ATTACHMENT D

Safer Choice Program: Audit Process Guidance

(DRAFT 8/9/12)

Safer Choice has prepared this guidance to assist our qualified third parties in preparing for and conducting desk and on-site audits on Safer Choice products and partners. For both desk and on-site audits, the guidance includes the following elements (in list format): Requisite audit materials, audit procedures, and audit follow-up.

Desk Audit Process

(based on 4/2011 Edition of the Safer Choice Standard)

I. Materials Required in Advance of Audit

a. A statement that the ingredients and all claims made regarding the Agency's recognition (e.g., use of the Safer Choice label) comport with the Partnership Agreement or a Safer Choice-approved amendment to the agreement; of note, this statement must confirm that the ingredients in labeled products are the same as those Safer Choice has reviewed and referenced in the partnership agreement;
b. List of all ingredients for each recognized product;
c. Product labels showing use of the Safer Choice label or mention of Safer Choice recognition;
d. Product or company literature that uses the Safer Choice label or mention of Safer Choice recognition;
e. Private label (including licensed products) (PL) labels and literature that bear the Safer Choice label;
f. Summary of implementation activities for any continuous improvement efforts as required by the Partnership Agreement; and
g. Documentation of education offered to end users of Industrial/Institutional (I/I) products.

II. Audit Procedures

1. Request above-listed materials.
2. For each product, verify that the list of ingredients (including those from third-party suppliers) matches the formulation on record and formulation bills of material (e.g., batch tickets). Notify Safer Choice of any discrepancies ASAP.
3. Verify correct use of the Safer Choice label/program name on labels, literature, and the partner company website.
4. Request updated PL forms to determine if PL products should be added / removed from list of labeled products. Verify correct use of the Safer Choice label/program name on PL labels, PL literature, and PL

company website(s). Bring any PL discrepancies to the attention of Safer Choice and your third-party profiler.

5. Verify that the "Summary of continuous improvement activities" addresses all ingredients identified as "target for improvement" in the partnership agreement and notify Safer Choice of any unaddressed ingredients.
6. Verify that education is being offered to the end user of I/I products as described in Section 3.4 of the Standard.

III. Audit Follow-up and Potential Noncompliance

1. Send written notice to the partner and Safer Choice with a deadline for addressing the audit issues or correcting the noncompliance, as applicable.
2. Verify corrective action and send an updated report to Safer Choice (including the root-cause analysis, explanation of corrective action, and preventive action plan) within 30 days of notifying the client –OR-- Notify Safer Choice that the partner company has not addressed the audit issues or not corrected the noncompliance within the allotted time.
3. Submit a "Desk Audit Report" that summarizes all items that Safer Choice should be aware of concerning the partner company's audit, including all items that were acceptable as submitted and who performed the desk audit. Note: if there is a formula issue or problematic ingredient being used, please highlight this information in an email to Safer Choice.

On-site Audit Process

(based on 4/2011 Edition of the Safer Choice Standard)

I. Materials Required in Advance of Audit

a. Production records, batch tickets, bills of lading, certificates of analysis, and any other formulation documentation;
b. Customer and/or employee complaint file for any potential concerns associated with the manufacture or use of Safer Choice products or ingredients;
c. Records for cleaning, maintenance, and calibration of manufacturing equipment; and
d. Supplier qualification records (including test data) for raw materials.

II. Audit Procedures

1. In advance of facility visit, request and review the above-listed items. For each product, verify that the list of ingredients (including those from third-party suppliers) matches the formulation on record and formulation bills of material (e.g., batch tickets). Notify Safer Choice of any discrepancies ASAP.

2. On-site:
    a. Verify that labeled products are being manufactured with the ingredients agreed to under the partnership (and aligned with trade name/supplier), including at specified use levels, when appropriate;
    b. Verify records for cleaning, maintenance, and calibration of manufacturing equipment (if not done before visit);
    c. Verify that any PL products packaged on-site are identical in formulation to the original recognized product (i.e., no dilution, concentration, no added dyes or fragrances);
    d. Verify Good Manufacturing Practices (i.e., manufacturing and packaging operations conducted within the scope of an effective quality system (e.g. ISO 9001) and in accordance with defined quality procedures (appropriate to the product type, e.g., cleaning). Include:
        - Production walk-through;
        - Review practices for minimizing contamination during measuring, blending, and packaging; and
        - Verify bulk containers, transfer equipment, and holding vessels are in good repair.

III. Audit Follow-up and Potential Noncompliance

1. Send written notice to the partner and Safer Choice with a deadline for addressing the audit issues or correcting the noncompliance, as applicable.
2. Verify corrective action and send an updated report to Safer Choice (including the root-cause analysis, explanation of corrective action, and preventive action plan) within 30 days of notifying the client— OR — Notify Safer Choice that the partner company has not addressed the audit issues or not corrected the noncompliance within the allotted time.
3. Submit an "On-site Audit Report" that summarizes all items that Safer Choice should be aware of concerning the partner company's audit, including all items that were acceptable and who performed the audit. Note: if there is a formula issue or a problematic ingredient being used, please highlight this information in an email to Safer Choice.