OMB No. 2010-0032
Expiration Date: 06/30/03

National Environmental Performance Track
U.S. Environmental Protection Agency

Annual Performance Report Form

Facility Name: Novozymes North America, Inc.

Performance Track ID #: A04-0052

Annual Performance Report #: 1

Reporting Year: 2001

Due Date: April 1, 2002

Section A

General Facility Information

To the extent possible, EPA will pre-complete items A.1-A.8 for you. Please ensure that the information in A.1-A.8 below is accurate, complete, and up to date. Please supply or revise any information as necessary and then check the box to the left of the item(s) to indicate where changes have been made. Items A.9 and A.10 cannot be pre-completed; please respond as directed in A.9 and A.10 below.

Did you make changes? If so, check box.

A.1 ☐ Name of your facility: Novozymes North America, Inc.

A.2 ☐ Name of your parent company: Novozymes

A.3 ☐ Facility contact person for the Performance Track program:

Name: Mr./Mrs./Ms./Dr. Mr. Jack W. Blackmer

Title: Regulatory Compliance & External Affairs Specialist

Phone: 919-494-3378 Fax: 919-494-3462 E-mail: jkbl@novozymes.com

A.4 ☐ Facility's location: PO Box 576

Street Address: 77 Perry Chapel Church Rd.

Street Address (cont.):

City/State/Zip Code: Franklinton, NC 27525

A.5 ☐ Facility's website address (if any):

A.6 ☐ Number of employees (full-time equivalents) who currently work in the facility:
☐ Fewer than 50 ☐ 50 - 99 ☒ 100 - 499 ☐ 500 - 1000 ☐ More than 1000

A.7 ☐ Does your company meet the Small Business Administration definition of a small business for your sector? ☐ Yes ☒ No

A.8 ☒ North American Industrial Classification System (NAICS) Code(s) that are used to classify business at the facility: 325199 _____ _____ _____ _____

A.9 ☐ In your application and, perhaps, in previous annual performance reports, you described what your facility does or makes. Have there been any (additional) changes to your facility's list of products and/or activities? If so, please list them in the space below. ☐ Yes ☒ No

A.10 ☐ Please update the list of environmental requirements that apply to your facility. In the space below, indicate any changes that have taken place during this reporting period. If you have no changes to report, please write "No changes."
No Changes

Section B

Environmental Management System

B.1 Environmental Management System Assessment.

Please summarize EMS assessments conducted *during the year*. Attach additional sheets as necessary.

a. Was an EMS audit or other assessment done by an independent third party?
☒ Yes ☐ No

If yes, please provide the *type* (e.g., ISO 14001 certification), the *scope*, and the *dates* (mo/yr) of each assessment.

ISO 14001 Registration Surveillance Audits:

- September 24, 2001
- March 8, 2002

b. Was an internal or corporate EMS audit conducted? ☒ Yes ☐ No

If yes, please provide the *scope* and the *dates* (mo/yr) of each audit.

2/20/2001 - Audit of environmental requirements for contractors and suppliers
2/18-2/21/2002 - Comprehensive Corporate Audit:
Management Review, Aspects & Impacts, Goals and Objectives, Structure & Responsibility,Resources, Environmental Policy, Document Control, Training, Regulatory Requirements. Audit Program and Corrective & Preventive Action
In all operations & maintenance areas and Applied Discovery laboratory: Training, Awareness & Competence, Operational Control, Monitoring & Measurement, Emergency Response, Regulatory Requirements, Document Control

c. Was a compliance audit conducted? ☒ Yes ☐ No

If yes, please provide the *scope* and the *dates* (mo/yr) of each audit, and indicate *who* conducted the audit(s) (e.g., facility staff, corporate groups, third party).

4/2001 - EPA TRI - Internal Assessment Following Update Class
5/2001 - EPCRA TRI - Third Party
5/2001 - Air Permit & RMP - Third Party
9/2001 - Stormwater, SWPPP & SPCC - Internal
9/2001 - Land Application Programs - Internal
9/2001 - Solid & Hazardous Wastes - Internal
9/2001 - Toxic Substances Control Act - Internal

d. (Optional) If you would like to describe any other audits or inspections that were conducted at your facility, please do so here.

Section B

(continued)

B.1

e. Briefly summarize corrective actions taken and other improvements made as a result of your EMS assessments and compliance audits.

Initiated improved regulatory tracking of changes to EPCRA TRI
Improved Perlite baghouse filter system

No compliance problems were identified in the regulatory audits and EMS assessments. Several audit recommendations were implemented to further assure on-going regulatory compliance and conformance with our EMS procedures.

f. Has your facility corrected all instances of potential non-compliance and EMS non-conformance identified during your audits and other assessments?

☒ Yes ☐ No ☐ No such instances identified

If no, please explain your plans to correct these instances.

g. When was the last Senior Management review of your EMS completed? *mo/yr* 12/2001

Who headed the review?

Name: Mr./Mrs./Ms./Dr. Mr. Lee Yarbrough

Title: President, Novozymes North America, Inc.

Section B

(continued)

B.2 **ISO 14001 Certification.** Is your facility currently certified to ISO 14001? ☒ Yes ☐ No

B.3 **Environmental Aspects Identification.** When did your facility last conduct a systematic identification and/or review of your environmental aspects? *mo/yr* 10/2001

B.4 **Progress Toward Achieving Objectives and Targets.** In the table below, please provide a narrative summary of progress made toward EMS objectives and targets. **You may limit the summary to environmental aspects that are *significant* and towards which *progress* has been made during the *reporting year*.** In cases where progress relates specifically to a Performance Track performance commitment, complete the *Environmental Aspect* column, but in the *Progress* column simply refer to the performance commitment tables in Section C, i.e. "See Section C." Attach additional sheets as necessary.

Environmental Aspect	*Progress Made This Year* *(e.g., quantitative or qualitative improvements, activities conducted)*
Freon Use in Chillers	Replaced 2 coils and coated 4 coils with leak-resistant coating Established program to coat at least 6 coils per year.
Solid Waste	See Section C
Water Usage	See Section C
Energy Usage	12% decrease in energy usage indexed to production

Section C

Environmental Performance Commitments

Please use the tables on pages 6-9 to summarize your facility's environmental performance against your Performance Track performance commitments. Complete only those boxes related to the baseline, current year, and performance commitment. If any of the boxes have been pre-completed for you, please verify the information. If you find information that is incorrect, cross it out and write in the correct information. **Leave blank any columns for future reporting years.**

C.1

Performance Commitment 1

a. Use this table to report data related to your first performance commitment.

Category (see page 16 of the instructions): Waste					
Aspect (see page 16 of the instructions): Total Solid Waste					
	Baseline *(as stated in your application)*	*Year 1*	*Year 2*	*Year 3*	*Performance Commitment* *(the goal stated in your application)*
Calendar Year	2000	2001			2003
Actual Quantity (per year)	659	743			(optional)
Measurement Units	Tons of Solid Waste from Production				
*Normalizing Factor**	1.0	1.09			(optional)
*Basis for your Normalizing Factor**	Production Volume Index				
*Normalized Quantity** *(per year)*	659	682			560
*See pages 17-19 of the instructions for more information					

b. Briefly describe how you achieved improvements for this aspect or, if relevant, any circumstances that delayed progress.
Progress was delayed on this objective - major capital expenditures will be required. Progress is expected during 2002 and especially during 2003 when new filtration technology is expected to be in place.

c. Please list any other EPA voluntary programs to which you are also reporting these data (e.g., Energy Star, Project XL).

Section C

(continued)

C.2 Performance Commitment 2

a. Use this table to report data related to your second performance commitment.

Category (see page 16 of the instructions): Materials Use					
Aspect (see page 16 of the instructions): Recycled/Reuse/Materials Use					
	Baseline *(as stated in your application)*	*Year 1*	*Year 2*	*Year 3*	*Performance Commitment* *(the goal stated in your application)*
Calendar Year	2000	2001			2003
Actual Quantity (per year)	68,025	86,975			(optional)
Measurement Units	lbs recycled				
*Normalizing Factor**	1.0	1.16			(optional)
*Basis for your Normalizing Factor**	Number of Employees Index				
*Normalized Quantity** *(per year)*	68,025	75,047			78,228
*See pages 17-19 of the instructions for more information					

b. Briefly describe how you achieved improvements for this aspect or, if relevant, any circumstances that delayed progress.

The normalizing factor was changed to use "number of employees" rather than "total solid waste" to make it totally independent from No.1 above.

Excellent response to our solid waste recycling program resulted in excellent progress toward our 3-year goal of a 15% improvement in the amount of materials being recycled.

c. Please list any other EPA voluntary programs to which you are also reporting these data (e.g., Energy Star, Project XL).

Section C

(continued)

C.3 Performance Commitment 3

a. Use this table to report data related to your third performance commitment.

Category (see page 16 of the instructions): Water Use					
Aspect (see page 16 of the instructions): Total Water Use					
	Baseline *(as stated in your application)*	*Year 1*	*Year 2*	*Year 3*	*Performance Commitment* *(the goal stated in your application)*
Calendar Year	2000	2001			2003
Actual Quantity (per year)	248,000,000	257,000,000			(optional)
Measurement Units	Gallons				
*Normalizing Factor**	1.0	1.09			(optional)
*Basis for your Normalizing Factor**	Production Volume Index				
*Normalized Quantity** *(per year)*	248,000,000	236,000,000			237,000,000
*See pages 17-19 of the instructions for more information					

b. Briefly describe how you achieved improvements for this aspect or, if relevant, any circumstances that delayed progress.

This measurement was simplified from the complicated eco-productivity index submitted in our application to use only actual water usage indexed to production volume.

Significant yield improvements resulted in more efficient use of water in our production operations.

c. Please list any other EPA voluntary programs to which you are also reporting these data (e.g., Energy Star, Project XL).

Section C

(continued)

C.4 Performance Commitment 4

a. Use this table to report data related to your fourth performance commitment.

Category (see page 16 of the instructions): Other					
Aspect (see page 16 of the instructions): Land Application of Process Residuals					
	Baseline *(as stated in your application)*	*Year 1*	*Year 2*	*Year 3*	*Performance Commitment* *(the goal stated in your application)*
Calendar Year	2000	2001			2003
Actual Quantity (per year)	67,650,000	79,040,000			(optional)
Measurement Units	Gallons				
*Normalizing Factor**	1.0	1.09			(optional)
*Basis for your Normalizing Factor**	Production Volume Index				
*Normalized Quantity** *(per year)*	67,650,000	72,510,000			50,740,000
*See pages 15-17 of the instructions for more information					

b. Briefly describe how you achieved improvements for this aspect or, if relevant, any circumstances that delayed progress.

Process changes resulted in a more dilute residuals stream. A major compost project and/or improvements in filtration technology planned for late 2002 and early 2003 should result in significant reduction.

c. Please list any other EPA voluntary programs to which you are also reporting these data (e.g., Energy Star, Project XL).

Section D

Public Outreach and Performance Reporting

D.1 Please briefly summarize the public outreach and reporting activities that your facility has conducted during the year. Feel free, but not obligated, to attach supporting materials (e.g., meeting agendas, public announcements).

The following article in our employee newsletter describes a public celebration event:

On Wednesday, November 28th, Novozymes, North America (NZNA) celebrated acceptance by EPA into the National Environmental Performance Track Program with a reception that included invited government officials and NZNA employees. The event was well-attended and included State Senator Allen Wellons, Franklinton Mayor Larry Kearney, Gary Hunt of the NC Department of Environment & Natural Resources, and several government officials from Louisburg and Franklin County. State Representative Jim Crawford was unable to attend because of a legislative session and sent flowers in honor of our achievement. A reporter from the Wake Weekly/Franklin Reporter newspaper covered the event.

The Acting Regional Administrator for EPA Region IV awarded our certificate to Lee Yarbrough in a ceremony held earlier in Atlanta. The certificate will be displayed in the BOB Lobby right next to our ISO 14001 certificate for our Environmental Quality System (EQS).

NZNA was approved for entry into this program because of our well-functioning EQS and our commitment to go beyond environmental regulatory requirements to further improve our environmental performance. We are one of 251 facilities nationwide and one of only 4 in North Carolina.

Drawings were held for 5 backyard compost bins. The winners were:

- John Colin
- Marvis Henderson-Daye
- Lesley Fisher
- Susan Johnson
- Letonia Whittington

Our acceptance into the program was publicized in the following:

- Wake Weekly/Franklin Reporter
- Franklin Times
- Fuel Ethanol Industry website
- BLR Environmental Compliance newsletter
- NC Environmental Law Letter
- EPA Performance Track newsletter
- Borsens Weekly (a business publication in Denmark)

Our Performance Track improvement goals and information about our ISO 14001 EMS have been a part of several presentations to outside parties (local farm community, American Society for Quality, Biotechnology Industry Organization, NC 2002 Environmental Conference, & NC Government EMS Course).

D.2 Please indicate which of the following methods your facility plans to use to make its Performance Track Annual Performance Report available to the public. Please check as many as are appropriate.

- ☐ Website (URL)
- ☒ Open House
- ☒ Meetings
- ☐ Press Releases
- ☐ Community Advisory Panel
- ☒ Other LEPC, Presentations at association meetings

Section E

Self-Certification of Continued Program Participation

On behalf of Novozymes North America, Inc.,
(name of my facility)
I certify that

- I have read and agree to the terms and conditions specified in *the National Environmental Performance Track Program Guide*. This facility, to the best of my knowledge, continues to meet all program criteria;
- I have personally examined and am familiar with the information contained in this Annual Performance Report. The information contained in this report is, to the best of my knowledge and based on reasonable inquiry, true, accurate, and complete;
- My facility has an environmental management system (EMS), as defined in the Performance Track EMS criteria, including systems to maintain compliance with all applicable federal, state, tribal, and local environmental requirements in place at the facility, and the EMS will be maintained for the duration of the facility's participation in the program;
- My facility has conducted an objective assessment of its compliance with all applicable federal, state, tribal, and local environmental requirements; and the facility has corrected all identified instances of potential or actual noncompliance; and
- Based on the foregoing compliance assessments and subsequent corrective actions (if any were necessary), my facility is, to the best of my knowledge and based on reasonable inquiry, currently in compliance with applicable federal, state, tribal, and local environmental requirements.

I agree that EPA's decision whether to accept participants into or remove them from the National Environmental Performance Track is wholly discretionary, and I waive any right that may exist under any law to challenge EPA's acceptance or removal decision.

I am the senior manager with responsibility for the facility and am fully authorized to execute this statement on behalf of the corporation or other legal entity whose facility is part of the National Environmental Performance Track program.

Signature/Date _____

Printed Name Mr./Mrs./Ms./Dr. Lee Yarbrough

Title President

Phone Number/E-mail Address 919-494-3200 ly@novozymes.com

Facility Name Novozymes, North America, Inc.

Facility Street Address 77 Perry Chapel Church Rd. Franklinton, NC 27525

Performance Track Identification Number A04-0052

Paperwork Reduction Act Notice

The public reporting and recordkeeping burden for this collection of information is estimated to average 188 hours per respondent annually. Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Send comments on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including through the use of automated collection techniques to the Director, Collection Strategies Division, U.S. Environmental Protection Agency (2822), 1200 Pennsylvania Ave., NW, Washington, D.C. 20460. Include the OMB control number in any correspondence. Do not send the completed form to this address.