



**AUDITED BY BLC
AGAINST LWG
STANDARDS**

RCM 11-12-034

**LWG ENVIRONMENTAL AUDIT
SUMMARY REPORT
Protocol Issue 5.2.3**

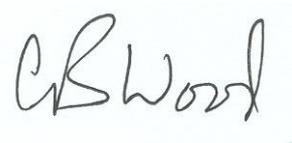
**CPL Group Public Co Ltd
700 Moo 6, Sukhumvit Road
Tambol Bangpoo Mai
Ampur Muang, Samutprakan
10280 Thailand**

February 2012



AUDIT REPORT
For
Kitichai Wongcharoensin

by

_____ and _____

STRICTLY CONFIDENTIAL

Audit Result Summary

CPL Group Public Co Ltd	% Score	Rating
Environmental Performance	70.9%	Automatic Failure
Material Traceability		Grade B

The primary processing scope for this tannery audit	Category C – Tanned hides to finished leather
The tannery also undertakes the following activities	
The types of leathers produced are	Athletic, brown and split leathers

To achieve the rating of **Gold**, **Silver** or **Bronze** it is necessary to gain the minimum score required for that award as an overall percentage and in all critical sections.

		Gold	Silver	Bronze
Overall				
Possible Score	1079			
Actual Score	765.4	Minimum Score		
Critical Sections				
Production Data	40	25	18	10
Restricted Substances	100	100	90	80
Operating Permits	-50	45	35	25
Energy Consumption	72.3	60	45	30
Air Emissions	84.7	90	70	50
Hazardous Waste Management	60.8	60	50	40
Non hazardous Waste Management	23.9	25	21	17
Environmental Management Systems	20	20	18	16
Water Usage	77.8	80	70	60
Tanyard Processes	46	95	85	75
Effluent Treatment	76	64	48	38
Non Critical Sections				
Emergency Plans	20			
Housekeeping	16			
Complaints and Public Relations	10			
Manufacturing Processes	32			
Beamhouse Processes	47			
Post Tanning Operations	33			
Finishing	55.9			

Audit completed by	BLC Leather Technology Centre Ltd
Auditor	C B Wood
Date the audit was conducted	22 and 23 February 2012 (March 20)
The audit is valid for	18 months
The next audit is due	Not specified
Audit protocol	* LWG - Issue 5.2.3, January 2012

*The audit was conducted in accordance with the procedures and guidelines specified in the "Tannery Environmental Auditing Protocol" prepared and issued by the Leather Working Group: Issue 5.2.3 January 2012. The assessment was based on sampling and therefore nonconformities may exist which have not been identified.

Key Comments and Observations

This audit was the fourth for this company and resulted in a complex situation. It has been recorded in previous audits that the Tanners Association is the holder of most of the permission (permits to operate) for the group of Tanners located and operating in this tanning zone (No 34). The Association manages many of the environmental issues eg waste disposal; and the waste water treatment plant (through a subcontractor called Sam Co). CPL manages their site with good environmental stewardship. The Tanning Zone itself is not well managed from an environmental perspective. The open drains flow with smelling liquid wastes; there are numerous places where shavings can be seen lying on open land and the whole area suffers from odour issues.



When the waste water treatment plant was visited the final discharge water was not flowing, the sludge in the collection bins below the dewatering devices was dry (indicating there had been no sludge prepared for some time) and the chromium recovery plant appeared to be not working. The

photo on the left shows the sludge collection bins on the first day of the audit. The sludge in the bin was dry. The photo on the right shows the chrome recovery system on the same day, there is no visible production and the filter press appeared not to have been used for some time. Note the pale nature of the recovered chromium cake on the belt, clearly dry. The observations and detail relating to the chromium recovery are set out in the audit responses – section 15 – Box 4.



The auditor revisited the site at the request of the company approximately one month after the audit (March 20). On this occasion one of the sludge presses was observed working and the other one had moist sludge in the bin. The quantity of sludge generated on both visits appeared to be very low (too low for a plant of this scale). The request was made to see all the sludge generated since the previous visit –

approximately one month before. The photo shows one area where the sludge was laid on the ground. This is not the whole quantity but is representative of the scale of sludge generation: very small for a plant processing 6000 tons of water per day.

The claim was made that the sludge may be disposed of on the land operated by the Tanners Association. The photo above demonstrates what is meant by on the land, the foreground shows recent deposits, the background (greenish tinge) sludge seen on the first visit. It was not totally clear whether the sludge could be legally disposed on the Tanners Association site or not; there was no evidence for a permit to allow this. It appears that some sludge may have been taken away and for this sludge, that had been disposed off site (ie away from land “governed” or controlled by The Tanners Association), there were no disposal notes.

For the chromium recovery plant, the quantity of chromium cake produced was low, the disposal notes for this material were present and correct (at the second visit) but the volume of waste represented seemed too low. Based on these observations the auditor recorded:

“This waste water plant is not compliant on the basis that the quantity of sludge produced is low, there is no evidence for sludge disposal from the site and it is unclear if the disposal on this land is permitted or not”.

This was discussed with CPL and the subcontractor. The following recommendations were made to assist in rectifying this matter:

1. *CPL (through the Tanners Association) need to demonstrate that the landfill option on the Tanners Association land is legal.*
2. *Keep data on the quantity of sludge made, in order to demonstrate that the plant is cleaning the water effectively;*
3. *What happens to this sludge? - show what happens with the tonnage, photos etc;*
4. *If the sludge is disposed “off site” (off site means away from the Tanners Assoc land) – again keep records and be able to show this is legal. Disposal notes should show that the sludge is correctly coded: 04 01 07??;*
5. *Chromium cake or chromium sludge disposal should also be of the correct order of magnitude. The current quantity appears too low. Also, in section 15 Q10, CPL will need to find a solution to the question relating to the amount of chromium recycled.*

Production Data

The company produce from salted hides and scored maximum points here.

Traceability

The company were able to trace 90% and scored Grade B

Restricted Substances

The company scored well in this section.

Operating Permits

Automatic failure was recorded for this section. The detail has been provided in the introduction to this report and more detail on the background is supplied in the audit response report.

Energy Consumption

This section scored well.

Air Emissions

This section scored well.

Hazardous Waste Management and Non-Hazardous Waste Management

CPL's own waste disposal seemed to be under control. Issues relating to waste disposal of waste water treatment sludge and chromium precipitate cake are the key issue for CPL to resolve.

Environmental Management Systems

The company has an in house system.

Water Usage

The company need to measure in coming water. At present there is a water reserve on the site (not measured in) but measured out to each department. Before the next audit, metering in is required.

Tanyard Processes

The company were relying on the subcontractor to recover the chromium and manage the recycling. As the subcontractor was not recovering the chromium in any quantity and certainly not recycling the recovered cake, CPL scored below medal ratings for this section. This is another key area for improvement.

Effluent Treatment

The records show that the waste water treatment plant is operating well. The auditor considered this plant was not operating well, was routinely giving strong odours, was under producing sludge volume and not disposing of this correctly. The scoring system in this section (assessing water quality) does not reflect the true situation relating to this waste water treatment plant.

Recommendations

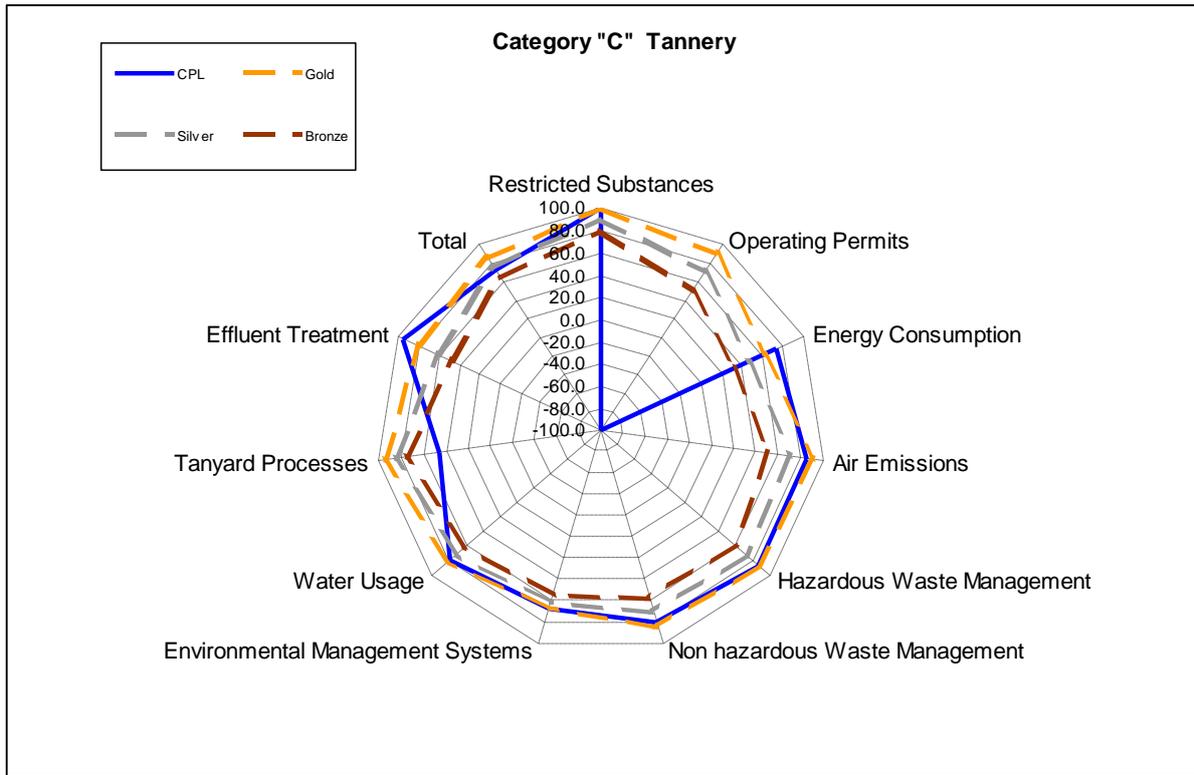
- Several recommendations for the WWTP are provided;
- The company must find a way to recycle chromium and be able to demonstrate the data relating to the quantity recycled.

Documents provided and filed with the report:

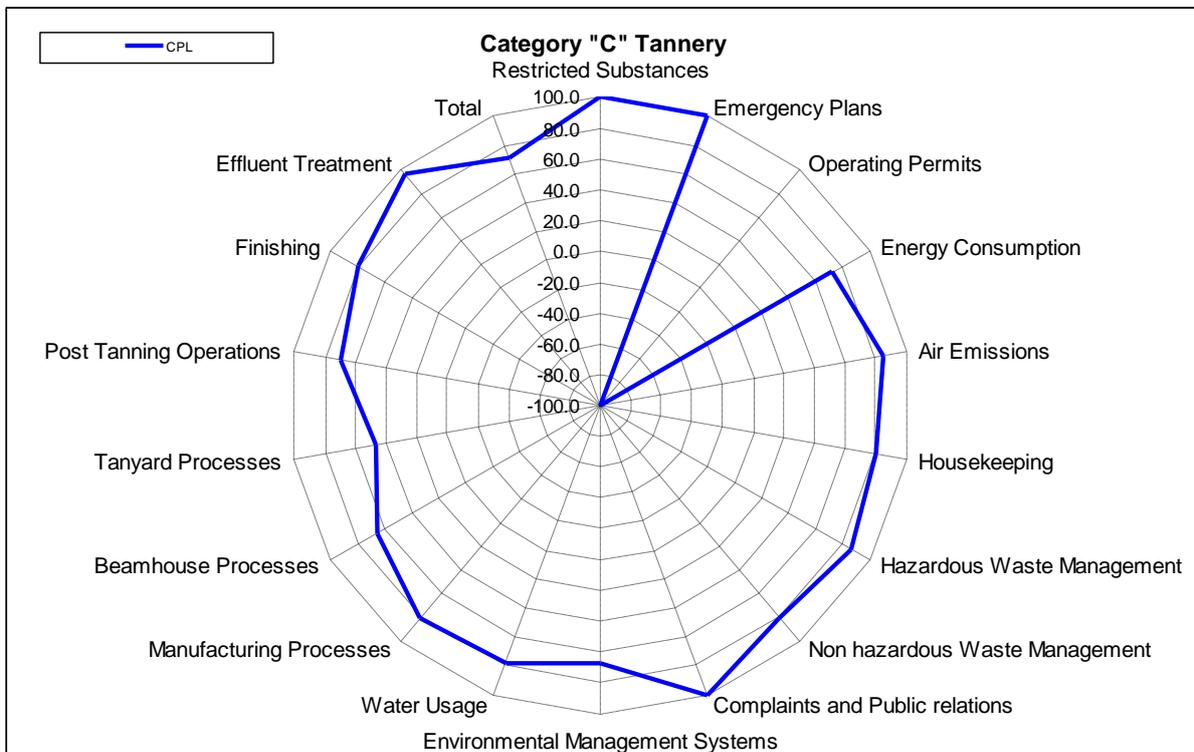
Doc 1	Energy data
Doc 2	Utilities data
Doc 3	WWTP performance – analytical data
Doc 4	RSL test list
Doc 5	Chromium analysis data
Doc 6	Permit for hazardous waste disposal (Tanners Association)

Graphical Performance

Radar Graph 1,
 “Critical Sections” scores in comparison with Gold, Silver and Bronze targets



Radar Graph 2
 Scores as a percentage of the possible total.



These graphics are best viewed on computer screen or when printed in colour.

Notes

The assessment was based on sampling and therefore nonconformities may exist which have not been identified.

If you wish to distribute copies of this report external to your organisation, then all pages must be included.

Regulatory Compliance

BLC conditions of contract for this audit require that BLC be informed of all regulatory non-compliance or incidents that require notification to any regulatory authority. Acceptance of this report by the client signifies that all such issues have been disclosed as part of the assessment process and agreement that any such non compliance or incidents occurring after this visit will be notified to the auditor as soon as is reasonably practical.