Role of Third Party Certification Bodies in Certifying Organizations to Recycling Standards

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Topics

- WHY BUSINESSES PURSUE CERTIFICATION

- RESULTS OF R2 SURVEY

- HOW THIRD PARTY CERTIFICATION PROGRAMS OPERATE

- TYPES OF AUDITS – REGISTRATION, SURVEILLANCE AND RECERTIFICATION AUDITS

- FINANCIAL, STAFFING AND TIME INVESTMENTS

Why Businesses Pursue Certification

- To be competitive in the market
- Federal/State programs requiring recyclers to be R2 or E-stewards certified.
- Requirement by customer e.g. OEM (Original Equipment Manufacturer)
- International E-waste recyclers who are Downstream Vendors (DSV) for US companies are encouraged to be R2/E-stewards
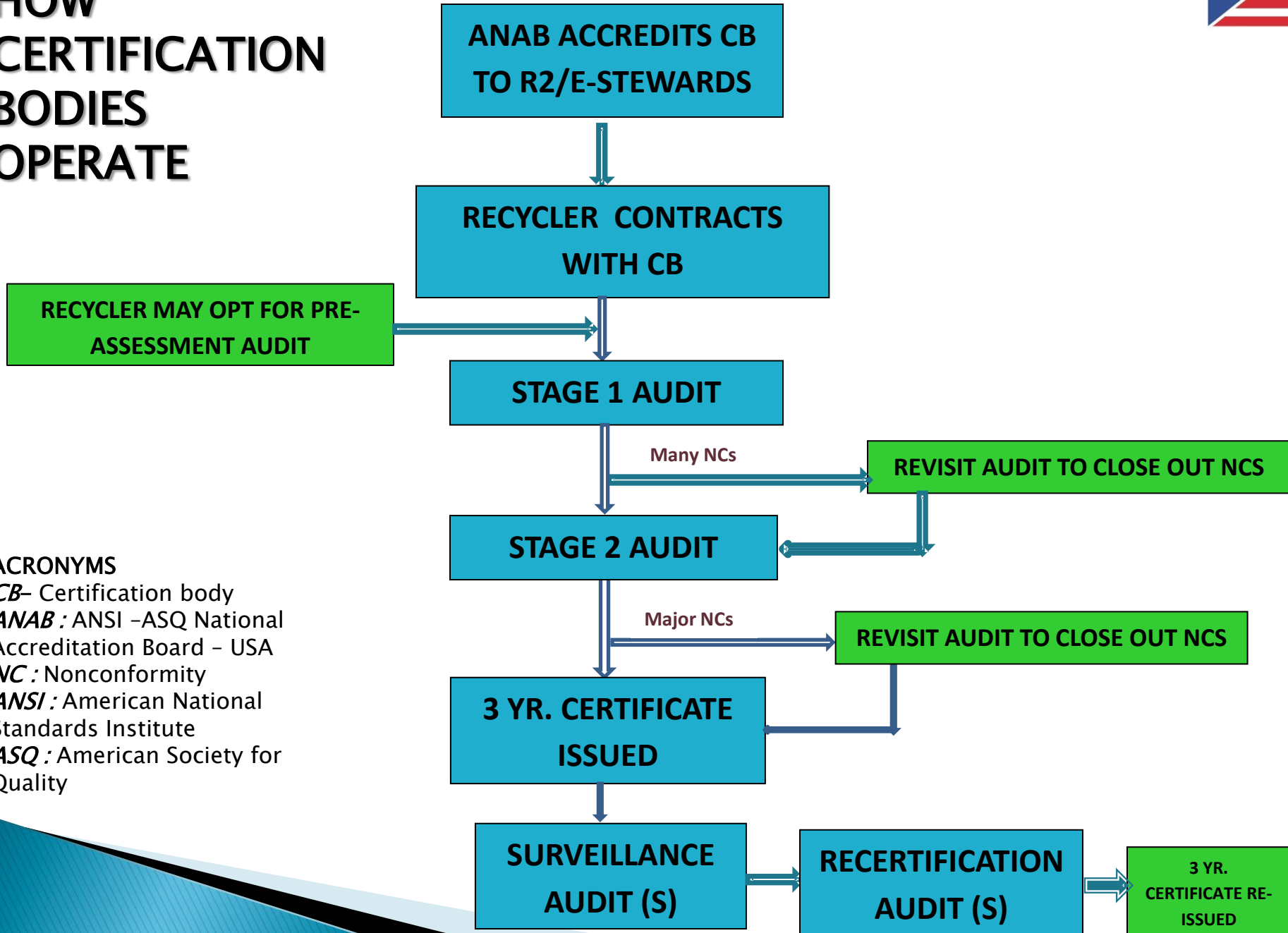- To improve facility operations and demonstrate use of best practices

Results of R2 survey

- Sought different downstream vendors that meet R2 requirements.
  - ❖ 50%

- Adopted an EHSMS plan where there had previously been none.
  - ❖ 42.9%

- Modified an existing management system to meet R2 requirements.
  - ❖ 60.7%

- Have a plan for continuous improvement for EHSMS for the first time
  - ❖ 46.4%

- Have closure plan in place for the first time
  - ❖ 46.4%

- Separating and managing focus materials differently, according to the Standard
  - ❖ 50%

- During audit preparation discovered we had not been knowledgeable of, or in compliance with all applicable regulations, but are confident the facility is now in full compliance.
  - ❖ 46.4%

Reference: R2 solutions' survey –2011

79.3% of recyclers saw in an improvement in business due to certification

Reference: R2 solutions' survey -2011

HOW CERTIFICATION BODIES OPERATE

ANAB ACCREDITS CB TO R2/E-STEWARDS

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RECYCLER CONTRACTS WITH CB

RECYCLER MAY OPT FOR PRE-ASSESSMENT AUDIT →

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STAGE 1 AUDIT

→ *Many NCs* → **REVISIT AUDIT TO CLOSE OUT NCS**

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STAGE 2 AUDIT

→ *Major NCs* → **REVISIT AUDIT TO CLOSE OUT NCS**

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3 YR. CERTIFICATE ISSUED

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SURVEILLANCE AUDIT (S) → **RECERTIFICATION AUDIT (S)** → **3 YR. CERTIFICATE RE-ISSUED**

ACRONYMS
CB– Certification body
ANAB : ANSI –ASQ National Accreditation Board – USA
NC : Nonconformity
ANSI : American National Standards Institute
ASQ : American Society for Quality

Registration Audits

The registration audit consists of two stages:

- **Stage 1**

  – On-site document review of management system
    – Reviewing all policies and procedures: in-depth paperwork review
  – Evaluates the readiness of the organization to move to Stage 2

- **Stage 2**

  – Scheduled 30 to 75 days after the Stage 1 audit
  – Longer duration than Stage 1
  – On site implementation review of management system
    – Interviewing employees, extensive walk through in facility, etc.; limited presence in conference room compared to St1

  All nonconformities will need to be resolved prior to issuing certificate

Surveillance Audits

- Evaluate if organization is maintaining their management system
- Surveillance audits involve:

  - *Facility inspections and review of procedures/records*
  - *Auditors interview employees, MR, top management etc.*

- Scheduled at either six or twelve month intervals depending on contract (organization has choice initially).
- Semi-annual surveillance is generally shorter than the annual audit.
- Partial system audit– Not all requirements are covered; instead they are sampled at a surveillance audit
- For recyclers, most surveillance audits range from 1-3 days/year
- Surveillance cycle can change depending on an organization's performance.

Recertification Audits

- On-site audit conducted prior to the 3rd anniversary of the initial certification (audit time = 2/3 registration time)
- At this audit, CB will review performance of organization over the previous 3 years.
- It is expected that at recertification, organization has achieved maturity of system
- Sometimes the systems can fall apart due to:
  - *Changes in management or MR or high turnover*
  - *Changes in processes or scope*
  - *Move of facility*
  - *Facility takeover by another organization – often seen with small recyclers being bought over by larger recyclers.*
- Surveillance visits will then continue, as before, on a 3-year cycle.

Financial Investments

- Prior to registration, consultant fees for
  - Setting up management systems that meet requirements of standard
    - Setting up the documented system (most recyclers do this electronically)
    - Collection of Information on downstream vendors (permit copies, throughput info. etc.)
  - Conducting evaluation of legal compliance

- Training costs
  - Includes training for MR on standard (s), Internal audit requirements etc.
  - Includes training for staff on roles/responsibilities, EHS policy, objectives etc.

- Fees paid to Certification body
  - Man-day rate and expenses (for auditors) for audits; Certification Bodies determine man-days based on:
    - Size of Facility
    - Risk Level – Low, medium or High depending on nature of activities like dismantling (low), shredding (medium), smelting (high) etc.
    - Integration with other standards – If they are already certified to other standards like 14001, 18001, RIOS etc., reduction in man-days is given by CB.
  - Certificate Fees
  - Maintenance Fees

Staffing Investments

- One person is responsible for managing the system (s) – Management Representative (MR) over and above job duties
- Internal Auditor Independence – Finding someone other than the MR to audit the system internally
- Internal audit(s) and compliance audits are done generally once to twice a year requiring participation of staff/top management

Time Investments

- Generally it takes an average of 2-3 months for a single organization to get ready for certification
- Certification time frame from time of contract to receipt of certification is 8.2 months for recyclers (Courtesy: R2 survey)
- If organization does not have an effectively implemented system, revisits are done after audits prolonging certification periods
  ◦ Lack of training, not comprehending/interpreting requirements, thereby not fulfilling them and not allocating resources to develop management system are some causes for poorly implemented systems
- Hiring external consultants to help with Internal Audit or compliance audits could prolong the process

QUESTIONS?