

Audit Report

American Chemistry Council – 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 Evonik Oil Additives Canada, Inc.

Client Representative: Catriona Hunter

Project Number: 011058-11

Audited Address: 12695 County Road 2, Morrisburg, Ontario, CAN, K0C 1X0

Start Date: Oct 02, 2020 End Date: Oct 02, 2020

Issue Date: Dec 21, 2020

Revision Level: Final

BACKGROUND INFORMATION

SAI Global conducted an audit of Evonik Oil Additives Canada, Inc. beginning on Oct 02, 2020 to RC14001 RCMS - 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 - CIAC COMMITMENTS report held by Evonik Oil Additives Canada, 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 organization. This audit report considers your organization's policies, objectives, and continual improvement processes. Comments may include how suitable the objectives selected by your organization 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 organization 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 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 responsible care management system as it applies to the manufacture of petroleum chemical additives and higher molecular weight methacrylate monomers. The registration for Morrisburg (011058) is dependent on the Horsham, Pennsylvania facility (011060) for corporate support and technical services.

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, including participation in past meetings. Planning to attend next TransCAER activity in October 2020. Corporate Logistics provides assessment of transportation carriers.

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. Interview with community member demonstrated communication was effective. Site has involved local responders (fire, police) in emergency scenarios drills. Reviewed emergency preparedness scenarios & drills conducted including post event evaluation.

Element #3 - Participation

Evidence of participation by company leadership in CIAC Responsible Care 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. Participation to events via call in or remote, due to remote location of site. Annual RC® recommitment letter submitted by corporate.

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 & other required submissions. Reviewed 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. RC®/ ACC metrics 2019 completed by Corporate. Site is in good standing with ACC/ 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 projects & products to reduce environmental footprint, to eliminate waste, & increase yields.

Element #6 – Dialogue

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

Auditor Notes: Organisation has held meetings with the community in the past, posted information in local newspaper. 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 20 years, has visited the site, & has participated in worst case scenario table top (in the past). Member would contact EHSQ Manager, visit site, if had any concerns. Member has no concerns at this time. Member suggestion to send an updated pamphlet. Member was aware of 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 the potential local Indigenous communities. Organisation is active in community of South Dundas, benefiting local population, including indigenous persons living in the area & working at site. Reviewed community communications & activities. Annual publication in local newspaper (“The Morrisburg Leader”). Support for local community charities including local food bank, Angel Christmas Tree, & Habitat for Humanity. Donation of safety glasses, masks to support community COVID response.

Element #8 – Promotion/Awareness

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

Auditor Notes: Organisation demonstrated RC® promotion & awareness through interviews with employees at various levels & positions within the organisation, interview with community member. Interviewees were aware of RC® by name. Reviewed use of the RC® logo on neighbor outreach information, on corporate website (logo & policy). Use of RC® logo in local newspaper publication.

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

- Detailed Pandemic Preparedness Plan.
- Continual Improvement projects with each employee contributing to at least 1 project per year.
- Continual Improvement projects that reduce environmental footprint & eliminate waste.
- Designated number to remotely activate automatic shutoff of a potential discharge.

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

None

Opportunities for improvement

- Consider conducting a virtual CAP meeting.

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 management system requirements. Organisation has consistently demonstrated an implemented & maintained integrated Environment, Health, Safety, & Quality (EHSQ) management system.

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

- Organization demonstrated awareness of RC Principles & Ethics, & actions taken to promote sustainability, support for corporate responsibility.

Audit Team Conclusions

The audit team conclusions related to the full management system audit are available upon request from Evonik Oil Additives Canada, 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: 02OCT2020