

Audit Report

American Chemistry Council (ACC) – Chemistry Industry Association of Canada (CIAC)

Responsible Care® Certification/Verification Report on

“Other Responsible Care® Commitments”

Submitted by Mariann Zanardo to CIAC as part of the RC14001 - CIAC COMMITMENTS
Verification Audit audit of CYTEC INDUSTRIES INC.

Client Representative: Meredith Faro

Project Number: 1607748-20

Audited Address: 9061 Garner Road, Niagara Falls, Ontario, CAN, L2H0Y2

Start Date: Aug 25, 2020 End Date: Aug 25, 2020

Issue Date: Aug 25, 2020

Revision Level: *Final*

BACKGROUND INFORMATION

SAI Global conducted an audit of CYTEC INDUSTRIES INC. beginning on Aug 25, 2020 to RC14001 - CIAC COMMITMENTS. This audit report addresses the CIAC Other Responsible Care® Commitments portion of the audit. Full audit results are contained in the RC14001 RCMS - COMMITMENTS report held by CYTEC INDUSTRIES INC. and SAI Global.

The purpose of this audit report is to summarise the degree of compliance with relevant criteria, as defined on the cover page of this report, based on the evidence obtained during the audit of your organisation. This audit report considers your organisation's policies, objectives, and continual improvement processes. Comments may include how suitable the objectives selected by your Organisation appear to be in regard to maintaining customer satisfaction levels and providing other benefits with respect to policy and other external and internal needs. We may also comment regarding the measurable progress you have made in reaching these targets for improvement.

SAI Global audits are carried out within the requirements of SAI Global procedures that also reflect the requirements and guidance provided in the international standards relating to audit practice such as ISO/IEC 17021-1, ISO 19011 and other normative criteria. SAI Global Auditors are assigned to audits according to industry, standard or technical competencies appropriate to the organisation being audited. Details of such experience and competency are maintained in our records.

This report has been prepared by SAI Global Limited (SAI Global) in respect of a Client's application for assessment by SAI Global. The purpose of the report is to comment upon evidence of the Client's compliance with the standards or other criteria specified. The content of this report applies only to matters, which were evident to SAI Global at the time of the audit, based on sampling of evidence provided and within the audit scope. SAI Global does not warrant or otherwise comment upon the suitability of the contents of the report or the certificate for any particular purpose or use. SAI Global accepts no liability whatsoever for consequences to, or actions taken by, third parties as a result of or in reliance upon information contained in this report or certificate.

Please note that this report is subject to independent review and approval. Should changes to the outcomes of this report be necessary as a result of the review, a revised report will be issued and will supersede this report.

Definitions and action required with respect to audit findings

Opportunity for Improvement:

A documented statement, which may identify areas for improvement however shall not make specific recommendation(s).

Action required: Client may develop and implement solutions in order to add value to operations and management systems. SAI Global is not required to follow-up on this category of audit finding.

Non-conformance:

Major Non-conformance:

Based on objective evidence, the absence of, or a significant failure to implement and/or maintain conformance to requirements of the applicable standard. Such issues may raise significant doubt as to the capability of the management system to achieve its intended outputs (i.e. the absence of or failure to implement a complete Management System clause of the standard); or

A situation which would on the basis of available objective evidence, raise significant doubt as to the capability of the Management System to achieve the stated policy and objectives of the customer.

NOTE: The "applicable Standard" is the Standard which SAI Global are issuing certification against, and may be a Product Standard, a management system Standard, a food safety Standard or another set of documented criteria.

Action required: This category of findings requires SAI Global to issue a formal NCR; to receive and approve client's proposed correction and corrective action plans; and formally verify the effective implementation of planned activities. Correction and corrective action plan should be submitted to SAI Global prior to commencement of follow-up activities as required. Follow-up action by SAI Global must 'close out' the NCR or reduce it to a lesser category within 90 days for initial certification and 60 days for surveillance or recertification audits.

If significant risk issues (e.g. safety, environmental, food safety, product legality/quality, etc.) are detected during an audit these shall be reported immediately to the Client and more immediate or instant correction shall be requested. If this is not agreed and cannot be resolved to the satisfaction of SAI Global, immediate suspension shall be recommended.

In the case of initial certification, failure to close out NCR within the time limits means that the Certification Audit Stage 2 may be repeated.

In the case of an already certified client, failure to close out NCR within the time limits means that suspension proceedings may be instituted by SAI Global.

Minor Non-conformance:

Represents either a management system weakness or minor issue that could lead to a major nonconformance if not addressed. Each minor NC should be considered for potential improvement and to further investigate any system weaknesses for possible inclusion in the corrective action program

Action required: This category of findings requires SAI Global to issue a formal NCR; to receive and approve client's root cause analysis, proposed correction and corrective action taken or planned to be taken; and formally verify the effective implementation of planned activities at the next scheduled audit. Follow-up activities incur additional charges.

Scope of audit

Scope: The development, production, sales and distribution of Technology Solutions chemicals supporting the Mining Solutions, Phosphorous Specialties, and Additive Technologies Businesses. This company's registration is dependent on the continued registration of Saddle Brook, NJ (File no. 1610429) which include the following functions: HSE, Procurement, Transportation and Product Safety.

Site Specific Scope, if applicable:

-Manufacturing of specialty chemicals including mining reagents, phosphine based chemicals.

Team observations concerning the company's CIAC Responsible Care commitments

Element #1 - TransCAER®;

Evidence of participation in TransCAER® activities by the company where it has operations

Auditor Notes:

Organisation demonstrated participation in TransCAER activities. Participation in APR2019 teleconference, MAY2019 & SEP2019 activities (in person), FEB2020 & JUL2020 virtual meetings (due to COVID-19). Planning to attend next activity in October 2020. Site had planned to host event October 2019; however, it was cancelled due to weather. TransCAER meeting focus on rail transportation due to trending of incidents in Canada. Reviewed TDG update (JUL2020), minutes from TransCAER events. Logistic Manager attends, communicates & copies minutes to Maintenance & Logistics Teams. Marine transportation assessment completed by corporate. Rail transportation assessment completed by corporate. Road carrier transportation assessment completed by 3rd party (QRC). Reviewed QRC assessment 18JUL2018.

Element #2 - Community

Evidence of the development and communication of a worst-case scenario and other community engagement requirements

Auditor Notes:

Organisation demonstrated communication of worst-case scenarios & community engagement. Organisation delivered magnets to community with emergency contact information & emergency response in worst-case scenario. Emergency alert is steam whistle to signal community to shelter in place, close windows, & shut off AC. Improved 24/7 emergency number (905-356-9000) with the ability to select emergency situation, speak with person, depending on issue. Interview with community member demonstrated communication was effective. Site Controller attends local zoning & planning committee meetings. Site has involved local responders (fire, police) in emergency scenarios drills.

Element #3 - Participation

Evidence of participation by company leadership in CIAC Responsible Care (RC) activities, committees and submission of an annual Responsible Care recommitment letter

Auditor Notes:

Organisation demonstrated participation of Leadership in CIAC/ RC activities, committees, & submission of annual RC recommitment letter. SHARE Network participation by Safety Engineer & Process Safety Engineer. Participation in several TransCAER events by Logistics Manager. Annual CIAC/ RC Recommitment letter was signed by Site Manager 03FEB2020.

Element #4 – Performance

Evidence the company has provided CIAC with benchmarking data and other required data submissions including subcontractor evaluation requirements

Auditor Notes:

Organisation provided CIAC with benchmarking data & reporting including annual NERM Data survey (**website, example 2019 submittal), annual NPRI (National Pollutant Release Inventory), annual PRIM (Process Related Incident Measures) survey, & CIAC supplemental surveys. Site is in good standing with CIAC required submittals.

Element #5 – Commitments

Evidence the company has reviewed its activities against CIAC’s Responsible Care Principles and Ethics and its position on sustainability and corporate responsibility

Auditor Notes:

Organisation has reviewed its activities against CIAC’s RC Principles & Ethics, & its position on sustainability & corporate responsibility. Site Leadership demonstrated awareness of RC Principles & Ethics, & actions taken to promote sustainability, support for corporate responsibility. Reviewed included projects & products to reduce environmental footprint, to eliminate waste, & increase yields. Corporate Leadership demonstrated commitment through 10 Sustainable Key Goals, corporate website information, (www.solvay.com/en/sustainability), highlighting eco-friendly products, & sustainable portfolio management (SPM) tool to strategically direct toward more sustainable business.

Element #6 - Dialogue

Evidence of stakeholder/community dialogue, including interviews by auditors with local community representatives

Auditor Notes:

Organisation has demonstrated stakeholder & community dialogue. Organisation has held meetings with the community in the past, inviting 120 community members to annual meeting, however low participation from community has evolved into communication through written methods (magnet, brochures). Organisation has retained an outreach consultant to improve community outreach, & site Leadership has demonstrated support for actions to increase community dialog. Community member was interviewed, without organisation involvement, during the course of this audit. Member has been involved with the community & the organisation communication engagement for over 15 yrs. Member concerns included increasing development in the area, more housing & a hospital being built. Member suggestion to do an annual newsletter communicated to Organisation representatives. Member was aware of emergency signals from site (whistle) & what to do, who to contact, in case of emergency.

Element #7 – Indigenous Communities

Evidence of engagement with indigenous communities near production facility with respect for their unique history, culture and rights

Auditor Notes:

Organisation investigated potential local Indigenous communities. The nearest Indigenous community is 80km away. Site has determined activities, including worst-case scenarios, would not affect this community.

Element #8 – Promotion/Awareness

Evidence that the company promotes Responsible Care (RC) by name and employees are aware of the term.

Auditor Notes:

Organisation demonstrated RC promotion & awareness through interviews with employees at various levels & positions. Interviewees were aware of RC by name. Use of the RC logo on neighbor outreach information, (magnet, brochure), on corporate website (logo & policy).

Successful (“excellent”/ “best”) practices identified on the audit:

- Strong Research & Innovation (R&I) process, including:
 - a. Sustainable Portfolio Management (SPM) tool to access projects sustainability;
 - b. Communication & evaluation via Tech Transfer process;
 - c. Efficient Innovation Process Management software with timelines per project, per stage with dates.
- Tested response time to outfall discharge valve in case of a potential spill.
- Actions & continual improvement teams to address QHSE concerns identified.
- Management of identified issues through software (Gensuite).

Non-conformities related to “Other Responsible Care® Commitments”:

None

Opportunities for improvement:

- Consider capability to conduct a virtual community meeting as an alternative to onsite meetings.
- Consider summary of Solvay-Welland specific products that improve products & eliminate waste in various industries.

Observations concerning the presence of a “Self-Healing” (effective) management system:

- CIAC Verification audit was conducted concurrently with the re-assessment audit to ISO9001:2015, RC14001@:2015 & ISO45001:2018 management system requirements. Organisation has consistently demonstrated an implemented & maintained integrated Quality, Health, Safety, & Environment (QHSE) management system.

Observations Concerning the Role of the Responsible Care Ethic and Principles for Sustainability:

- Site demonstrated awareness of RC Principles & Ethics, & actions taken to promote sustainability, support for corporate responsibility.
- Sustainable portfolio management (SPM) tool to strategically direct toward more sustainable business.
- Use of EcoVadis for sustainable & socially responsible procurement vetting of material suppliers including: environment, labor & human rights, ethics, & sustainable procurement, international standards (ISO26000, ISO45001, ISO14001, ISO20400, Global Reporting Initiative, UN Global Compact, CERES Roadmap, etc).

Audit Team Conclusions:

The audit team conclusions related to the full management system audit are available upon request from CYTEC INDUSTRIES INC..

Audit team’s conclusions about the effectiveness of the CIAC Other Responsible Care® Requirements and commitment to Responsible Care® Ethic and Principles:

<input checked="" type="checkbox"/>	Based on the results of the audit, the audit team determined that the CIAC Other Responsible Care Requirements and commitment to Responsible Care Ethic and Principles were effectively implemented and maintained per defined requirements and is deemed capable to achieve expected outputs.
<input type="checkbox"/>	Based on the results of the audit, the audit team determined that the CIAC Other Responsible Care Requirements and commitment to Responsible Care Ethic and Principles were effectively implemented and maintained per defined requirements and is deemed capable to achieve expected outputs, except as noted in the minor nonconformity report(s).
<input type="checkbox"/>	Based on the results of the audit, the audit team determined that the CIAC Other Responsible Care Requirements and commitment to Responsible Care Ethic and Principles were not effectively implemented and maintained per defined requirements nor deemed capable to achieve expected outputs, as noted in the major nonconformity report(s).

Audit recommendations are always subject to ratification by SAI Global certification authority.

Lead Auditor: Mariann Zanardo CHMM, CPEA

Date: 25AUG2020