

Waupaca Foundry, Inc.

2014

Sustainability Report



Economic, environmental, and social performance and impacts

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CEO Statement

We are pleased to share with you Waupaca Foundry Inc.'s inaugural public sustainability report. In fiscal year 2014 we reviewed our strategic initiatives and formalized our plan to address environmental, social, and economic challenges facing our industry. This report documents our collective contributions and plans forward.

Environmental sustainability has always been a core component of our business philosophy and central to how we operate our foundries. On an annual basis, over 75 percent of our metal comes from recycled materials and approximately 75 percent of our resulting sand by-product is reused for road and general construction, agricultural use, and geotechnical fill. Efficiently repurposing scrap metal into valuable products highlights not only our role as environmental stewards, but also as contributors to the economies of our local communities by providing skilled jobs, through training, and capital investment.

We recognize that our business is material and energy intensive and that we have a responsibility to manage our footprint efficiently. We also recognize the need to promote a safe work environment for our employees, who are vital to our success. We know that our workforce is drawn largely from our local communities and that our business success has a significant impact on those communities.

As part of our reporting process, we reviewed our sustainability goals, which already included aggressive targets for responsible materials, energy, air, and water management within our operations. We expanded an existing goal to screen our key suppliers for environmental compliance to promote our responsible procurement initiatives. Other initiatives moving forward include our

commitment to the health and safety of our employees, contractors, and visitors; our commitment to a positive economic impact on the communities in which we operate; and our ongoing investment in our employees to create and support career development opportunities.



Gary Gigante
Chief Executive Officer

CLICK TO LINK

The **numbers** found in the blue boxes shown throughout this report identify the standard disclosures and indicators associated with the GRI Aspects which we have determined to be material to our business. A list of these disclosures and indicators can also be found in the GRI Content Index found at the end of this report.



2014 was a year of change and new opportunity. In November 2014 Waupaca Foundry was acquired by **Hitachi Metals, Ltd.**, a world leader in material development and materials technology. We pride ourselves on the application of science to our business strategies. Investing in innovative technologies and a world-class workforce sets us apart in our industry. Working within the Hitachi Metals family of businesses will allow us to retain our



local presence while expanding our global reach. We are proud of this historic business move and look forward to an exciting future for our team members and our customers.

It was also a successful year, as we continued to expand our customer base and achieve record production volumes from the automotive industry. We've also seen the continued rise in commercial vehicle, construction, and other industrial markets, which we expect will continue to grow.

Just as we expect our own suppliers to act in an environmentally friendly and sustainable manner, we continue to work to meet the same expectations in our role as a supplier to our customers. We are proud to report that our efforts were recognized by our customers and

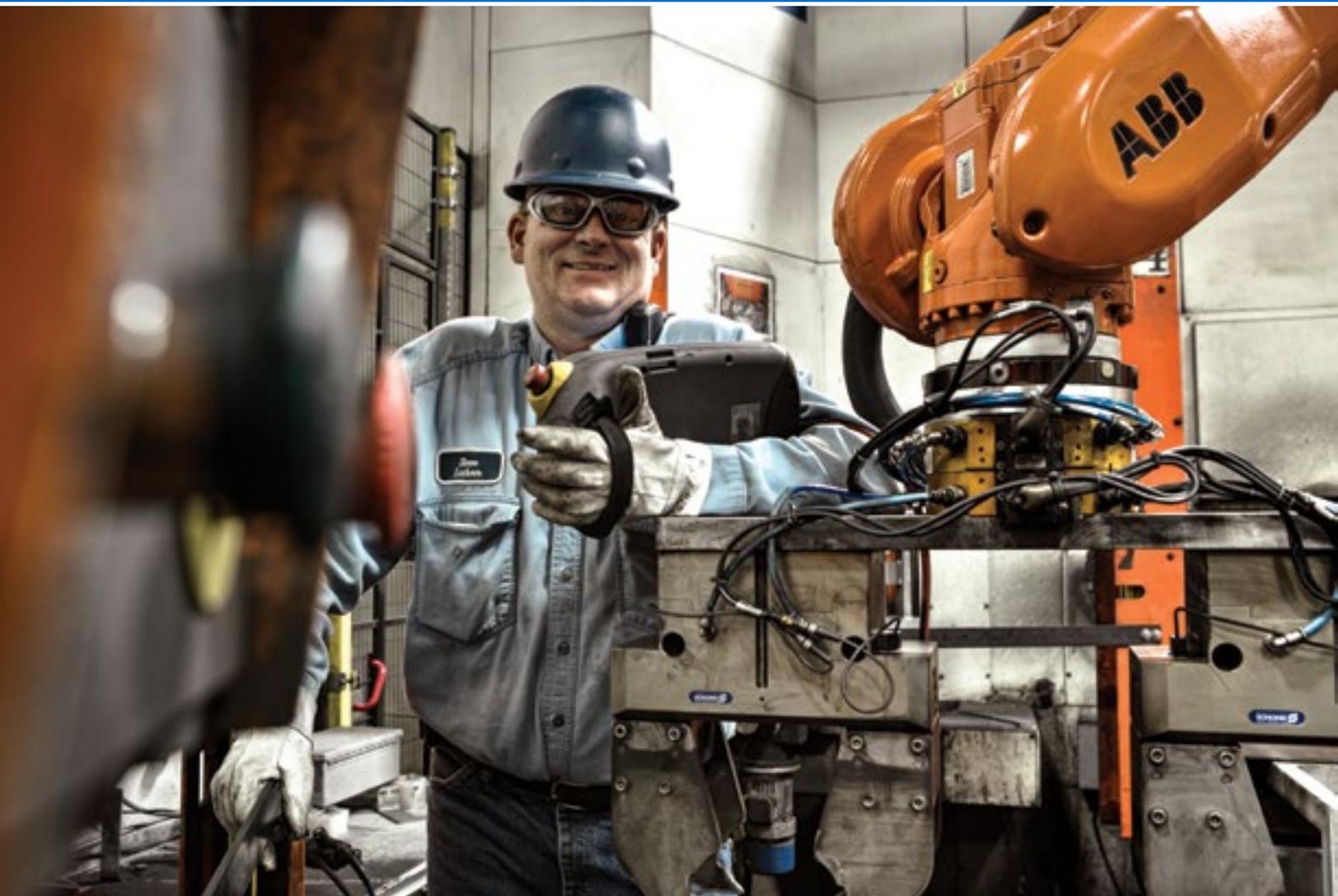
have been named TRW Automotive's "Partner in Sustainability" as well as being awarded an **environmental stewardship** award from Kawasaki Motors Manufacturing Corp.

We appreciate input and feedback on our sustainable business practices, our performance to date, and our reporting content and format. We encourage you to share your thoughts and send us your questions. And we look forward to feedback on this report as we seek to strengthen our engagement process and dialogue.

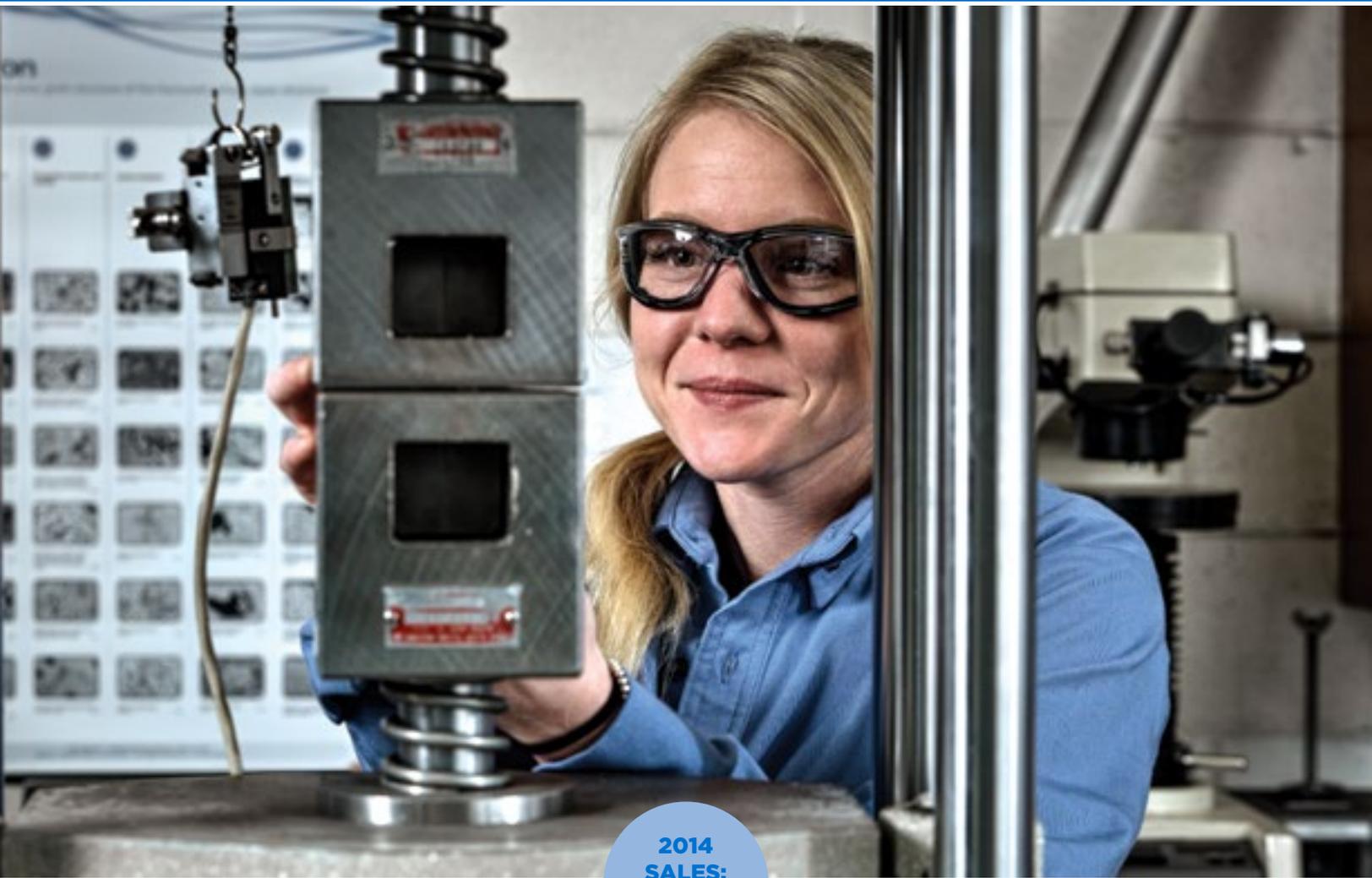
Points of Contact:

<http://www.waupacafoundry.com/EN/ContactUs/Pages/default.aspx>

WEB LINKS



Who We Are



**2014
SALES:
\$1.85
BILLION**

Who We Are

Waupaca Foundry, Inc., a Hitachi Metals Group company, is the largest producer of gray, ductile, austempered ductile, and compacted graphite iron in the world, melting more than 9,500 tons of metal and shipping 5,500 tons of finished castings per day. Our castings are produced using our custom built vertical green sand molding machines and created by a workforce of nearly 4,000 people that puts generations of expertise to work for our customers every day.

We provide a singular blend of stability and innovation, expertise and collaboration,

and the realization that we hold ourselves to higher standards because customers and employees depend on us. We pride ourselves on our technical expertise, providing castings for our customers that only we can produce, as a result of our extensive experience and consistent approach to the application of technology throughout our value chain.

G4-3 **G4-6**
G4-4 **G4-9**
G4-5

WEB LINKS

Historical Milestones

In August 2014, Hitachi Metals, Ltd. signed an agreement to acquire Waupaca Foundry from KPS Capital Partners, LP, a New York-based private equity firm. The closing of the sale took place November 11, 2014. Partnering with Hitachi Metals allows us to increase

our global reach while maintaining our local strength. We are excited for the opportunities this will bring for our employees, customers, and suppliers. While this opens a new chapter for us, our story is consistent with our **historical** roots going back over 100 years.

- **1871:** John Rosche started the Pioneer Foundry on the banks of the Waupaca River, just east of Main Street in the city of Waupaca, Wisconsin.
- **1955:** Assets of Pioneer Foundry were acquired and Waupaca Foundry, Inc. was established.
- **1957:** Waupaca Foundry cast truck brake drums, heavy truck axle parts, water- and air-cooled industrial equipment parts, wood and metal working equipment castings, electric motor housings, and parts for electric door openers. A 4-ton cupola with a 45-foot stack was constructed, operations were transferred to a new plant (now known as Plant 1), and the melting capacity increased to 30 tons per day.
- **1969:** An addition to the industrial park plant of Waupaca Foundry doubled iron casting production capacity at the plant and created what is known today as Plant 2/3.
- **1973:** Plant 4 was constructed in Marinette, Wisconsin.
- **1996:** Plant 5 was built in Tell City, Indiana.
- **1999:** The world's largest vertical sand molding machine at Plant 5 was installed. The machine was designed and built by Waupaca Foundry, and made it the largest non-captive iron foundry in the world.
- **2000:** Construction began on Plant 6, located in Etowah, Tennessee.
- **2002:** Waupaca Foundry changed its name to ThyssenKrupp Waupaca.
- **2012:** KPS Capital Partners acquired ThyssenKrupp Waupaca. Upon closing, the company was renamed Waupaca Foundry, Inc.
- **2014:** Hitachi Metals, Ltd. signs an agreement to purchase Waupaca Foundry from KPS Capital Partners.



Our Locations

Waupaca Foundry employs a staff of more than 200 at its headquarters in Waupaca, Wisconsin. Our six facilities

employ locally and deliver globally, serving a range of market sectors.



WAUPACA, WI (PLANT 1)

IRON TYPE: Gray iron

MELT CAPACITY: 90 tons per hour

NUMBER OF EMPLOYEES: 573

MARKETS SERVED: Agriculture, construction, commercial vehicle, material handling, hydraulics, power tool, and power transmission

PRODUCTS MANUFACTURED: Hydraulic housings, flywheels, weights, covers, brackets, turbo bearing housings, clutch housings, pulleys, and brake rotors



WAUPACA, WI (PLANT 2/3)

IRON TYPE: Gray iron

MELT CAPACITY: 120 tons per hour

NUMBER OF EMPLOYEES: 896 (combined)

MARKETS SERVED: Light vehicle, agriculture, commercial vehicle, construction, material handling, heating, power tools, power transmission, and infrastructure

PRODUCTS MANUFACTURED: Electric motor housings, boiler sections, transmission housings, brake rotors, flywheels, and bedplates



MARINETTE, WI (PLANT 4)

IRON TYPE: Ductile iron

MELT CAPACITY: 75 tons per hour

NUMBER OF EMPLOYEES: 754

MARKETS SERVED: Light vehicle, material handling, power transmission, agriculture, hydraulics, and commercial vehicle

PRODUCTS MANUFACTURED: Brake calipers, brake anchors, differential cases, bearing caps, slack adjusters, spring hangers, and steering housings



TELL CITY, IN (PLANT 5)

IRON TYPE: Gray iron, ductile iron, and compacted graphite

MELT CAPACITY: 160 tons per hour

NUMBER OF EMPLOYEES: 952

MARKETS SERVED: Light vehicle, commercial vehicle, agriculture, and construction

PRODUCTS MANUFACTURED: Brake rotors and drums, brake calipers, crankshafts, differential carriers, differential cases, and flywheel housings



ETOWAH, TN (PLANT 6)

IRON TYPE: Gray iron and ductile iron

MELT CAPACITY: 80 tons per hour

NUMBER OF EMPLOYEES: 509

MARKETS SERVED: Light vehicle, material handling, agriculture, construction, hydraulics, and commercial vehicle

PRODUCTS MANUFACTURED: Brake rotors, brake anchors, brake calipers, brake drums, and differential cases

Our Process and Technology

Our process begins with a mix of raw materials composed of a customized mix of metals, select alloys, and recycled scrap iron. The mixture varies based upon the needs of our customers and the type of casting that is produced. The metal mixture is melted in large furnaces at temperatures ranging from 2,600 to 2,800 degrees Fahrenheit. The molten iron is then poured into molds made out of sand. Cores, which are molded sand inserts, are used to create the interior surfaces of the casting. We use a variety of core making processes that give us flexibility in the complexity, size, weight, and dimensional control of our castings. As the castings travel down the molding line, the temperature gradually decreases and the castings enter a shakeout process to remove sand from the castings. The sand is reclaimed and recycled for reuse. The castings are then cleaned to remove residual sand and other molding media from the casting surface. The final step is to grind off any excess material left from the molding process in order to meet our customers' specifications.

We design and build our own casting equipment that helps prevent downtime and offers efficiency and customization to meet our customers' requirements. In some casting applications we even help reduce the need for multiple cast, fabricated or welded parts, thereby simplifying assemblies for our customers, as well as reducing their inventory costs. We apply cutting edge technology to reduce total overall manufacturing costs through innovative casting and core passage designs, waste reduction, and mass reduction of our products. The techniques used in our process allow us to design, engineer, and manufacture "World-Class" equipment and processes, superior to what is available to our customers from competing metal casting companies. Not only is our process cost competitive, it also improves casting

consistency and quality. Our nationwide locations and industry leadership ensure our customers get the service and the competitive pricing they deserve.



WAUPACA FOUNDRY MISSION

Waupaca Foundry produces iron castings, focusing on transportation, construction, agriculture, and industrial markets worldwide.

We embrace lean manufacturing techniques in all our facilities, and manage other value added services for our customers. Our customers' expectations are met through innovative technology, continuous improvement culture, and the efforts of our dedicated, motivated, highly-trained work force.

We maintain strong social and environmental commitments to our employees and communities, including: improvements sustained through GREEN initiatives, a well maintained and safe environment, and the encouragement of employees' personal growth through advancement and continuing education.

“
Our department genuinely embraces the philosophy of constant improvement and is passionate about designing, engineering, and manufacturing equipment to be used in our Foundries. I have visited scores of iron foundries in my 25+ years at Waupaca and it is rare for them to maintain the talent, experience, and resources to manufacture equipment for their own use, yet they all are able to identify the shortcomings of equip-

ment they buy from their OEM's. We overcome shortcomings – our equipment is safer, produces higher quality, and is faster, more reliable, and easier to maintain than equipment we can buy. That is a true advantage for us and the customers with whom we partner in the marketplace.

— Bob Jezwinski
Vice President of Engineering



Governance Structure

Our corporate governance framework ensures accountability, fairness, and transparency in our relationship with our stakeholders. Our sustainability program is overseen by a cross-functional Sustainability Committee, made up of representatives from all areas of our business.

Waupaca Foundry's Board of Directors consists of six directors who have four meetings throughout the year and report regularly to indirect parent company, Hitachi Metals, Ltd. The Board oversees several committees, including the Sustainability Committee. This initial Sustainability Report was initiated by the Board and

the contents were reviewed by the Board prior to publication. Primary leadership for sustainability implementation resides with the Environmental Coordinator who reports to the Executive Vice President of Human Resources, who serves as the executive sponsor of the Sustainability Committee along with the CEO. The Sustainability Committee was actively involved in the process for defining content to be included in this initial Sustainability Report.



The cross-functional Sustainability Team has proven a tremendous benefit to Waupaca Foundry's sustainability planning process. Having all aspects of the business working as one team has clarified our sustainability

vision, and allowed us to develop meaningful improvement to our sustainability efforts.

— John Wiesbrock
Executive Vice President, Supply Chain Management



Ethics and Integrity

Our code of conduct and compliance policies embody our commitment to ethics and integrity in business.

Our code of conduct guides us toward meeting the challenges of a global market while adhering to our principles of social responsibility. Waupaca Foundry is committed to respecting the fundamental rights laid down in the United Nations Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. Consistent with Principle 15 of The Rio Declaration on Environment and Development, Waupaca Foundry also supports the use of the precautionary principle in its approach to risk management in its strategic planning and policy implementation.

Our code of conduct emphasizes our commitment to the goals of sustainable development, aside from the company's economic performance, and also includes social benefits, resource consumption, jobs, and advanced training.

The Executive Board and Managing Board of Waupaca Foundry are responsible for the principles outlined in our code of conduct, including:

- Equal Opportunity
- Working Time and Vacation
- Remuneration
- Health, Safety, and Working Conditions
- Promotion of Vocational Training
- Right to Associate
- Forced and Child Labor

We are committed to ensuring that these principles are made known to customers and suppliers, and we encourage our customers and suppliers to consider corresponding principles in their own corporate policies.

Waupaca Foundry's code of conduct is available upon request.

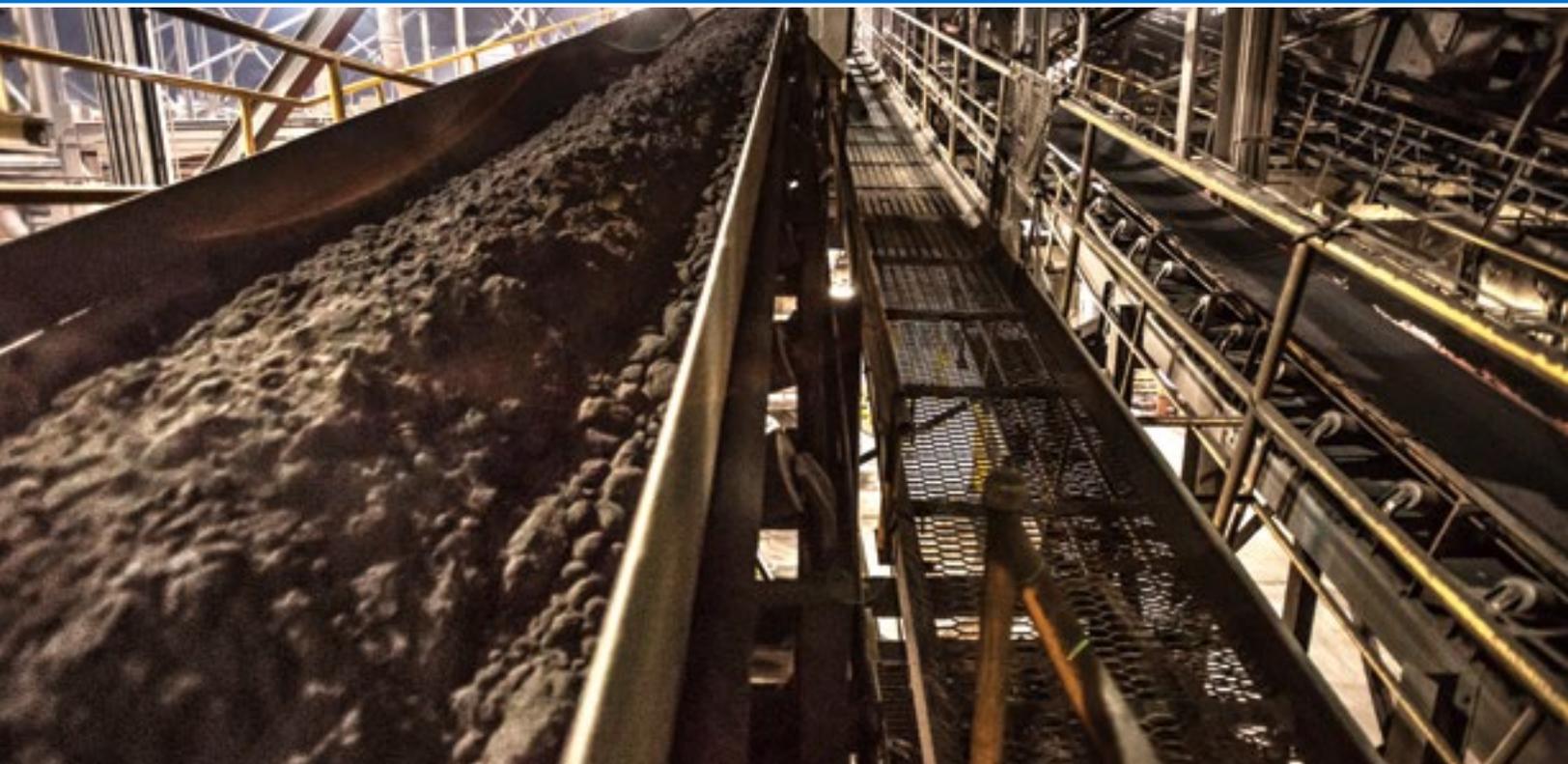
CODE OF CONDUCT

Violations are to be reported to Waupaca Foundry's legal department without delay.

All reported potential violations are reviewed and investigated by the legal department. The Board of Directors is informed after an initial investigation is completed.



Our Commitment to Sustainability



Sustainability

Sustainability has always been part of who we are. Foundries have long served as society's recyclers, and our industry provides value to society by diverting materials such as old iron castings and scrap steel from landfills, and instead using them as input materials in the melting process to create new products. Recycling old castings offers the net least environmental impact to remake another casting and reuse what is no longer being used for its original purpose. The use of steel scrap in charge mixes as an additional material helps to achieve the same goal. This recycling trend is not exclusive to iron foundries, but includes aluminum, copper, lead, and other metal foundry operations.

Along with the valuable benefits resulting from foundries' role as recyclers of scrap metals come a number of impacts associated with foundry processes. Regardless of the source of our input materials, melting metal requires large quantities of energy. Water is needed to

cool production speed equipment used in the foundry environment. Foundry operations also have the potential to generate large amounts of dust that can impact the atmosphere. Waste generated by foundries includes large volumes of foundry sand from the molding and casting process. Just as we do with our products, Waupaca Foundry's approach is to apply science and our technological expertise to address these impacts, as described in the following sections of this report.

To focus these and other sustainability efforts under a cohesive, structured initiative, we formed a Sustainability Committee in 2014. The Sustainability Committee worked through a formal process to identify the issues that were material to our business, identify our key stakeholders, and develop objectives and targets that support our overall sustainability vision. These efforts are described in more detail on the next page.

Materiality Assessment

The Sustainability Committee conducted a materiality assessment to formally define the issues important to us and our stakeholders. We rated each of the aspects using the six evaluation criterion below and ranked the aspects by average weighted materiality score:

- Financial Implications
- Legal/Regulatory/Policy Implications
- Established Industry Norms
- Relevance to Stakeholders
- Opportunity for Innovation
- Forward-Looking Adjustment for Future Risk/Opportunity

The team then used this ranking to evaluate appropriate targets for disclosure and performance improvements. In setting objectives and targets, the team reviewed the availability and quality of current data

to assess the ability to improve disclosure, as well as the complexity of the effort required to improve performance. Evaluation criteria for the material aspects were aligned with the Sustainability Accounting Standards Board's (SASB) materiality assessment criteria (www.sasb.org) and results of the materiality assessment align with our internal Enterprise Risk Assessment outcomes. Our assessment process provides a means to periodically evaluate our focus areas and allows us to concentrate on those areas of greatest concern to our stakeholders and with greatest impact on our business. All material aspects apply to all of our business units to some degree.



WHAT IS A MATERIALITY ASSESSMENT?

A materiality assessment is an exercise designed to gather insight on the relative importance of specific economic, environmental, social, and governance issues within the organization's boundary for a given time period.

An organization should report sustainability issues that cause the most impact within these areas, as well as those considered most important by its internal and external stakeholders.

The materiality assessment is the process of determining these material issues, and their impact on internal and external stakeholders.

Materiality Assessment



MATERIAL ASPECTS (GRI G4)

- A Economic Performance
- B Market Presence
- C Indirect Economic Impacts
- D Procurement Practices
- E Materials
- F Energy
- G Water
- H Biodiversity
- I Emissions
- J Effluents and Waste
- K Products and Services (Environmental)
- L Compliance (Environmental)
- M Transport
- N Overall (Environmental)
- O Supplier Environmental Assessment
- P Environmental Grievance Mechanisms
- Q Employment
- R Labor/Management Relations
- S Occupational Health and Safety
- T Training and Education
- U Diversity and Equal Opportunity
- V Equal Remuneration for Men and Women
- W Supplier Assessment for Labor Practices
- X Labor Practices Grievance Mechanisms
- Y Investment
- Z Non-discrimination
- AA Freedom of Association and Collective Bargaining
- AB Child Labor
- AC Forced and Compulsory Labor
- AD Security Practices
- AE Indigenous Rights
- AF Assessment (Human Rights Review and/or Impact Assessment)
- AG Supplier Human Rights Assessment
- AH Human Rights Grievances and Resolution
- AI Local Communities
- AJ Anti-Corruption
- AK Public Policy (Political Involvement)
- AL Anti-Competitive Behavior
- AM Compliance (Social)
- AN Supplier Assessment for Impacts on Society
- AO Grievance Mechanisms for Impacts on Society
- AP Customer Health and Safety
- AQ Product and Service Labeling
- AR Marketing Communications
- AS Customer Privacy
- AT Compliance (Products and Services)
- AU Quality
- AV Logistics
- AW Research and Development
- AX Future Technology Development

Based on our materiality assessment, we identified the following material aspects for our business, which form the basis for our report content and performance metrics:

ENVIRONMENTAL

- Materials
- Energy
- Emissions
- Effluents and Waste
- Supplier Environmental Assessments
- Water
- Overall (Environmental)
- Transport/Logistics
- Products and Services (Environmental)

SOCIAL

- Employment
- Occupation Health and Safety
- Training and Education
- Legal Compliance
- Marketing

ECONOMIC

- Economic Performance
- Indirect Economic Impacts
- Procurement Practices
- Quality



Stakeholder Engagement

The Sustainability Committee also worked through a systematic process to identify and prioritize stakeholders, and evaluate the significance of aspects against criteria that supported the business mission and objectives.

Evaluation Criteria for mapping and assessing stakeholder prioritization were:

- Influence and Decision-Making Power
- Credibility
- Willingness to Engage
- Proximity and Duration of Relationships
- Contribution Value

Our stakeholder evaluation included benchmarking of key customers and competitors to better understand issues of importance and industry norms.

Our participation in industry trade groups such as the American Foundry Society (AFS), Foundry Educational Foundation (FEF), and Wisconsin Manufacturers & Commerce

(WMC) also informed our process. For example, Waupaca Foundry staff participate in Solid Waste and Air Quality technical committees through AFS that develop and share best practices amongst AFS members for managing solid waste and protecting air quality. We are also involved in AFS's efforts to explore ideas on how foundries can operate in a more sustainable manner in the future.

We recognize additional opportunities in the area of stakeholder engagement and will



continue our efforts to better understand and incorporate our stakeholders' views into our sustainability initiatives and reporting.

The Sustainability Committee identified opportunities with Employees and their families,

Customers, and our Suppliers as primary areas of focus and we will be maintaining or initiating a number of engagement strategies to solicit views from these stakeholder groups, as shown in the following table.

STAKEHOLDER GROUPS	ENGAGEMENT STRATEGIES
Current Employees	<ul style="list-style-type: none"> • Open door policy • Employee engagement surveys • Key group and lead group meetings • Biannual planning meeting • Company newsletter and newspaper (Foundry News) • E portal • Employee wellness program • Kaizen program • Behavior based safety, including safety suggestion and near miss reporting
Employees' Families and Dependents, and Retirees	<ul style="list-style-type: none"> • Company functions (picnics, parade, etc.) • Company newsletter and newspaper (Foundry News) • Summer help program • Hiring back retirees as consultants
Prospective Employees	<ul style="list-style-type: none"> • Job fairs • College industry conference (Foundry Educational Foundation) • Plant tours and visits from educational institutions • Scholarships and local college investment
Customers	<ul style="list-style-type: none"> • Electronic newsletter (PartingLINE) • Customer surveys • Foundry 101 • In-house visits • Value analysis/Value engineering • Trade show participation • Code of conduct and compliance policies published
Suppliers	<ul style="list-style-type: none"> • Code of conduct and compliance policies published • Supplier assessments

Using our materiality assessment and our stakeholder mapping results, our committee established comprehensive performance improvement objectives and targets for our

company. Our management approach and performance indicators for 2014 are outlined in the following sections of this report.

MATERIAL ASPECT (GRI G4)	OBJECTIVES	TARGETS (Fiscal 2014 Baseline Year Unless Otherwise Noted)
Indirect Economic Impacts	To be a positive economic impact on the communities in which we operate.	Provide and support educational opportunities to local citizens including direct funding to schools, internships, student employment opportunities, and scholarships. Provide competitive compensation which supports the employees' families and in turn other community businesses (as compared to available external compensation reports).
Materials	Develop and promote the reduction in the use of (formerly) non-recyclable raw materials.	Completion of a feasibility study in fiscal 2015 to determine the reduction opportunities for new clay and sand via reclamation system technologies. Completion of a feasibility study in fiscal 2015 to determine melt system modification strategies to reduce the coke to melt usage ratio.
Energy	Facilitate energy use reductions in Waupaca Foundry Operations.	Reduce energy use by 25 percent over the next 10 years, using fiscal 2009 energy use as the baseline (mmBtu/ton of iron shipped).
Emissions	Promote alternative processes and maintain state-of-the-art pollution control technologies.	Maintain air pollution control systems considered as "best available" by the U.S. Environmental Protection Agency and associated state regulatory agencies for all processes regardless of the original installation date.
Effluents and Waste	Reduce spent foundry sand generation while promoting offsite reuse/recycling opportunities of remaining spent foundry materials to achieve zero landfill disposal.	Reduce spent foundry sand generation by 30 percent in 10 years (baseline 2010) (tons). Investigate the feasibility of developing alternative uses for remaining foundry byproducts by Calendar 2020.
Water	Facilitate water use reductions in Waupaca Foundry Operations.	Reduce water use consumption by 80 percent in 10 years (baseline 2010) (gallons).
Environmental Compliance	Identify and maintain compliance to legal and other requirements to which the organization subscribes and that are applicable to the environmental aspects of its activities, products, and services.	Maintain the organizational commitment to ongoing compliance with no receipt of violations, fines, or sanctions.

MATERIAL ASPECT (GRI G4)	OBJECTIVES	TARGETS (Fiscal 2014 Baseline Year Unless Otherwise Noted)
Supplier Environmental Assessment	Ensure environmental compliance and promote environmental stewardship and sustainability throughout the supply chain.	Rank and initiate the assessment of the top 25 significant suppliers (representing 70 percent total spend) in Fiscal 2015.
Occupational H&S	Prevent health and safety incidents for employees, contractors, and visitors.	Achieve a consolidated Total Recordable Injury Rate (TRIR) of 2.0 or less in fiscal 2019. Achieve a consolidated Days Away, Restricted or Transferred (DART) rate of 1.0 or less in fiscal 2019.
Training and Education	Create and support career development opportunities for employees' personal growth.	Maintain 100 percent tuition reimbursement for Waupaca Foundry employees' continuing education (within company guidelines). Maintain 100 percent of Waupaca Foundry employees receiving career training each year (training required to perform their specific job requirements and/or developmental training for future growth). Achieve Six Sigma or related training for 90 percent of the workforce by December 31, 2017 (Kaizen/Green belt). Provide leadership training to 100 percent of the employees in leadership positions by December 31, 2015. Foster and maintain a 50 percent or greater total promotion rate for management level positions from internal employees (currently 53 percent of the Waupaca Foundry management team are employees that have been promoted from within the company).
Advanced Materials	Develop and promote high strength materials to facilitate light weight casting designs.	Support university Advanced Materials Enterprise (AME)* initiatives to facilitate the development of a fatigue live and physical property database representing three grades of high strength ductile iron in fiscal 2015. *As an additional benefit, database development by AME programs are promoted to foster the development of educated casting design engineers and future industry talent. Support the Hitachi Metals Soken Laboratory for advanced material and casting process development through intellectual property and human resource exchange.

Operational Excellence



Economic Performance

Waupaca Foundry aims to be a positive economic impact on the communities in which we operate. We do this by providing and supporting educational opportunities to local citizens through direct funding of schools, internships, student employment opportunities, scholarships, and other means.

As significant employers in the communities in which we operate, we provide competitive compensation, which supports the families of employees as well as local community businesses. For example, a 2013 economic impact study by the University of

Wisconsin Extension reported that \$82.5 million in direct labor income was generated to Waupaca County, Wisconsin, where three of our foundries are located. In addition to direct labor, Waupaca Foundry also purchased more than \$250 million in goods and services from local businesses. Combined with indirect employee wages and non-wage expenditures, Waupaca Foundry accounts for 10.4 percent of the total income of Waupaca County.



WEB LINKS

G4-EC8

Products and Markets Served

Waupaca Foundry produces iron castings for the transportation, construction, agriculture, and industrial markets. We are highly diversified, producing 5,000 part numbers from 350 product categories. Our products include brake rotors and drums, brake calipers and anchors, differential cases and carriers, crankshafts, various housings, hubs, flywheels, boiler sections, and covers to name a few. Nearly three quarters of all North American sourced brake rotors are made by Waupaca Foundry. And, a single tractor can have more than 75 iron castings made by Waupaca Foundry.

**LOCATED IN THE
U.S. MIDWEST AND SOUTH,
OUR FOUNDRIES SERVE THE
FOLLOWING MARKETS:**

- Agriculture
- Construction
- Infrastructure
- Commercial Vehicle
- Light Truck and Passenger Car
- Material Handling
- Hydraulics
- Power Tools
- Power Transmission
- Heating, Ventilation, and AC Equipment



WEB LINKS

G4-8

Development of Advanced Materials

Waupaca Foundry is using technology to advance, investigate, and develop alternate and/or revised materials for lightweighting initiatives. By supporting university-based Advanced Materials Enterprise (AME) initiatives and internal laboratories, Waupaca Foundry works to facilitate the development of material databases containing physical and mechanical properties for grades of high strength gray and ductile iron. We strive to advance the technology of higher performance and lighter weight components using modern computer aided engineering and other state-of-the-art metalcasting process improvements.

Waupaca Foundry supports AME initiatives at universities throughout the United States. Activities not only foster advanced material and process advancement, but serve as hands-on educational opportunities for new engineering students wanting to pursue a career in the metalcasting industry.

Commitment to Quality

We believe our customers deserve the best quality, on time, at a competitive price. Many of the products we make, such as brake components, are safety critical and demand high quality. We understand and meet or exceed the strict standards and requirements of our customers, stakeholders, and government agencies, and accountability lies with all members of the organization through understanding their roles in supporting quality and customer satisfaction. We maintain company-wide certifications to the ISO 9001 and ISO/TS 16949 international quality standards, and our manufacturing and inspection processes ensure customers have the highest quality castings in the industry.

We pride ourselves on the way we apply science to our product design and manufacturing processes. From our top leaders to our manufacturing teams, metallurgists are involved in controlling process consistency and continuously improving our technology. We have developed proprietary processes and customized equipment to monitor iron temperature,

additives, and casting materials down to a hyper-detailed level, which ensures that our products are consistently durable and reliable.

Other examples of our technology, including digital imaging, robotic core production, and automated iron pouring, allow us to increase efficiency while maintaining quality and reducing production costs.

In conjunction with these efforts, our research and development team is tasked with developing and promoting high strength materials to facilitate lightweight casting designs and other uses of advanced materials. The initial stage of research and development for all new product materials includes consideration for performance, product safety, and regulatory aspects of our products.

We create educated, informed buyers via our customized training events and technical road shows. Through our unique Foundry 101 industry initiative we share how Waupaca Foundry improves total casting manufacturing cost with our custom built equipment along with casting design and engineering support.



This program gives participants a solid idea of what it takes to make a high-quality casting. It is aimed at casting buyers, purchasing departments, and design engineers that want to increase their knowledge or get a better look at what makes a quality casting. These one-day seminars and online resources cover foundry terms, techniques, and technology used in the casting process, such as the vertical green sand mold process, solidification modeling, and melting and metallurgy. As a result, attendees will be armed with the knowledge to make more informed buying decisions and incorporate what they have learned into future designs, as well as answer any questions their customers, supervisors, and coworkers might have about metallurgy, foundry processes, and the production of iron castings.

COMPANY-WIDE CERTIFICATIONS



A CUSTOMER'S FEEDBACK ON FOUNDRY 101



It was a great training/tour yesterday to actually see how parts are made at your facility. It helped us understand how a small difference in part design would impact the casting process, cost, and quality. I was

impressed by the professionalism and knowledge of the presenters.

— Carls Chua
Project Engineer,
Hendrickson Truck Commercial Vehicle Systems



Responsible Procurement

Waupaca Foundry's procurement strategy seeks to purchase products and services with high quality and competitive costs through better purchasing processes, and, dealing with all of our suppliers with trust, respect, ethics, honesty and integrity. Waupaca Foundry values the long-term relationships we have established with our strategic suppliers, many of which go back 30 years or more.

Our supply chain for raw materials is global and diverse. Waupaca's supply chain management organization structure includes procurement, order fulfilment, and new product delivery processes and teams. The role of the procurement teams is to centrally manage all sourcing and buying decisions to leverage costs across the organization while also ensuring that these decisions adhere to established controls and procedures. Logistics, supplier development, and supplier quality are also the responsibility of the procurement teams.

Purchased cost reduction processes are also led by the supply chain management team, including implementing alternative melt materials, supplier consigned inventories, just-in-time deliveries, and strategic sourcing initiatives.

We also seek to mitigate risks through the utilization of multiple methods for tracking incoming materials with longer lead and logistic times by product. Several logistical solutions are used for incoming materials, including trucking, rail, and water vessel transport. Critical components routinely ship via two transportation methods in order to reduce risk. For example, foundry coke and sand are delivered by both truck and rail on a weekly basis in order to ensure an uninterrupted flow of key materials. Where feasible, we have also established alternate supply sources on a local and regional basis that can be used as potential contingency sources if needed.

In addition to managing risks associated with our supply chain, a primary objective is to ensure environmental compliance and promote environmental stewardship and social

QUALITY EXAMPLES

In May 2014, our foundry in Tell City, Indiana, won supplier of the year for 2013 from American Valve & Hydrant. This award is based on delivery performance and the percentage of high quality product received. WFI's on-time delivery was 100 percent and our product quality rating was 99.97 percent.

Waupaca Foundry's Marinette, Wisconsin plant was recognized by Nissin Brake as its **most improved supplier** at Nissin's 2014 supplier conference for overall improvements to delivery, quality, and VA/VE.

responsibility throughout the supply chain. In support of these efforts, we have set a fiscal 2015 goal to rank and initiate an expanded screening of our top 25 significant suppliers for key environmental criteria. This group represents 70 percent of our total annual spend.

As a privately held company, Waupaca Foundry was not subject to the U.S. Security and Exchange Commission's Dodd-Frank Wall Street Reform and Consumer Protection Act in 2014. This act regulates the use of conflict minerals, which are mined in conditions of armed conflict and human rights abuses, notably in the eastern provinces of the Democratic Republic of the Congo. Due to the importance of this issue to both WFI and our customers, Waupaca Foundry pursues the following regarding conflict minerals:



CONFLICT MINERALS POLICY STATEMENT

Waupaca Foundry, Inc. is committed to sourcing raw materials and components from companies that share our values with regard to human rights, ethics, and environmental responsibility. We expect all of our suppliers to abide by the requirements of our code of conduct, which prohibits human rights abuses and unethical practices. We also require all suppliers to comply with all applicable legal standards and requirements.

On August 22, 2012, the U.S. Securities and Exchange Commission (“SEC”) issued the final conflict minerals rule under section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Conflict Minerals Rule”). The Conflict Minerals Rule requires publicly traded companies to report annually the presence of conflict minerals (tin, tungsten, tantalum, and gold, or “3TG”) originating in the Democratic Republic of the Congo and adjoining countries (“Covered Countries”).

Waupaca Foundry supports the goal of ending violence, human rights violations, and environmental devastation in the Covered Countries. We are committed to complying with any requirements applicable to our Company under the Conflict Minerals Rule.

Waupaca Foundry will assist our customers in implementing their conflict minerals programs. We strive to work cooperatively with our customers and supply chain partners in implementing conflict minerals compliance programs.

Waupaca Foundry requires our suppliers to provide us with complete conflict minerals declarations. We may reconsider our willingness to partner with suppliers that fail to comply with this policy.



For nearly 60 years, Waupaca Foundry has been humbly supporting the communities in which we do business. From educational backing and scholarship funding to emergency response support,

event sponsorship and community beautification, we're there.

— Joey Leonard
Executive Vice President, Human Resources

Investing in Our Communities

We support the communities in which we do business in a variety of ways, including:

- Donating equipment to schools and universities
- Supporting volunteer fire, rescue, and EMS departments in a variety of communities
- Participating in leadership roles in a variety of business, civic, and environmental organizations
- Sponsoring charities, non-profit organizations, events, and fundraisers

In 2014 we hosted a business symposium aimed at hiring and retaining veterans at our Marinette, Wisconsin foundry. The symposium's goal was to prepare Wisconsin employers to be in a position to hire returning service men and women and develop programs to integrate them into the workforce. At Waupaca Foundry, approximately 11 percent of our workforce are veterans. Not only does this provide

employment opportunities for the residents in our local communities, but we value the discipline and attention to detail that comes as a result of military service.

We also look for opportunities to give back to the local communities in other ways, including donating spent foundry sand and slag that can be used as a low cost building material. Metal chunks and other debris are screened out of the sand, converting it into a material that can be used for road construction, agricultural uses such as animal bedding, landfill cover, or even in concrete products and asphalt. Reused foundry sand contains up to 15 percent clay. When compacted, it can be used in landfill construction to prevent environmental contamination and waste runoff, ensuring our soil, groundwater, and surface water are protected.



CONTRIBUTING TO COMMUNITY EMERGENCY SERVICES

Our byproducts were used to level the area in front of our Tell City, Indiana foundry and expand the parking lot. In addition to saving time, money, and reducing waste by using materials that came directly from the foundry, this gave us an opportunity to give back to our community by adding a helipad for use by the community's emergency helicopter medevac, which did not have a dedicated landing site for the community.

CONTRIBUTING TO COMMUNITY FINE ARTS

One doesn't necessarily associate "Waupaca Foundry" with "fine arts," but visitors to Waupaca's South Park might do just that when they see a new sculpture on display.

The 2013 Arts on the Square project, "Tell Your Story in the Tiles," yielded 216 iron tiles created by community members with the assistance of artists and Waupaca Foundry employees. The solution for what to do with these tiles was part of a year-long collaboration between Waupaca Foundry, the Community Arts Board, and the Waupaca Parks Department.

Waupaca Foundry and the Community Arts Board met several times throughout the year. After weighing options as to where and how the tiles could be used, the group decided that the pieces should be given back to the community in the form of a sculpture. Waupaca Foundry, represented by Michael Hemmila, assistant maintenance manager, took charge of the structural design. Hemmila developed a circular design with the tiles bolted onto a cylinder of stainless steel rolled rings.

Hemmila said they took into consideration the varied thicknesses of the tiles and the equal importance of each one, and determined that a cylinder would be the best way to connect the pieces. The structure would also be accessible for handicapped viewers since it would sit on a slab of concrete and be slightly raised from the ground. A poem scripted in cut out letters surrounds the top of the piece. The collaborative, community art project was completed and installed at the City of Waupaca's South Park in September of 2014.



CONTRIBUTING TO COMMUNITY RECREATION

With the generally flat topography of Waupaca, Wisconsin, it's not easy to find a good place for sledding in the winter. Thanks to the involvement of Waupaca Foundry, several construction partners and the City of Waupaca, residents now have improved access to the Swan Park Recreation Facility. This project will give families the opportunity to enjoy a new, 42-foot-high sledding hill (now complete) and ice skating rink in the winter, hiking trails and basketball courts, and an amphitheater in the summer.

The initiative kicked off in February 2012, when Waupaca Foundry's three Waupaca-area foundries agreed to donate approximately 200,000 cubic yards of foundry by-products to facilitate the facility's construction. Our foundry sand and slag was used as an unconfined geotechnical fill, in lieu of natively mined construction materials. Not only did the fill come at no cost to the city, it also provides a reduction in landfill and mining dependence.



Remembrance Rescue Project

Employees at our Marinette, Wisconsin foundry manufactured a specialty order of ductile iron torque plates that were used to restore and preserve the former Rescue 4 and Rescue 5 vehicles of the Fire Department of New York. These vehicles are used by the nonprofit Remembrance Rescue Project as mobile memorials and historical artifacts to educate and honor the events of the World Trade Center attacks on September 11, 2001, as well as

all firefighters lost in the line of duty each year. Waupaca Foundry manufactured the braking components for its customer, Meritor Inc., a global supplier of drivetrain, mobility, braking, and aftermarket products for commercial vehicle and industrial markets. Meritor serves as a Preservation Partner for the Remembrance Rescue Project, providing replacement parts for vehicles as well as financial contributions to keep the vehicles in operation.



Waupaca Foundry employees and volunteer firefighters helped to make the ductile iron torque plates used to refurbish decommissioned rescue vehicles. Left to right: Kris Heidbrier, Grover/Porterfield Fire Dept., Jim Sanborn, Town of Lake Fire Dept., Denis Cayemberg, Town of Lake Fire Dept., Spencer Wortner, Grover/Porterfield Fire Dept., and Craig Caylor, Town of Lake Fire Dept.

Environmental Stewardship



Environmental Stewardship

At Waupaca Foundry, everyone is responsible for Environmental, Health, and Safety (EHS). Continual improvement in EHS performance is integral to our culture. All of our plants are certified to OHSAS 18001 and ISO 14001, and we use these management systems' frameworks to support achievement of our

sustainability goals. See our Occupational Health and Safety section for more information on how we are managing those issues at our facilities.



WEB LINKS

G4-EN1
G4-EN2

Material Usage and Production Material Efficiency

In 2014, more than 2,628,000 tons of material were melted and over 1,460,000 tons of finished castings were shipped to our customers. Approximately 75 percent of the materials used in our melt process come from recycled materials, with the remaining 25 percent coming from non-recycled materials. Along with the metal raw material, Waupaca Foundry also used 216,502 tons of coke in the melt process.

Derived from coal, coke is a carbonaceous material that provides energy and a carbon addition source used to melt metal and create cast iron.

One of our goals for 2015 is to conduct a feasibility study to identify and evaluate melt system modification strategies to reduce the coke to melt usage ratio, saving us money spent on raw materials while also reducing

our energy consumption and associated greenhouse gas emissions. We continually look for opportunities to incorporate alternative recycled materials into our process, such as using shredded steel, direct reduced iron fines, and oil filters. This includes identifying recycled materials that were previously not able to be recycled. Use of the new alternatives will keep these materials out of landfills while also providing us with new raw material sources.

The sand used to make the cores and molds in casting metal parts is another significant material used in our process. We look to reclaim and reuse the sand to the extent possible, and we estimate that each grain of sand is used approximately 50 times before it is no longer able to be used to create quality castings. A second feasibility study

is planned for 2015 in order to determine reduction opportunities for new clay and sand reclamation system technologies. By using less sand in our process we can reduce the amount of sand that must be landfilled.

KEY INPUT MATERIALS USED IN 2014

MATERIAL	TOTAL TONS USED
Steel Scrap	991,886
Pig Iron	277,835
Cast	183,453
Silicon Carbide	55,659
Coke	216,502
Sand	375,000
Core Resins	20,000
Alloys	75,000
Bond	175,000

Energy Use

It takes a large amount of energy to melt metals and run our operations, including natural gas, electricity, and coke. We used 854,000 megawatts (MW) of electricity in 2014. Our combined energy consumption from coke, natural gas, and electricity was over 15,800,000 million British thermal units (mmBtu). We also track our energy consumption per ton of product shipped so

we can capture gains in energy efficiency that may occur even as our overall energy increases due to higher production rates. Our consolidated energy intensity was 10.82 mmBtu/ton of product shipped for 2014.



WAUPACA FOUNDRY EARNS ENVIRONMENTAL AWARDS

On May 1, 2014, Kawasaki Motors Manufacturing Corp., located in Maryville, Missouri, awarded Waupaca Foundry the environmental award at its annual supplier conference. Since 2004, Waupaca Foundry has implemented significant energy conservation programs.

The environmental award was presented to two Waupaca Foundry plants: one located in Waupaca, Wisconsin, which produces gray iron castings, and one located in Marinette, Wisconsin, which produces ductile iron castings.



Shown here with the award from left to right: Kawasaki Assistant to President, Production Control, Production Planning and Purchasing Yasuhiro Ikeshita, Kawasaki Assistant Manager of Purchasing Curt Jeter, Waupaca Foundry Account Manager Karl Jaeger, Kawasaki President Masanobu Kurushima, and Kawasaki Vice President and Plant Manager Steve Bratt.

TRW Automotive, a global supplier of automotive components, named WFI its “Partner in Sustainability” at its annual Global Supplier Conference on October 22, 2014. This recognition came as a result of WFI’s collaboration with TRW Automotive on a sustainability assessment of its supply chain using the Automotive Industry Action Group’s Sustainability Self-assessment format among other tools. TRW Automotive recognized WFI for its efforts related to environmental protection and compliance, human rights, corporate compliance and ethics, and health and safety programs.

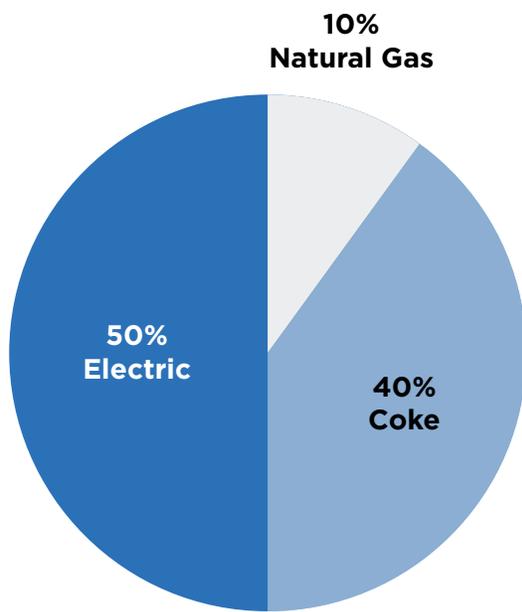


Shown here with the award from left to right: TRW Vice President of Purchasing Jerome Dorlack, Waupaca Foundry Executive Vice President of Sales & Marketing Kris Pfaehler, Waupaca Foundry Director of Automotive Sales Richard Scherkenbach, and TRW Global Director of Purchasing Castings Clive Spackman.

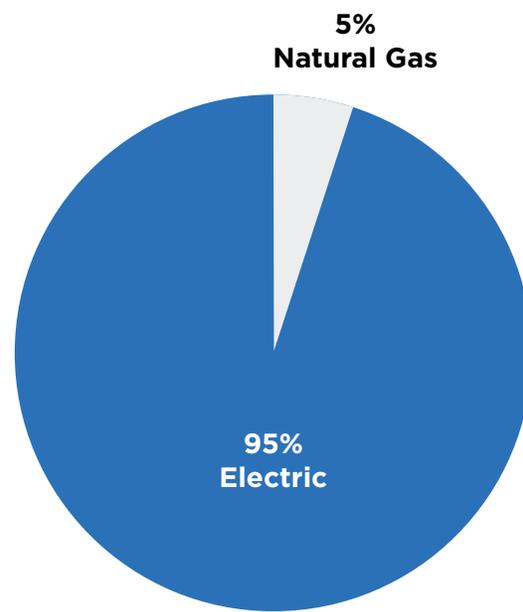
Energy savings have a direct effect on our bottom line, and Waupaca Foundry has set a target of reducing energy intensity (measured in mmBtu/ton of product shipped) by 25 percent by 2020. We participate in the **Better Plants** program, which is a U.S. Department of Energy initiative designed to foster energy efficiency and long-term sustainability. Waupaca Foundry has implemented a number of energy use reduction strategies as part of our energy reduction initiative. Since 2004, significant energy conservation programs have been implemented, including using foundry process waste heat for building/hot water heating, installing energy efficient lighting, and the widespread use of premium high efficiency motors.

For example, lighting upgrades at our Marinette, Wisconsin foundry have replaced traditional light fixtures, which drew 1,000 watts each, with LED fixtures which only draw 172 watts each. At Plant 1, located in Waupaca, Wisconsin, we have used heat from the cupola iron-melting process to provide approximately 70 percent of the plant’s space heating requirements for a typical winter, as well as heat for 100 percent of the plant’s hot water needs. Historically, this “waste heat” was released into the atmosphere to lower melt system temperatures prior to air pollution control equipment. The project was able to achieve a return on investment (ROI) of just two years.

Energy Consumption by Type



CUPOLA MELT



ELECTRIC FURNACE MELT

Emissions

AIR EMISSIONS

Foundry processes generate dust, sand, and other particles resulting from the molding of our customers' castings that, if improperly handled, could impact the atmosphere. Air-filtration systems and advanced baghouse technology are used to achieve superior air pollution control results at our facilities. The air pollution controls we have put in place are considered as "best available" by the U.S. Environmental Protection Agency (USEPA) and associated state regulatory agencies regardless of applicable regulations, which are driven by the installation date of the control equipment. A key component to this technology is the use of advanced bag leak detection probes installed within the emission control systems at each plant. In most cases, this technology is not mandated by a regulatory agency but utilized as an elective continuous improvement. Because even small holes can affect the performance of baghouse filters, these probes are used to monitor the integrity of the baghouses and performance of the filtration system.

GREENHOUSE GAS (GHG) EMISSIONS

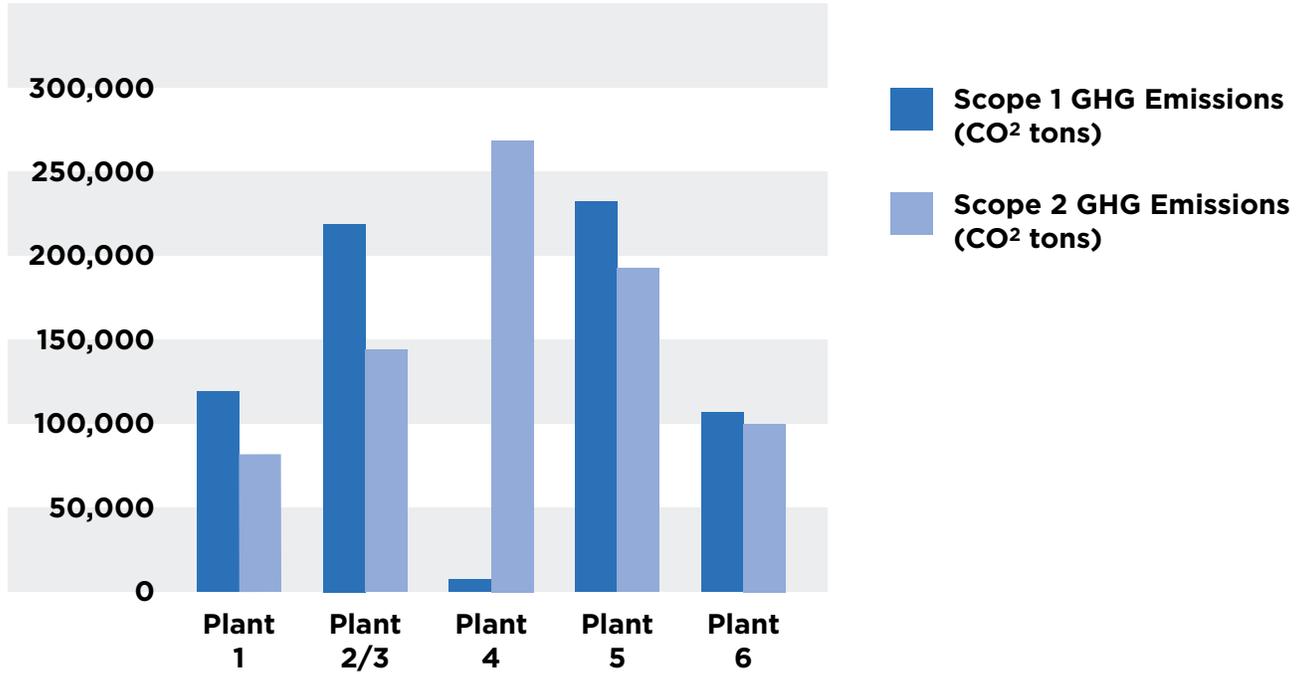
GHG emissions are divided into three categories:

- Scope 1 emissions are emissions that result directly from an organization's operations, such as burning fossil fuels.
- Scope 2 emissions are indirect emissions from a utility provider resulting from energy used by the organization, such as electricity, steam, or chilled water.
- Scope 3 emissions are the result of other sources, indirectly related to an organization.

At this point in time, Waupaca quantifies Scope 1 and Scope 2 GHG emissions, only. Scope 1 emissions include the use of coke in the melting process and the combustion of natural gas at our facilities. Scope 2 emissions are the result of purchased energy utilized at our plants. In 2014, our total GHG emissions were 1,472,000 tons of carbon dioxide equivalent (CO₂e). The graph on the following page shows the breakdown of our Scope 1 and Scope 2 emissions by facility. The majority of our Scope 1 emissions come from the use of coke, a high carbon content material, in our melt process.



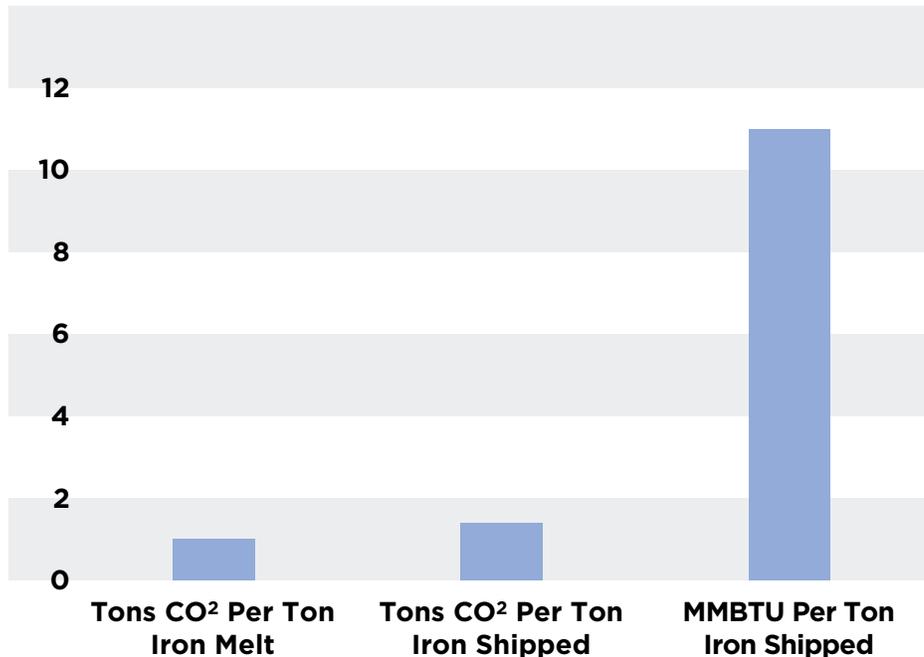
GHG CO² Emissions



In addition to our absolute GHG emissions, we also normalize our GHG emissions based on tons of iron melted and tons of product shipped, similar to the way

we track our energy consumption. The graph shown below includes normalized values for our consolidated GHG emissions as well as total energy use per ton of iron shipped.

Normalized CO² Emissions and Total Energy Use



Although we do not currently track the GHG emissions related to the transportation of products, we recognize that transportation is a significant issue for us due to the size and weight of our products. As our customers

look to support greater fuel efficiency in their products, there will be more demand for lightweighting and/or what we refer to as “right weighting” our products, reducing associated transportation impacts.

LIGHTWEIGHTING OR RIGHT WEIGHTING?

In the past 30 years, the domestic auto industry has been determined to achieve government and consumer-driven fuel economy improvements. This has resulted in a great deal of material conversions from iron and steel to lightweight materials such as aluminum and other metals. Weight reduction has gotten so popular, in fact, it has recently become known as “lightweighting.”

From an engineering perspective, the tactic of “lightweighting” seems limiting. If the auto industry goal is to improve fuel economy while optimizing costs and consumer prices, it seems that a well-driven business and engineering approach is most desirable. At Waupaca Foundry, we think of this as “right weighting.”

We have also worked with our customers to design lighter weight parts through other means besides material substitution. In one example, we were able to use tooling engineering, metallurgical expertise, and computer modeling to manufacture an advanced ductile iron helical differential case for the successor to the world’s first commercially available four-wheel drive vehicle. Through collaboration with our customer, we developed a new design that reduced mass by 41 percent and machined stock by 60 percent while still using ductile iron in the casting. The iterative casting design also lowered machining cycle time, further reducing total manufacturing cost for our customer.

We know that iron material costs are less than lightweight material costs. We are eager to combine cost effectiveness with effective designs to help our customers save money without jeopardizing (and actually improving) functionality, quality, and safety. This combination of Waupaca’s expertise and the customers’ expertise and willingness to improve their product makes for successful partnerships.



Total Water Use

Historically, our foundries consumed large quantities of water, including non-contact cooling water used to cool running machinery and the exterior of the cupolas used in our melt process.

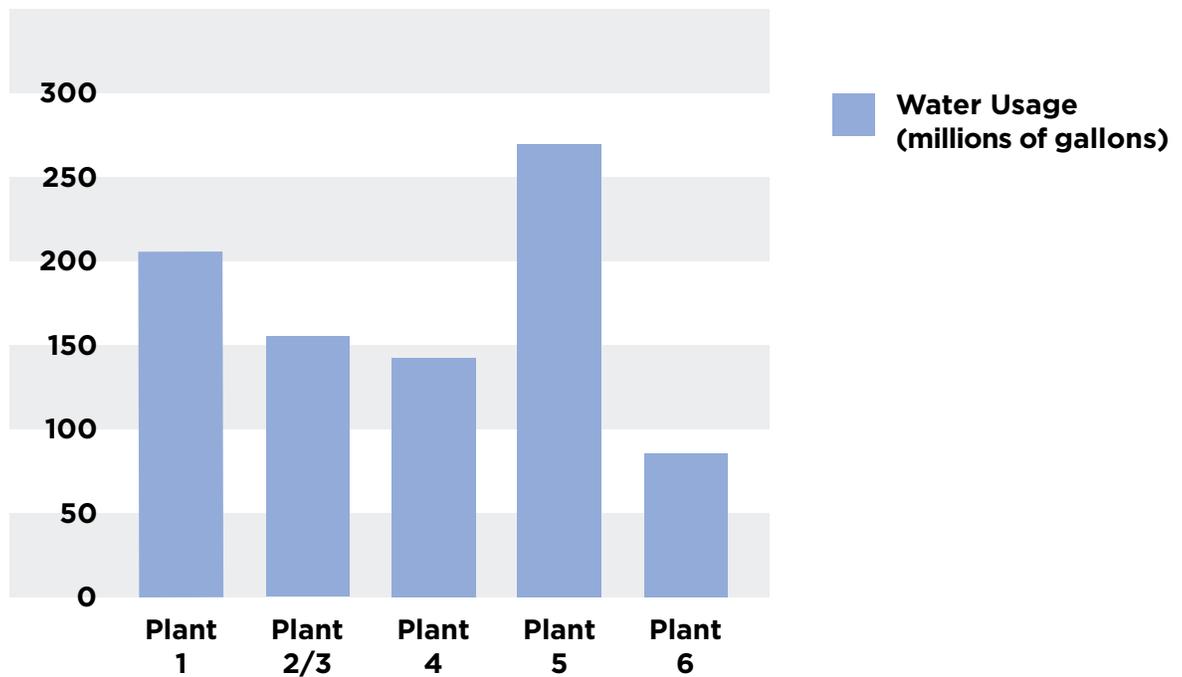
By 2020, water consumption will be aggressively reduced 80 percent from 2010 values. Waupaca Foundry has already made significant progress towards this goal by installing closed-loop water cooling systems. Several of our plants have installed such systems for machine cooling. Prior to these initiatives, cooling water flowed through machines just once prior to discharge. With the new closed-loop

systems, non-contact cooling water is recycled to improve efficiencies and reduce water consumption. For example, implementation of this technology has resulted in a 30 to 95 percent reduction in cooling water use at our Marinette ductile iron foundry, with water demands varying on a seasonal basis.

In 2014, the combined water usage for all of WFI's locations was 849.5 million gallons from municipal water supplies.



Water Usage



Impacted Water Bodies

As a result of plant improvements we implemented over the last decade, contaminated process water requiring wastewater treatment and discharge has been completely eliminated from our facilities. None of Waupaca Foundry's

plants withdraw water from, or negatively impact, waters which are protected or considered to be of high biodiversity value.



Waste

In 2014, Waupaca Foundry generated a total of 310,576 tons of solid and hazardous waste. Of this, only 3.53 tons was hazardous. We minimize the generation of hazardous waste through initiatives such as product substitution and effective work practices. Significant sources of non-hazardous waste included sand dust from our baghouses, melt dust, slag, spent foundry sand, cores and refractory.

One of Waupaca Foundry's largest waste streams is spent foundry sand used to make molds for the casting process. Although the sand is recaptured and recycled to the extent possible, there comes a point when it can no longer be used for creating quality castings and it becomes a waste. Initiatives are underway to reduce the use of foundry sand while concurrently looking for ways to keep foundry sand out of landfills by finding beneficial uses for the sand that can also aid the local communities.

Waupaca Foundry has been working with state and local agencies, including the Wisconsin

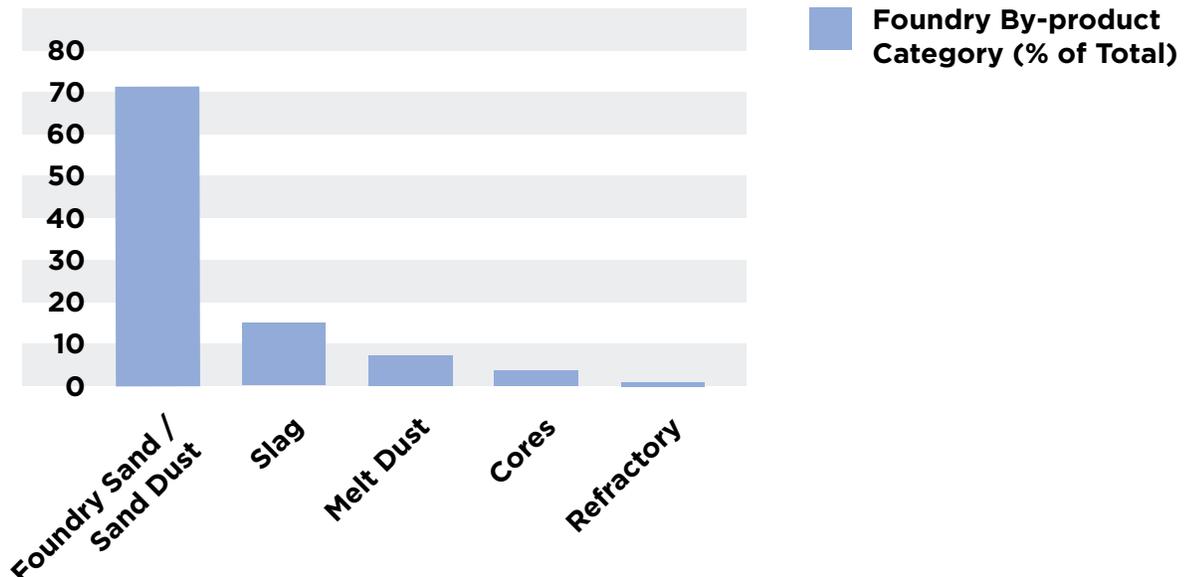
Department of Transportation, to use foundry sand as a highway sub base fill, geotechnical fill, and other general construction uses. Not only does this keep the sand out of landfills, but it also reduces the need for mining native materials from other places to be used as the source for these applications.

Our goal is to reduce the generation of spent foundry sand 30 percent by 2020. In 2014, 400,000 tons of foundry sand and other by-products were beneficially reused. This material also gives us an opportunity to partner with our local communities on projects, and additional beneficial reuse efforts are discussed in our community section.

The waste generation percentage by waste type can be found in the following graph.



Foundry By-product Category (% of Total)



Significant Spills

Waupaca Foundry uses a number of chemicals in its process and to keep its equipment operating at peak levels, including coremaking resins, hydraulic oil,

lubricants, and anti-freeze. There were no significant spills in 2014 at any of our plant locations.



Environmental Compliance

Waupaca Foundry is committed to identifying and maintaining compliance to legal and other requirements to which our organization subscribes and that are applicable to the environmental aspects of our activities, products, and services. Our commitment is reflected in our EHS Policy and

incorporated into our sustainability targets and objectives. In 2014 we had no significant fines or sanctions associated with environmental non-compliance events.



WAUPACA FOUNDRY ENVIRONMENTAL, HEALTH, AND SAFETY POLICY—CAST

Commitment to environmental, health, and safety (EHS) excellence through compliance with EHS regulations and other requirements.

Always strive for continuous improvement and prevention of accidents, injuries, and pollution.

Set and review EHS objectives and targets.

Train employees on their EHS responsibilities.

A World-Class Workforce



A World-Class Workforce

Waupaca Foundry has a history of encouraging people to reach their greatest potential. This has the dual benefit of providing us with the skilled workforce that allows us to produce innovative, best in class products while simultaneously improving our sustainability program through the same type of innovation.

We're proud that Waupaca Foundry has been an employer of choice and we believe in taking care of our employees and offering opportunities for personal development. The result—customers have the most qualified

production team in the industry.

From operations to administration, we are dedicated to creating opportunity for our employees throughout the company. Many of our team members have started in general foundry positions and have progressed into a variety of careers over the years. In fact, our current CEO began his career as a metallurgist over 30 years ago.



WEB LINKS

G4-10
G4-11
G4-LA11

The opportunity for career growth and personal development is a significant reason why more than half of Waupaca Foundry's employees have been with the company greater than 10 years. Much of the organization's success can be attributed to the experienced workforce and the direct employee/management relationship that is clearly recognized at the manufacturing facilities. Waupaca Foundry's code of conduct recognizes the right to collective bargaining (as similarly recognized by national regulations), however, employees have chosen to maintain a union-free environment.

Skills Development

In addition to careers in metallurgy and foundry technology, we also have support positions in IT, sales, purchasing, human resources, accounting and finance, and administration.

Our company is dedicated to helping our employees cultivate career paths that give them professional satisfaction while also developing the workforce that we need. One hundred percent of our employees receive performance reviews annually, and during this process we work with our employees to lay out a career development path for them. Some common opportunities are:

- Specialized operational positions
- Leadership positions
- Support and administrative positions

We have developed a customized internal training program intended to teach entry level employees more specific foundry knowledge and processes. Experts from specific areas provide thorough instruction on casting iron the Waupaca way.

We have developed a number of training program goals for 2015, including:

- Provide 100 percent tuition reimbursement for employees' continuing education (following company guidelines).
- Provide annual career training for 100 percent of our employees, with training related to specific job

MILITARY SERVICE

We take pride in hiring team members with military service. Company wide, 11 percent of our Waupaca Foundry team members have served in uniform and we thank them for their service.

On Veterans Day, to recognize our employees who have served, each of our plants puts one American flag on the lawn for every employee who is a veteran.



requirements as well as developmental training for future career growth.

- Achieve Six Sigma or related training for 90 percent of our workforce by the end of calendar year 2017.
- Provide leadership training to 100 percent of the employees in leadership positions by the end of calendar year 2015.
- Foster and maintain a 50 percent or greater total promotion rate for management level positions from internal employees.

Waupaca Foundry has a history of offering opportunities for personal development to take our employees to their greatest potential. We are dedicated to career pathing through

training and development programs that develop each individual. In 2014, Waupaca Foundry invested \$3.6 million in total training and employee development programs.



Our strategic goal is to have continuous improvements in our safety and health initiatives, leading to zero incidents. Our success is built on quality castings, but first

by making sure each employee goes home safely every day.

*— Kim Voss
Director of Safety and Health*



Occupational Health and Safety

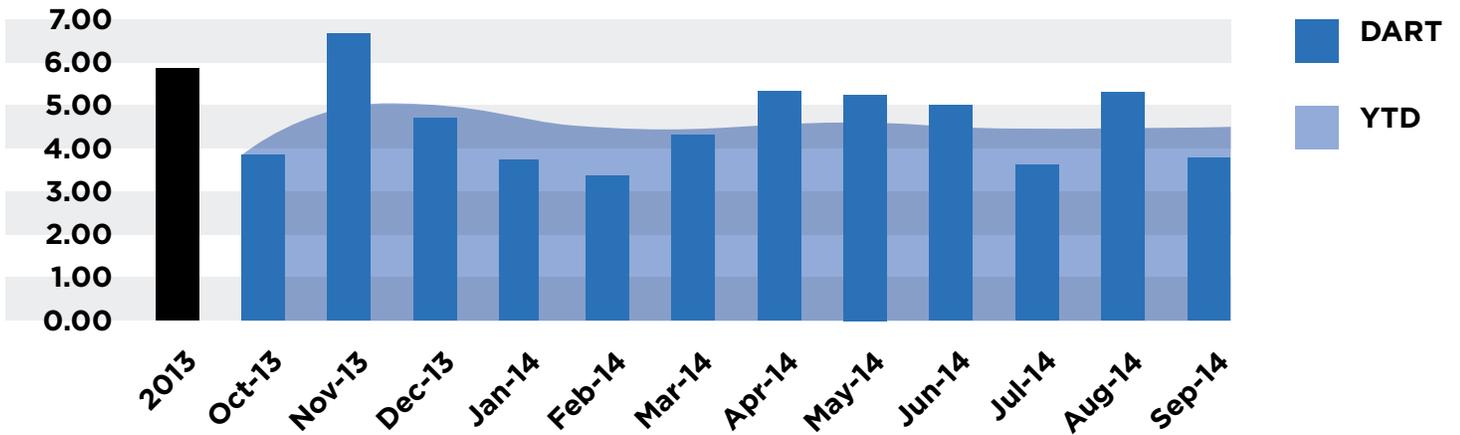
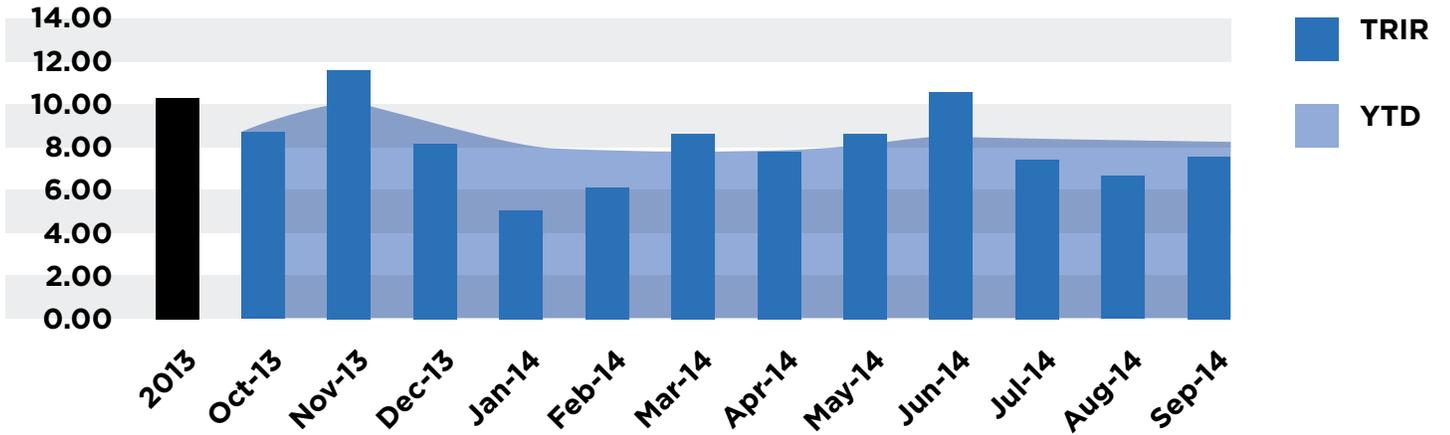
Providing a preventive health policy and promoting continual improvement of safety in the workplace are fundamental responsibilities of management. Our safety management system relies on supervisor accountability, employee safety teams, workplace hazard assessments, equipment maintenance, and ongoing training to create a safe workplace for our employees.

Waupaca Foundry is committed to all persons working under its control having a high level of safety awareness. We achieve this through a variety of mechanisms, including monthly safety talks for our employees, review of work instructions and training specific to those instructions (i.e., lock out/tag out, fall protection, and hot zone work), bulletin boards, company newsletters, signage, labels, and near miss reporting. All employees participate in our behavior based safety (BBS) system, which utilizes employee observations and

feedback, suggestions, and near miss reporting to correct unsafe conditions and behaviors. We also have a strong contractor safety program and we utilize health and safety criteria in our contractor selection process.

We track two primary metrics to evaluate our safety performance: total recordable incident rate (TRIR, representing OSHA reportable incidents), and the Days Away, Restricted, Transferred (DART) rate, which describes the number of OSHA recordable injuries and illnesses resulting in days away from work, restricted work activity, and/or job transfer experienced during the year. Both TRIR and DART are calculated based on a rate for 100 full time employees. Our TRIR was 8.06 for 2014, which represents a year-over-year decline of 21 percent. Although this represents continuous improvement, we have established a goal to reduce our TRIR to 2.0 or less in 2019.

Safety Metrics



Our DART rate also declined in 2014, with a value of 4.62. This is a reduction of 22 percent over the prior fiscal year. The 2019 goal for our DART rate is 1.0 or less.

We did not suffer any fatalities during 2014. In the same period, we also had zero incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of our products.



Employee Wellness and Support

In support of our commitment to improving the health of our employees, spouses, and retirees, we offer a progressive health and wellness program called Health Awareness Together (H.A.T.). This program has dramatically contributed to the overall health and well-being of the team. With over 90 percent participation by our employees, the program has helped to reduce modifiable health risks while fostering positive cultural changes. Employees who elect to participate are not only rewarded with a higher quality and healthier lifestyle, but we offer financial incentives for participation as well.

We also offer an employee assistance program to support our employees and provide them with assistance with personal concerns and the challenges of balancing work and personal life. The program is open to employees and their dependents, spouses or significant others, and others permanently residing in an employee's household whether they are related or not.

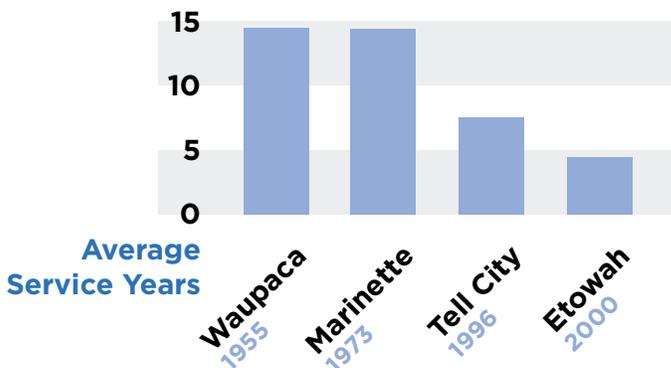
Each spring Waupaca Foundry hosts a party for employees who have been with the company for more than 10 years. This past year more than 1,000 employees were eligible to attend, and more than 250 of those employees had been with us for 25 years or more. We promote a corporate culture where events such as company picnics and



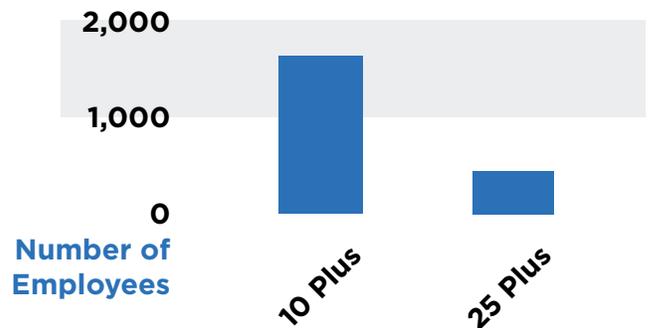
anniversaries celebrating the longevity of our employees are important, and our employee commitment is visible in our highly tenured workforce. The following graphs show the average length of employee service time by location and the number of employees that have been employed by Waupaca Foundry for more than 10 years, as well as those who have worked for us for 25 years or more.



Average Service Years



Employees by Years of Employment



I Am Waupaca

Together, all of our employee initiatives help us to develop and maintain a committed workforce that is as solid as the castings we create. Working together as a team with a shared vision allows each of our employees to say with pride, **"I am Waupaca."**

"We promote very heavily from within," according to Executive Vice President of Human Resources Joey Leonard. "There are plenty of high school graduates who come here and decide they want to grow with us. We offer 100 percent tuition reimbursement. Waupaca Foundry recognizes talent even if they haven't been formally educated."

"While our growth is significant, what's more impressive is the contribution of our employees who consistently drive value to our customers every day," said Leonard. "We're fortunate to have employees who have not only a strong work ethic, but a real passion for making the highest quality iron castings in the industry."

Talent Recognition:
<http://www.waupacafoundry.com/en/careers/why-waupaca/career-development>

WEB LINKS

Employee Work:
<http://www.waupacafoundry.com/en/careers/opportunities>

WEB LINKS

Report Parameters

This document describes our activities during our 2014 year, covering the time period from October 1, 2013 through September 30, 2014. We intend to report on an annual basis in the future.

The evaluation of topics to report to stakeholders in this first Sustainability Report is focused on material aspects that align with the company's business objectives and our stakeholder needs and interests. We are reporting in accordance with the Core requirements of the Global Reporting Initiative (GRI) G4 reporting framework (www.globalreporting.org). See also our GRI Content Index.

We have chosen not to externally assure this report, but may elect to do so in future years. This report covers all six of Waupaca Foundry's U.S.-based manufacturing facilities. Restatements of information from prior reports and significant changes from previous reporting periods in the Scope and Aspect Boundaries are not relevant, since this is the first report.

 **Global Reporting Initiative™**

WEB LINKS

G4-21	G4-29
G4-22	G4-30
G4-23	G4-32
G4-28	G4-33



TRC Environmental Corporation (TRC) was retained to assist WFI with the development of this sustainability report to ensure consistency with the Global Reporting Initiative (GRI) Core requirements. TRC served as a consultant to the Sustainability Leadership Team, facilitating the assessment of materiality, analysis of sustainability metrics, and review of existing WFI targets and objectives.

GRI Content Index

General Standard Disclosures	Page(s)	External Assurance
STRATEGY AND ANALYSIS		
G4-1	13	No
ORGANIZATIONAL PROFILE		
G4-3	5	No
G4-4	5	No
G4-5	5	No
G4-6	5	No
G4-7	6	No
G4-8	21	No
G4-9	5	No
G4-10	39	No
G4-11	39	No
G4-12	24	No
G4-13	6, 24	No
G4-14	12	No
G4-15	12	No
G4-16	16	No
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	N/A*	No
G4-18	14	No
G4-19	16	No
G4-20	14	No
G4-21	44	No
G4-22	44	No
G4-23	44	No
STAKEHOLDER ENGAGEMENT		
G4-24	16	No
G4-25	16	No
G4-26	16	No
G4-27	16	No
REPORT PROFILE		
G4-28	44	No
G4-29	44	No
G4-30	44	No
G4-31	3	No
G4-32	44	No
G4-33	44	No
GOVERNANCE		
G4-34	11	No
ETHICS AND INTEGRITY		
G4-56	12	No

*WFI was privately held during the reporting period.

Specific Standard Disclosures

DMA and Indicators	Omissions	Page(s)	External Assurance
ECONOMIC PERFORMANCE			
G4-DMA*		20	No
G4-EC1		26	No
G4-EC8		20	No
MATERIALS			
G4-DMA*		29	No
G4-EN1		29	No
G4-EN2		29	No
ENERGY			
G4-DMA*		30	No
G4-EN3		30	No
G4-EN5		30	No
WATER			
G4-DMA*		36	No
G4-EN8		36	No
G4-EN9		36	No
EMISSIONS			
G4-DMA*		33	No
G4-EN15		33	No
G4-EN16		33	No
G4-EN18		30	No
RESOURCE EFFICIENCY (EFFLUENTS AND WASTE)			
G4-DMA*		37	No
G4-EN23		37	No
G4-EN24		38	No
G4-EN25		37	No
COMPLIANCE			
G4-DMA*		38	No
G4-EN29		38	No
EMPLOYMENT			
G4-DMA*		38	No
G4-LA2		43	No
HEALTH AND SAFETY (OCCUPATIONAL AND CUSTOMER)			
G4-DMA*		41	No
G4-LA6	Partial LA6 – Not reporting by gender or region.	42	No
TRAINING AND EDUCATION			
G4-DMA*		40	No
G4-LA9	Partial LA9 – Not reporting by gender or region.	40	No
G4-LA11	Partial LA1 – Not reporting by gender or region.	39	No

*Specified content begins on listed page number