

Audit Report



Company Audited and Audit Information

Company: ECS Refining-Stockton, CA (HQ)

Audit ID:1593

Management Representative:Jeanne Shackelford

Audit Dates: 6.00 days
08/17/2015-08/19/2015

Address:2222 S. Sinclair Stockton, California 95215 USA

Type of Audit:SR

Phone:(209) 774-5067

Standards Audited:e-Stewards:2.0, ISO
14001:2004, OHSAS 18001:2007,
R2:2013

Fax:(N/A)

Audit Structure:Single
(Single-Campus, Multi-Site)

E-mail:jshackelford@ecsrefining.com

Number of Personnel:285

Web page:www.ecsrefining.com

Number of Shifts: 2

Location of Audit (if not above address):

Risk Rating:

The information detailed above was reviewed by the Audit Team. The Audit Team concluded that there was no significant changes that affect the management system of the company since the last audit activity was accomplished.

Orion Audit Personnel

Team Leader:Francisco Vazquez Torres

Audit Team Member(s):David Koepper

Observer(s):None

Audit Purpose and Audit Report

This audit evaluated the company for conformance to applicable standards identified above to confirm that the company has met the applicable requirements of the standard(s) and has effectively implemented the applicable requirements of the standard(s).

The audit was performed in accordance with the requirements of Orion Registrar, Inc. procedures which implement audit requirements of ISO 17021 or ISO 17065 and other normative requirements. A management system audit is based on verification of a sample of available information. Thus there is an element of uncertainty reflected in the audit nonconformities. Also if no non-conformities were identified this does not mean that they do not exist in audited and/or other areas.

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In addition to the information documented in this report, Orion Registrar maintains files that contain objective evidence collected during the audit and other supporting information concerning your certification. As part of the legal agreement with Orion Registrar, it is necessary to inform Orion Registrar of any major change(s) including Management System; ownership; key managerial decision-making or technical staff; introduction of new product/processes; employee numbers; contract address or sites; scope of operations under the certified management system; or other major changes. Please notify Orion Registrar within ten working days by updating the data in the Orion Client Portal or by email to Orion Scheduling.

This report is subject to independent review and approval. If changes are required to this report, a new report will be issued which will supersede this report.

The contents of this Report, including any notes and checklists completed during the Audit are confidential, and will not be disclosed to any third party without the written consent of the customer, except as required by the appropriate authorities identified in the Orion Application for Certification Services. The ownership of this Audit Report is Orion Registrar, Inc.

Audit Objectives, Scope and Criteria

The audit objectives for this audit are:

- a) Determination of the conformity of the your management system, or parts of it, with audit criteria;
- b) Determination of the ability of the management system to ensure the your management system meets applicable statutory, regulatory and contractual requirements;
- c) Determination of the effectiveness of your management system to ensure that you can reasonably expect to accomplish its specified objectives;
- d) As applicable, identification of areas for potential improvement of the management system.

The audit scope is defined in the Audit Plan and Schedule. The specific boundaries of the audit such as physical locations, organizational units, activities and processes to be audited are detailed in the Audit Plan and Schedule.

Standard(s):e-Stewards:2.0, ISO 14001:2004, OHSAS 18001:2007, R2:2013

Exclusion(s) to Standard(s):No exclusions

The audit was conducted in accordance with the above standards and applicable exclusions.

The specific processes audited are documented in the Audit Plan and Schedule. Specific client documents reviewed during the audit are documented in the appropriate Orion objective evidence documents.

Certification Scope

Certification Scope: Electronic waste recycling; asset management; testing and resale of electronic equipment[Location Certification Scope 2]

Exclusions No exclusions

The audit team reviewed the Certification Scope and the applicable exclusions for the company with respect to the type of activities, products, and services applicable at each site. The conclusion of the audit team was that the certification scope and applicable exclusions were proper for the company in relation to the company's certification scope.

Audit Plan

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The Audit Plan for this audit is contained in Attachment 1. The Audit Plan contains the audit scope which identifies the extent and boundaries of the audit, such as physical locations, organizational units, activities and processes to be audited. The Audit was conducted in accordance with the Audit Plan.

Conductance of the Audit

An Opening and Closing Meeting was accomplished using the Orion Opening & Closing Agenda. Attendance was taken at the meeting and the attendance sheet is contained in Attachment 2.

Additional information identified at this meeting except for the Audit Plan was not identified

The audit team conducted a process-based audit focusing on significant aspects/risks/objectives. The audit methods used were interviews, observation of activities and review of documentation and records. The audit team has examined and verified that the structure, policies, processes, procedures, records and related documents are relevant to the management system and the audit scope. The objective evidence that the Audit Team documented is contained in applicable Auditor Notes or PAWS that are maintained by Orion Registrar. The auditing is based on a sampling process of the available information. Audit recommendations are subject to an independent review prior to a decision concerning the original certification or recertification.

Inconsistencies between policy, objectives and targets (consistent with scope of the certification) and their results were not identified. Evidence was found to demonstrate that the management system has the capability to consistently meet the objectives of the standard.

Inconsistencies are listed in other sections of this report were identified and documented in one or more Nonconformity Reports

Specific Surveillance Requirements Audited

The Audit Team reviewed the use of certification status and scope in marketing, advertising and other documents including the use of the Certification Mark as applicable. The certification claims were accurate and in accordance with Orion guidance.

The certification claims were not accurate because of .
NCR documented the nonconformance to the certification requirements.

The Audit Team also reviewed the complaint system including the handling of complaints. The Audit Team concluded that the complaints were identified, evaluated and processes in accordance with the applicable standards requirements and the client's process requirements.

Continuing operational control was evaluated by review of the Management Review, Internal Audits and the processes selected and audited for this Surveillance. The conclusion of the audit team is that management system(s) has been effectively maintained.

Specifically the Audit Team review the progress of planned activities aimed at continual improvement. The plan activities were accomplished in accordance with the client's internal commitments.

Determination of Effectiveness

The Audit Team determined the effectiveness of Internal Audits, Management Review and the overall effectiveness of the Management System. The objective evidence for the decision is contained in the applicable Process Audit Worksheet (PAW(s)). The criteria to determine the effectiveness is:

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| Determination of Process Effectiveness Evaluation Method | | | | | |
|---|---|--|--|---|--|
| Identification/Documentation of Requirements | Effectiveness Level | | | | |
| | Exceeds All requirements identified plus additional requirements documented | 3 | 4 | 4 | 5 |
| | Fully Documented > 95% requirements documented | 2 | 3 | 4 | 5 |
| | Partial Documented > 75% documented but < 95% requirements | 1 | 2 | 3 | |
| | Not Documented <75% Documented | 1 | 1 | | |
| | | Effectively Not Implemented Appropriate actions is not taken, < 75 of requirements not implemented | Partial Implementation Appropriate actions is being taken, > 75% implemented but not 95% implemented | Full Implementation > 95% implemented | Exceeds All requirements implemented, plus additional requirements implemented |
| Effectiveness of the implementation (expected outcomes, planned results, and capability to meet requirements) | | | | | |

Effectiveness of the Internal Audit and Management Review

The Internal Audit effectiveness was determined by using the criteria list above. The Internal Audit was judged to have the effectiveness level of 3. The summary of the objective evidence used to determine the effectiveness was:

- Internal Audit Checklists
- Internal Auditors Training Diplomas
- Corrective / Preventive Action Log

The effectiveness of the Management Review was also determined by using the criteria list above. The Management Review was judged to have the effectiveness level of 4. The summary of the objective evidence used to determine the effectiveness was:

- Management Review Minutes
- Management Review Presentation

Audit Nonconformance's

Nonconformance's that were identified during this audit are:

Summary of Nonconformance's Issued

- 7 Minor Nonconformities were identified.
- 0 Major Nonconformities were identified.

The Implemented Correction, Cause, and Corrective Action plan is due 30 calendar days from the date the NCR was written. There may be shorter day requirements for standards such as TL9000 and AS.

Corrective Action due dates for implementation and on-site verification/closure:

- Minors-next regularly scheduled audit
- Majors
 - Stage 2 Audit-no deadline but certification cannot procedure until closure*. However if the NCR is not closed* in 6 months, a new Stage 2 Audit is required to be conducted before certification.
 - Transfer Audit-no deadline but certification cannot proceed until closure*.

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- Surveillance Audit-closure* is due within 120 calendar days
- Recertification Audit- no deadline but certification cannot procedure until closure*. However if the NCR is not closed* in 6 months, a new Stage 2 Audit is required to be conducted before certification.
- For TL 9000, acceptance of evidence of implementation of the corrective action plan not to exceed 90 days from the date of the final audit report.
- *Closure means that corrective and corrective action have been effectively implemented and verified by the Orion Auditor.

The status of previous nonconformance's from the past audit activities are that there are 0 nonconformance's still open.

Opportunities For Improvements

1. Some of the records are difficult to recover, consider improve the provisions to know where to access them, since currently the controls are listed on the procedures that generates them and there is no reference in the forms to such procedures.
2. Consider improve identification of scrapped hard drives in the secured area.
3. Consider review the adequate use of e-stewards and ISO 14001 certification logos in supporting marketing stationery.
4. Consider improve the standardization of the "responsibilities" section in procedures.
5. Consider improve the criteria for on-site audits for those downstream vendors that are final processors
6. The site could consider implementation of a maintenance or calibration plan for the manometers on the baghouse system. This would help to ensure the efficient operation of the collection system
7. The site could consider a more formalized process of including EHS in the Lean process for evaluation of issues associated with change at the planning stage rather than a final stage gate.
8. The site could consider improving the EHS document system by providing policy, procedure and documents that are consistently numbered in association with the standards they are intended to implement.

Management System(s) Strengths

1. The recently implemented Lean Manufacturing process is a known driver of process improvement including EHS improvements if configured to ensure integration of EHS principles. The site has already integrated some aspects of Safety Management and has made a strong start to a full integration.
2. ECS has very experienced staff.
3. Good visual Information communicated thru GAMBA boards and good awareness of staff about them
4. It was noted a good system to keep tracking of electronic equipment thru all the internal process.

Overall Effectiveness of Company's Management System

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The capability of the Management System to meet applicable requirements, expected outcomes, effectiveness management system in achieving client's objectives and overall effectiveness was determined by using the criteria list in the Effectiveness of the Process Review Section of the Report. The Management System capability and effectiveness was judged to have the effectiveness level of 4. The summary of the objective evidence used to determine the effectiveness was:

- Management Review
- Internal Audit
- Processes Evaluated in Effectiveness of Process Section of the Report
- Corrective / preventive action logs
- Objectives and Targets Tracking graphs

Unresolved Items

There were no unresolved item(s).

Additional Auditor Comments (Optional)

There were no additional auditor comments.

Conclusion

Therefore the Audit Team recommends that, based on the results of this audit which evaluated the system's demonstrated capability to meet applicable requirements and effectiveness and with the provision that the NCRs will be successfully resolved, the Management System certification be:

Original Certification Continued Certification Certification Transfer Scope Change/Standard Upgrade
 Suspended until satisfactory corrective action is completed Withdrawn

Lead Auditor: Francisco Vazquez Torres

Date: 8/19/2015

Orion Technical Review (if applicable)

Result of Technical Review has concluded that the Management System certification is:

Original Certification Continued Certification Certification Transfer Scope Change/Standard Upgrade
 Suspended until satisfactory corrective action is completed Withdrawn

Technical Reviewer: Karen Mustoe

Date: 8/27/2015

Follow-up Arrangements

Based upon the result of the audit, follow-up is required.

Next Activity and Focus for Next Audit Activity

The next activity will be Surveillance audit

Preliminary activity date(s) were discussed.

The following subjects or requirements will be a focus for the next audit: Emergency preparedness, Reuse and Refurbishment, EHS Monitoring, Management process

Attachments

Audit Report



Attachments

- 1) Audit Plan and Schedule
- 2) Opening & Closing Meeting Attendance
- 3) Non conformity log

Distribution

Distribution:

Company: ECS Refining-
Stockton, CA (HQ)

Team Leader: Francisco
Vazquez Torres

Auditor(s): David Koepper