO 14000 is the burden and expense of creating all the documentation necessary to obtain and maintain certification. There is a concern that maintaining such extensive documentation might impose significant liabilities or responsibilities that would not otherwise exist.

8. *What is the status of ISO 14000 certification with the company today?*

CYC will pursue ISO 14000 certification in the future if it perceives that its customers want such certification from its suppliers. There is no established plan or time table for obtaining certification at this time. From the viewpoint of CYC's environmental management personnel, additional support from certain key members of upper management should first be obtained prior to attempting ISO 14000 certification.

Organizational Issues

1. *Is there a manager dedicated solely (or primarily) to overseeing environmental management issues in the company?*

Stan Taylor, Environmental Engineer, Assembly Engineering Department. 75 percent of Mr. Taylor's time is devoted to paint shop management tasks and 25 percent to environmental management.

2. *If not, what persons or departments in the company are considered "in charge" of overseeing and addressing environmental management issues faced by the company?*

See response to question 1 (Organizational Issues) above.

3. *Is environmental management a distinct operating division within the firm, or are environmental tasks delegated to various members of different departments of the firm?*

There is no separate environmental department or distinct environmental operating division at CYC. CYC's procedures designate the handling of different tasks to different departments or individuals. The paint shop has the majority of such designated tasks because the paint shop generates the most environmental issues.

4. *Are there cross-functional teams focusing specifically on environmental issues within the company?*

No.

5. *If some distinct environmental departments exist, how are the departments structured? What tasks are performed within that structure?*

Not applicable.

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6. *Do environmental managers consider staffing to be adequate for the tasks that must be performed by the environmental structure of the firm? Does upper management consider staffing to be adequate for the same purpose?*

Yes to the first question. Upper management also believes staffing to be adequate.

7. *What type of software systems does the company use to manage environmental information?*

CYC has no specialized software systems. CYC has developed some customized data bases in Microsoft Excel and Microsoft Access to handle strictly environmental information.

8. *How does the company operationally track information such as material flow, purchasing, etc. that relates to environmental issues?*

Stan Taylor tracks such information as part of the wastewater pretreatment program. Current CYC information systems can pull up purchasing information for any time period that is necessary to track. However, such tracking is an “after the fact” function. Tracking environmentally related information is a problem at the current time and negatively affects the ability to show benefits of environmental activities.

9. *How does the company compile and disseminate critical information that affects the company’s business and projects?*

Stan Taylor is 100 percent responsible for such tasks. He is responsible for determining the extent to which environmental regulations affect CYC. He is responsible for getting that information to the appropriate people at CYC through memoranda and other communication. If such information is not compiled and disseminated by Stan Taylor, no other individual or system is in place to do so.

10. *Describe the chain of command within the environmental management structure of the company (including facility vs. corporate headquarters structure).*

Supervisors, team leaders, and technicians are required to report changes in environmental conditions or suspected non-conformities to Stan Taylor. There is no formal, routine reporting by any of these groups. Stan Taylor reports to Gary Nunley, Assembly Engineering Section Manager. Gary Nunley reports to Fred Rascoe, Senior Manager, Engineering.

11. *Describe any issues of concern regarding communication between facility and corporate offices on environmental management issues.*

Not applicable.

12. *Describe the chain of command from environmental management to top/upper level management of the company.*

Fred Rascoe reports to CYC upper management regarding environmental issues. Fred Rascoe may report to anyone in upper management at any particular time – from the Engineering Advisor all the way up to the President – depending upon the issue involved.

13. *Generally, where does primary decision making authority over environmental issues reside within the firm? What type of decisions require approval outside of the environmental management structure (i.e., from top/upper level management)?*

Upper management must be consulted on all environmental management issue of any consequence. All significant expenditures (over \$100) require upper management approval.

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14. Are environmental management decisions often made at the facility level rather than corporate level? What type of facility level decisions require approval from corporate environmental managers?

Not applicable.

15. Describe the level of integration of environmental departments or personnel with the rest of the company.

The level of integration is not very high. Those responsible for environmental management issues must push to get other areas involved and to have environmental management issues considered.

16. In a related vein, what are the relationships between environmental departments/personnel and other departments within the company? (In other words, what links are in place to allow environmental personnel to effectively perform their jobs within the company?)

The relationship between environmental management and the paint shop is tightly linked because of the high number of environmental issues involving the paint shop. With other departments at CYC, however, there is a significant drop off in such links.

17. Describe any concerns with communication between environmental departments or cross-functional environmental employees and other departments with the firm.

Primary problems are communications and training problems. Improvements in these areas would be of significant help.

18. Does the firm rely upon outside consultants to handle environmental tasks? How often?

Yes, but not often. CYC policy dictates that if it can possibly be done in house it is to be done in house. Time constraints or manpower concerns are not necessarily a reason justifying the use of consultants. However, CYC does "consult" with its vendors (i.e., wastewater treatment) to a significant extent. If an environmental problem comes up in a vendor serviced area, CYC expects that vendor to help manage the problem as an element of the service provided under the vendor contract.

19. What factors are considered in determining whether to utilize consultants or handle an environmental matter in-house?

See response to question 18 (Organizational Issues) above.

20. How is the performance of the environmental management department evaluated within the firm?

Not applicable.

21. Upon what criteria would departmental performance be judged?

Not applicable.

22. Are individuals with environmental management responsibilities evaluated on their performance of those responsibilities?

Yes, with respect to Stan Taylor. Otherwise, individuals listed on an environmental procedure as having responsibility in that area may be evaluated on a failure to comply with that procedure.

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23. Who conducts such evaluations and what criteria are used to do such evaluations?

Gary Nunley conducts Stan Taylor's evaluation. However, there are no hardcore environmental guideposts or criteria used in conducting the evaluation.

“Perfect World” Issues

1. Could the environmental management system of your company be better? How? What would you change if you could? Why?

Yes. Environmental management should be a fully integrated part of managing the company. The most fundamental change which could be made is to incorporate environmental issues and concerns into basic upper management decision making. At present, an entire manufacturing process can be developed with no consideration being given to what wastes may be generated by the process and how such wastes should impact design concerns or even what must be done with the waste. A more formalized environmental management system would allow such integration to take place and also allow for more training and communication which would help place environmental issues on everyone's radar screen.

2. What degree of influence over corporate structure or policy does environmental management have? What degree do you think it should have? Why?

At the present time, none. For the near future, it would be enough if environmental issues were simply considered in initial decision making processes.

3. Are matters being handled by other departments in the firm that would be better served if they were handled by environmental?

No.

4. Are there issues being handled by environmental that should be handled by other departments?

To the extent that Stan Taylor's time is primarily taken up by paint shop engineering responsibilities, then yes. At present, some environmental issues or concerns must be delayed because paint shop items or other non-environmental management concerns of Stan Taylor's job cannot wait. Having ISO 14000 would put a system in place to manage such environmental issues regardless of the constraints of Stan Taylor's non-environmental management responsibilities. Environmental management efficiency would be increased.

5. When and to what extent is environmental consulted on issues of public relations, marketing, product development, etc. now? When and to what extent do you think it should?

None. See the response to question 1 (“Perfect World” Issues) above.

6. What meetings do environmental managers attend that are not run by environmental managers? Are there meetings that you think environmental should attend now but they are not?

“Some” is the answer to the first question (though it is as a paint shop engineer and not environmental manager), and yes is the answer to the second. ISO 14000 is seen by environmental managers at CYC as a very important step in remedying these situations.