

## **Periodic Audit 1 Report**

### **Management System Certification**

**Standard:** RC 14001/ISO 14001

**Project No.:** -37494

**Audit Dates:** September 2 - 5, 2008

**Street Address:** 914 East Randolph Road

**City, State, Zip:** Hopewell, VA 23860

***DNV Team Lead:*** *Richard Demboski*

***Audit Team:***

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## *Focus Area Results*

### *Focus Area 1 - NA*

#### **Focus Areas for Next Audit (suggested):**

▶ New Focus Area 1



▶ TBD



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## *Overall Summary*

Below are some key points observed during the audit not included in the Focus Areas.

### **Positive Indications**

- Janesville's thorough response and control of the flood of June 2007 was exceptional from the initial planning for shutdown, community relations to the recovery from the 100 year flood issues.
- The housekeeping of Janesville was very good especially recovering from the flood in June.
- The installation of the new pelletizer was a excellent example of considering ergonomics issues in a new design and installation.
- The company's system to evaluate and risk rank raw material suppliers was effective and best in practice.
- Janesville was delinquent in UT testing of PSM subject piping.
- A flood occurred at Janesville in June 2008 and there was no objective evidence that any form, reports or critiques as required by the plan were performed.
- At Janesville, Internal Audit nonconformities were not shared with other sites that are part of the multi-site

### **Main Areas for Improvement**

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certification. Consider sharing nonconformities resulting from Internal Audits with all of the other certification sites as set out in ISO Guide 62, Annex 3.

- The ACC has issued revised Technical Specification of the RC 14001 Standard in 2008. Ensure that all certified sites have completed the transition to RC 14001:2008 and have performed an internal audit of the transition by the next audit in March 2009.

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## *Management System Compliance Status*

- This management system audit was performed in order to determine the degree of conformity and effectiveness of the system against the declared certification criteria.
- The report may contain nonconformities (NCs) that must be corrected before conformance to referenced documents can be confirmed and a certificate issued. There may also be a number of comments to compliment noteworthy efforts and to outline improvement opportunities. This report may be modified by DNV as a consequence of verification activities carried out by the DNV Certification Unit. If this occurs, the report will be revised and re-distributed with explanations.
- The open nonconformities from the previous audit have been evaluated and found to be corrected with the agreed corrective action measures adequately implemented. "Open" NCs have been "Closed".
- Some nonconformities from previous audits remain open due to incomplete / unsatisfactory implementation of corrective action measures. Further details are contained in this report.
- The results of the Periodic Audit are such that the certification of the Management System **will** be continued.

## *Auditor Statements*

- All findings were agreed with Management as being a true record of the facts observed.
- The actions taken in respect of the nonconformities identified at the previous audit were reviewed and were found to be effective in dealing with the issues raised. As such, all previous nonconformities are now closed.

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- The nonconformities raised by this audit must have effective corrective actions implemented within the timescale identified in the Audit Findings Log. Verification of the effectiveness of the actions taken will be performed at the next audit.
- All clauses identified in the audit plan and programmes were assessed. Except as indicated in the "Audit Findings Log", the management system was found to be in compliance with the standard and the company's procedures.
- A sampling strategy was used during the audit. Based on this methodology, the fact that nonconformities were not identified does not mean that they do not exist in audited and/or other areas.
- Management Reviews, Internal audits, preventive & corrective actions were found to be implemented in accordance with the requirements of the audit standard.
- Customer complaints are handled, followed-up and closed in accordance with established procedures.
- The management system documentation has been reviewed and found to be compliant with the standard.
- The management system documentation has been changed to reflect changes in the organization.
- Continual improvement of system performance objectives are monitored for their progress and completion.
- The effectiveness of corrective actions issued during internal audits and management reviews are followed up.
- The use of certification mark(s) is in accordance with requirements.

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## Organization and Accreditation Details

### Organization Details

<b>Company Address:</b> 914 East Randolph Road	
<b>City, State, Zip:</b> Hopewell, VA 23860	<b>No. of Shifts:</b>
<b>Contact Person:</b> Wayne Kennedy	<b>No. of Employees per Shift :</b>
<b>Contact E-mail:</b> wayne.kennedy@evonik.com	<b>Client Purchase Order No.:</b>
<b>Phone:</b> : 804-452-5728	<b>Fax:</b> 804-452-5763
<b>DNV Team Lead:</b> Richard Demboski	<b>Auditor E-Mail:</b> rdemboski@columbus.rr.com

### Accreditation Details

<b>Accreditation Scheme/Approval Body:</b> ANAB	<b>Industry Code (EA / NACE):</b>
<b>Applicable Product Standards:</b>	<b>Statutory Regulatory Requirements:</b> USEPA, OSHA, WI, III and VA state and local regulations
<b>Certification Scope:</b> The manufacture, sale, use, and disposal of products for the North American business unit Consumer Specialties and North American Business line TEGO Coating Additives and Specialty Resins.	
<b>Claimed Permissible Exclusions:</b>	
<b>Certificate No.:</b> 07697-2005-AE-HOU-ANAB	<b>DNV Project No.:</b> -37494
<b>DNV Technical Review:</b>	<b>Technical Review Date:</b>

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## Certificate Issuance

<input type="checkbox"/>	By issuance of this report by the Lead Auditor, it is confirmed that the client will be recommended for certification when all nonconformities have been satisfactorily addressed. Final approval is at the sole discretion of independent personnel, based on a complete technical review.
<input type="checkbox"/>	New
<input type="checkbox"/>	Other (specify): For example: Changes to company name, division name, company address
<input type="checkbox"/>	Scope Extension (specify reason for scope extension audit):

### For *multi-site projects*, the certificate covers the following sites:

Site	Address	City, State, Zip	No. of Shifts	Employees Per Shift	Main Activity(ies) (Ex.: Purchasing, Sales, Design, etc.)	Site Audited
*HO	P.O. Box 1299	Hopewell VA	1	144	Corporate Office - EHSS&Q, Purchasing, Customer Service, Order Entry, HR, Design/Development and Logistics	<input checked="" type="checkbox"/>
	914 East Randolph Road	Hopewell VA	2	55/29	Manufacturing - Textile Care, Personal Care and Oil Chemicals	<input type="checkbox"/>
	2001 Afton Road	Janesville, WI	2	71	Manufacturing - Textile Care, Personal Care and Oil Chemicals	<input checked="" type="checkbox"/>

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	8300 US Route 24	Mapleton, IL	4	184 + 54 FTE Contractor s	Manufacturing - Textile Care, Personal Care and Oil Chemicals	<input type="checkbox"/>
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**\*For multi-site projects indicate which site is the "central" location for the Management System. This site should be indicated as the HO (head office) and shall as a minimum be audited at least annually.**

**Note:** The applicable revision level of the client's manual is 9/2008.

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## Audit Findings

### Summary from the Audit

(Details of the NCs, Observations, Opportunities for Improvement, and Noteworthy Efforts will be found in the "List of Findings")

<b>Total number of nonconformities (NCs) identified during this audit:</b>	2
<i>Total number of Major (Cat. 1) NCs:</i>	0
<i>Total number of Minor (Cat. 2) NCs:</i>	2
<b>Total number of Observations identified during this audit:</b>	2
<b>Total number of Positive Indications identified during this audit:</b>	4
<b>Total number of Main Areas for Improvement identified during this audit:</b>	8
<b>Total number of NCs closed from previous audit:</b>	4
<b>Total number of NCs escalated from previous audit:</b>	0
<b>Total number of NCs down-graded from previous audit:</b>	0
<b>Total number of NCs left opened from previous audit (justification):</b> Sites not visited	5

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## Conclusion / Next Step

- The Team Leader confirmed with the Auditee / Organization at the Closing Meeting that the information contained in the "List of Findings" is factual.
- Submit** all nonconformity responses to your Lead Auditor in a sufficient timeframe to allow implementation of your Corrective Action Plan by the agreed completion date. DNV will verify effective implementation of Corrective Actions for Minor NCs during the next scheduled visit or Follow-up audit.
- Major nonconformities** require a **follow-up audit** by the Lead Auditor. During the follow-up audit, the focus will be on those processes/clauses that were the subject of the Major NC(s). Additional samples and areas within the clauses may be audited, in addition to verification of the specific corrective action. Note that Corrective Actions must be effectively **implemented** in order to close.
- Findings identified as nonconformities must be responded to by the Organization within 90 days from the last date of the audit. The response shall include the results of investigation into the cause of the nonconformity, corrective action taken and confirmation of effective implementation.
- Major nonconformities were identified during the audit. This necessitates (requires) a follow-up audit to be performed upon completion of effective implementation of corrective actions by the Organization. Recommendation for certification can be given only upon satisfactory completion of the follow-up audit.
- All applicable clauses of the Standard were assessed and the Management System was found to be in compliance, except as where indicated in the 'Audit Findings' section of this report.

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- Upon issuance of the certificate, the Organization has the right to use the agreed accreditation mark in association with the DNV logo as outlined in the conditions attached to the Management System Certificate.
  
- The findings of the audit take into consideration the adequacy of the Organization and their management system documentation. The findings are also supported by observations made by the Audit Team with respect to the maturity and effectiveness of the Management System.

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## Key Participants

Name of Participant	Position and/or Department
Wayne Kennedy	Mngr. Reg & Systems
Russell Mait	Director EHSQ
Phil Hagwood	EHSs
Steve Turner	Bus. Leader
Deiter Bettinger	Site Manager
Ryan Reuterskidd	EHS Mgr.
Randy Stutzel	Warehouse Mgr.

**Note:**

The above list contains only the primary contacts involved during the audit and is not an all-inclusive list of those individuals interviewed.

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## Special Notes

### Statement of Confidentiality

The contents of this Report, including any notes and checklists completed during the Audit, will be treated in strictest confidence and will not be disclosed to any third party without written consent of the customer, except as required by the appropriate Accreditation Authorities or as otherwise outlined in the formal Certification agreement.

### Explanatory Notes

This report may describe findings to be corrected before Certification to the referenced Standard(s) can be granted/continued. There may also be a number of comments to compliment noteworthy efforts and to outline improvement opportunities. The report could be modified by DNV as a consequence of activities (verification of open issues or technical review) carried out by the DNV certification unit after the audit. If this occurs the report will be revised and re-distributed with explanations.

### Distribution

*This report will be sent to:*

- 1) *Organization's Contact Person, by e-advantage, electronic copy or hardcopy, as agreed with the Organization*
- 2) *DNV Technical Review, as/if required by the DNV process*
- 3) *Electronic copy to be kept in DNV database*

### Appendices

- |                                     |   |                                     |                       |
|-------------------------------------|---|-------------------------------------|-----------------------|
| <input checked="" type="checkbox"/> | Audit Program (Agenda)                      | <input checked="" type="checkbox"/> | List of Findings      |
| <input type="checkbox"/>            | Periodic Audit Plan / Audit Activity Matrix | <input type="checkbox"/>            | Re-Certification Plan |
| <input type="checkbox"/>            | Other Appendices                            |                                     |                       |