



OMB No. 2010-0032
Expiration Date 01/31/2010

2007 Performance Track Annual Performance Report

Cardone Industries, Inc.

A030043

Year 1 Annual Performance Report
Member Since 2004 (2nd Member Term)

SECTION A: GENERAL FACILITY INFORMATION**A.1 Name of your facility:**

Cardone Industries, Inc.

A.2 Name of your parent company:

CARDONE Ind.

A.3 Facility contact person for the Performance Track program:

Name: Mr. Michael Atwood
Title: Mgr., Environmental Engineering
Phone: 1-215-912-3028
Fax: (215) 912-3810
Email: matwood@CARDONE.com

A.4 Facility location:**Facility Address**

Street Address: 5501 Whitaker Ave.
Address Cont:
City: Philadelphia
State: PA
Zip Code: 19124

If your facility has multiple street addresses, please list any other addresses for its sites or buildings:

5660 Rising Sun Ave. Philadelphia, PA 19120
321 Chew Ave. Philadelphia, PA 19120
550 E Erie Ave. Philadelphia, PA 19134
5500 Tabor Rd. Philadelphia, PA 19124

A.5 Facility's website address (if any):

<http://www.CARDONE.com>

A.6 Number of employees (full-time equivalents) who currently work in the facility:

More than 1,000

A.7 For the purposes of where your facility would be listed in our Member Directory, please list the North American Industrial Classification System (NAICS) Code(s) that is (are) used to classify business at the facility:

| Primary | Secondary | Tertiary | Quaternary | Quinary |
|---------|-----------|----------|------------|---------|
| 336322 | 33634 | 33635 | 33633 | 493110 |

A.8.a List the activities, products, or services that take place at your facility:

Cardone is a remanufacturer of over 40 different lines of automotive parts.

A.8.b Provide the size and general description of your site:

Cardone has four remanufacturing facilities and a distribution warehouse totaling about 2 million sq ft here in the City of Philadelphia.

A.9 Have the environmental requirements applicable to your facility changed during this reporting period?

No

A.10 Is your facility using any of the following Performance Track regulatory and/or administrative incentives?

SECTION B: ENVIRONMENTAL MANAGEMENT SYSTEM

B.1.a Is your facility certified to ISO 14001?

Yes

B.2 Performance Track members must have their EMS assessed by an independent party at least once every three years. Please indicate the details of the most recent independent assessment conducted at your facility. If your most recent independent assessment did not cover all EMS elements and business areas, please use the "Add Assessment" button to indicate the additional partial assessments.

Independent EMS Assessment #1

| | |
|--------------------------------------|---------------------------------|
| When was this EMS assessment? | January 2007 |
| What protocol was used? | ISO 14001 Standards Specify: |
| Who conducted the audit? | Name: Eugene Praschan |

| | |
|--|---|
| | Title: Independent Auditor Organization: NSF Int'l Strategic Registrations |
| Which EMS elements were included in the audit? | Policy, Planning, Implementation, Checking, Management |
| Did the assessment cover the entire facility or part of the facility? | Partial Facility |
| Which business areas were included in the audit? | Main Operations, Waste Management Facilities, Offices, Other Company Divisions or Product Lines On-site |

- B.3 EPA recommends that Performance Track members conduct an internal EMS assessment (partial or complete) every year. Did you conduct one in calendar year 2007?**

Yes

| | |
|--|--|
| Internal EMS Assessment #1 | |
| When was this EMS assessment? | December 2007 |
| Which EMS elements were included in the audit? | Policy, Planning, Implementation, Checking, Management |
| Did the assessment cover the entire facility or part of the facility? | Entire Facility |

- B.4 EPA recommends that Performance Track members conduct a regulatory compliance audit every year. Did your facility conduct any audits in calendar year 2007 to verify compliance with regulatory statutes?**

Yes

| | |
|--|---|
| Regulatory Compliance Audit #1 | |
| When was this regulatory compliance audit? | May 2007 |
| Which regulations were included in the audit? | Clean Air Act (CAA) Clean Water Act (CWA) Emergency Planning & Community Right-To-Know Act (EPCRA) National Pollutant Discharge Elimination System (NPDES) Resource Conservation and Recovery Act (RCRA) Superfund Amendments and Reauthorization Act/Comprehensive Environmental Response, Compensation and Liability Act (SARA/CERCLA) Underground Storage Tank (UST) Regulations |

- B.5 Note: Facility will be asked to report other audits and inspections in their 3rd reporting year.**

- B.6.a Has your facility corrected all instances of potential non-compliance and EMS non-conformance identified during your audits and other assessments?**

Yes

B.6.b Performance Track members should have a Senior Management Review of their EMS every year. D this review take place in calendar year 2007?

Yes

Who was the senior manager present at the review?

Name: Mr. Fred Vanstone

Title: President and C.O.O.

B.6.c Performance Track members should conduct a systematic identification and/or review of their environmental aspects at least once every two years. When was your last one conducted?

November 2007

SECTION C: ENVIRONMENTAL PERFORMANCE RESULTS

Goal 1: Cardone Industries, Inc.'s first goal is to reduce the facility's VOC emissions.

This is a challenge goal.

C.1.a Briefly describe your activities and achievements related to this goal or, if relevant, any circumstances that delayed progress this year.

This goal is focused on all VOC emissions from the facilities under Performance Track. They include everything from degreasing operations with mineral spirits, surface coating, aerosol cans and citrus k cleaners, to the VOC emissions from our natural gas fired processes. In 2007 we made some additic process changes and adjusted the VOC emission calculations for them resulting in about a 9% incre: over the established baseline. We are still focused on meeting the 2009 goal as we move forward.

C.1.b Describe the data collection process and data source(s) that you used to measure progress towards this goal.

We are required as part of our Title V air permit to complete a monthly rolling 12 calculation of VOC emissions for each facility. That is based on actual issues to the production floor and a mass balance calculation for each chemical product containing VOC using the information from our financial and M systems. The combustion calculations are part of the annual air emissions report required by the city Philadelphia.

C.1.c Please report your facility's actual performance.

| Performance Data | | | | | | |
|-----------------------------------|----------|--------|--------|--------|----------|-------|
| Calendar Year | Baseline | Year 1 | Year 2 | Year 3 | Perform. | |
| | 2006 | 2007 | 2008 | 2009 | Goal | Units |
| Actual Quantity (per year) | 130 | 141.66 | | | 100 | Tons |

C.1.d Normalized progress toward goal.

| | | | | | | |
|--|--|--|--|--|-----------------|--|
| | | | | | Perform. | |
|--|--|--|--|--|-----------------|--|

| Normalized Total | Baseline | Year 1 | Year 2 | Year 3 | Goal | Units |
|------------------------------------|---------------------------------|--------|--------|--------|------|-------|
| Normalizing Factor | 1.0 | .98 | | | | |
| Normalized Quantity | 130 | 144.55 | | | n/a | Tons |
| Basis for your Normalizing Factor: | Production units remanufactured | | | | | |

Goal 2: Cardone Industries, Inc.'s second goal is to reduce the facility's generation of hazardous waste, specifically solvent sludge.

C.2.a Briefly describe your activities and achievements related to this goal or, if relevant, any circumstances that delayed progress this year.

This is the sludge generated by the remaining solvent based processes. The process changes used reduce solvent use also in most cases allow us to treat this sludge as a non-hazardous waste and eliminate much of the processing a cost related to that category. This year we saw a spike in the sludge generated because we had to clean our 8,000 gallon UST for the solvent. That alone generated 22 d of sludge since the tank had not been cleaned since 2004. I expect the numbers to be more in line w our goals in 2008.

C.2.b Describe the data collection process and data source(s) that you used to measure progress towards this goal.

The data is based on the actual weights taken from our Hazardous Waste manifests when the sludge shipped.

C.2.c Please report your facility's actual performance.

| Performance Data | | | | | |
|--|----------|--------|--------|--------|--------|
| Waste Management Method | Baseline | Year 1 | Year 2 | Year 3 | Units |
| | 2006 | 2007 | 2008 | 2009 | |
| Other management Specify other: fuel recovery | 14,000 | 13,710 | | | Pounds |
| Landfill | 18,800 | 24,289 | | | Pounds |

C.2.d Summarized progress toward goal.

| Actual Total | Baseline | Year 1 | Year 2 | Year 3 | Perform. Goal | Units |
|-----------------------|----------|--------|--------|--------|---------------|-------|
| Total Hazardous Waste | 16.40 | 19.00 | | | n/a | Tons |

| Normalized Total | Baseline | Year 1 | Year 2 | Year 3 | Perform. Goal | Units |
|-----------------------|----------|--------|--------|--------|---------------|-------|
| Normalizing Factor | 1.0 | .98 | | | | |
| Total Hazardous Waste | 16.40 | 19.39 | | | 12.50 | Tons |

| | |
|---|---|
| Basis for your Normalizing Factor: | Number of production units remanufactured |
|---|---|

Goal 3: Cardone Industries, Inc.'s third goal is to reduce the facility's transportation energy use, specific diesel.

C.3.a Briefly describe your activities and achievements related to this goal or, if relevant, any circumstances that delayed progress this year.

The primary reduction tool is the addition of Auxiliary Power Units (APU) to 23 of our Over The Road tractor rigs. These units provide the power to heat, cool and provide electricity in the living area for the driver when the tractor is off the road. Using the small (average 14hp) APU instead of the main engine (average 400 hp) reduces the diesel fuel used along with the air emissions. The goal is to get the main engine idling (during driver rest periods) for these units down to 10%. For 2007 that number was reduced from 21.76% to 13.2%.

These diesel engines will also last longer because idling hours are the worst in terms of wear and tear. These units also improve the quality of life for the drivers and allows them to get a better nights rest in their home away from home which improves safety for everyone. A definite win win.

C.3.b Describe the data collection process and data source(s) that you used to measure progress towards this goal.

Data collection is based on the computer printouts taken monthly from each of the rigs as part of their maintenance and tracking data.

C.3.c Please report your facility's actual performance.

| Performance Data | | | | | | |
|-----------------------------------|----------|--------|--------|--------|---------------|---------|
| Calendar Year | Baseline | Year 1 | Year 2 | Year 3 | Perform. Goal | Units |
| | 2006 | 2007 | 2008 | 2009 | | |
| Actual Quantity (per year) | 10,200 | 5,221 | | | n/a | gallons |

C.3.d Normalized progress toward goal.

| Normalized Total | Baseline | Year 1 | Year 2 | Year 3 | Perform. Goal | Units |
|---|---------------------------------------|----------|--------|--------|---------------|---------|
| Normalizing Factor | 1.0 | 0.85 | | | | |
| Normalized Quantity | 10,200 | 6,142.35 | | | 7,500 | gallons |
| Basis for your Normalizing Factor: | Total engine hours driving and idling | | | | | |

Progress Towards Other Significant Aspects of your EMS

In the table below, please provide a narrative summary of progress made toward EMS objectives and targets or than those reported as Environmental Performance Goals. You may limit the summary to environmental aspect

are significant and towards which progress has been made during the reporting year.

Do you have additional environmental aspects to report? Yes

| Environmental Aspect | Progress Made This Year (e.g., quantitative or qualitative improvements, activities conducted) |
|---------------------------|---|
| Energy Use | At our warehouse facility our maintenance people have just finished installing 2007 new lighting that has increased the actual aisle illumination while reducing our electric consumption by 2 million KWh per year. |
| Hazardous waste shipments | While water based processes have helped reduce our VOC emissions, they create a waste stream that needs to be managed. A 20 week program of process analysis and chemical consolidation was completed in 2007 allowing to increase onsite recycling of these wastes resulting in a 25% reduction of shipments off site for treatment. |

SECTION D: PUBLIC OUTREACH AND PERFORMANCE REPORTING

D.1.a Please describe your process to identify potential community environmental concerns.

Cardone conducts on a monthly basis environmental audits of each of its' facilities. This includes not only the inside, but also the perimeter of the property to make sure that there are no issues, possibly as simple as a leak or more complicated and significant.

We also have a gentleman who, as the Director of Community and Gov't Relations is responsible to keep in touch with each of the private and public sectors that interact with our operations here in Philadelphia.

He personally communicates with them on a regular basis over the phone and by attending some of their regular community meetings. The key purpose is to let them know of any "visible" changes that Cardone may be making, and answer any questions (rumors) that may have come up in the neighborhood. This is where we live and we want them to be comfortable with us as a neighbor.

D.1.b If you identified community environmental concerns, how did you respond to them?

None identified

D.1.c Please describe how you informed the community about environmental matters related to your facility.

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D.2 Please indicate which of the following methods your facility plans to use to make its Performance Report available to the public. Please check all that apply.

Meetings, Press Releases, Web Site, Other

URL: <http://www.cardone.com>

Please Specify Other: Attendance periodically at their community meetings