RESPONSIBLE CARE®
Verification Report

Harold Marcus Limited

April 12 - 13, 2016

Chemistry Industry Association of Canada

Responsible Care®
Our commitment to sustainability.

Disclaimer

This report has been produced by a team, convened by the Chemistry Industry Association of Canada (CIAC), to provide advice to the member-company and assist it in meeting its Responsible Care® commitments. The material in this report reflects the team's best judgment in light of the information available to it at the time of preparation. It is the responsibility of the CIAC member-company that is the subject of this report to interpret and act on the report's findings and recommendations as it sees fit. Any use which a third party makes of this document, or any reliance on the document or decisions made based upon it, are the responsibility of such third parties. Although CIAC members are expected to share the results of this guidance document with interested parties, the Association, its member-companies, their employees, consultants and other participants involved in preparing the document accept no responsibility whatsoever for damages, if any, suffered by a third party as a result of decisions made or actions based on this report.

Responsible Care® is a registered trademark of the Chemistry Industry Association of Canada.

EXECUTIVE SUMMARY

This report documents the observations and conclusions of the independent verification team tasked with conducting a Responsible Care Verification of Harold Marcus Limited (HML). The verification was carried out on April 12 and 13, 2016, at the Canadian head office, terminal and maintenance facility, located in Bothwell, Ontario. This was the second Responsible Care verification completed for Harold Marcus Limited.

While considering all aspects of the Responsible Care Commitments during this verification the team placed an emphasis on conducting an in-depth examination of company aspects related to:

- The Responsible Care Commitments, the three codes (Operations, Stewardship and Accountability), the 152 code elements, the 28 benchmark and collective expectations and the Ethic and Principles for Sustainability, instead of the Responsible Care® for Transportation Partners Protocol
- Determining the impact (if any) of significant changes since the last verification
- Community outreach and communications
- Promotion of Responsible Care by name.

As a result of the examination conducted, the verification team is of the opinion that the Responsible Care Ethic and Principles for Sustainability are guiding company decisions and actions, and that a self-healing management system is in place to drive continual improvement. The team believes that the company is capable of responding to the range of Findings Requiring Action identified during the verification – summarized below and discussed in detail in the report. The verification is complete and no further involvement is required by the verification team.

Signed: _____ Date: March 13, 2017

Gerry Moss
Verification Team Leader

For more information on this or a previous Responsible Care Verification Report, please contact your local company site or the company's overall Responsible Care coordinator:

Kyle Campbell
Manager of Safety and Compliance
Telephone: 1-800-265-9426
Email: kyle@haroldmarcus.com

Harold Marcus Limited
http://haroldmarcus.com/

Summary of Verification Team Observations

Findings Requiring Action:

1. The company's emergency plans need to be shared with Chatham Kent and Sarnia municipal planners and fire departments (TRANSCAER 2.3) (OP35)
2. Establish and meeting waste reduction objectives. (Environment 5) (OP60, 61)
3. The company shall require periodic assessment of waste disposal facilities per CIAC Waste Management Contractor Evaluation Protocol. (Operations 11) (OP75)
4. Develop a system of written operating and maintenance procedures which specify the process of management of change to facilities, organization and equipment. (OP7)

Works in Progress:

1. Improve the existing assessment process to document the review of the management system to identify required changes and updates to support the annual CIAC attestation process. (repeat from 2013) (Overall RC Ethic 1) (Management Systems Expectations Act 4)
2. Complete a GAP analysis, whether it is the Transportation Partner Codes or the Member Codes. (Overall RC Ethic 1) (Management Systems Expectations Do 2)
3. The company needs to continue to develop a Business Continuity Plan and the team suggests using the CIAC Responsible Care Operations Code Business Continuity/Critical Infrastructure Implementation Aid. (OP49-55)
4. It is a finding requiring action that a process be established for goal setting and tracking of all wastes. (OP60, 61)
5. Responsible Care by Name (team feels that visibility is reasonable however, we encourage the company to add it to various documents and as part of their dialogue within their stakeholders) (OP81-84; ST100-102, 115; AC132, 140, 143, 150, 152)

Improvement Opportunities

1. The company should promote Responsible Care on their worst-case scenario brochure. (AC132)
2. The company should consider a policy to address how to deal with cybercrime –i.e. ongoing training (part of the initial training period); reporting to authorities; etc. (OP48)
3. The company should work in conjunction with the other company partners to increase and reinvigorate the community membership in the Sarnia Transportation Community Advisory Panel. (TRANSCAER 1.2) (AC130)
4. Expand on and improve the dislocation policy, as presently stated in continuity plan (OP38, 46)

Successful Practices:

1. Driver score cards which monitor idling, speeding, hard braking, stability, etc., that ultimately helps reduce fuel costs and emissions and are calculated towards their bonus is a successful practice. (OP77)
2. At the Marcus terminal, steps were required to meet new regulations with respect to Benzene. While several options would have provided a solution, they would have created more waste or emissions. As such, Marcus opted for a floating roof (hexagon system by DuPont) which successfully reduced benzene limits below the legislated requirements. (OP61)
3. The company has identified roles within their Business Continuity Plan and defined responsibilities by position. (OP51)
4. The use of biodegradable hydraulic oil is beneficial to the environment. (OP73, 74)

About Responsible Care Verification

As a member of the Chemistry Industry Association of Canada (CIAC), the most senior executive responsible for HML's operations in Canada attests annually to CIAC and its peers that the company's operations conform to the expectations contained in the Responsible Care Commitments and are guided by *Responsible Care Ethic and Principles for Sustainability*.

The Responsible Care® Ethic and Principles for Sustainability

We are committed to do the right thing, and be seen to do the right thing.

We dedicate ourselves, our technology and our business practices to sustainability - the betterment of society, the environment and the economy. The principles of Responsible Care® are key to our business success, and compel us to:

- work for the improvement of people's lives and the environment, while striving to do no harm;
- be accountable and responsive to the public, especially our local communities, who have the right to understand the risks and benefits of what we do;
- take preventative action to protect health and the environment;
- innovate for safer products and processes that conserve resources and provide enhanced value;
- engage with our business partners to ensure the stewardship and security of our products, services and raw materials throughout their life-cycles;
- understand and meet expectations for social responsibility;
- work with all stakeholders for public policy and standards that enhance sustainability, act to advance legal requirements and meet or exceed their letter and spirit;

As an element of this commitment to Responsible Care, Harold Marcus Limited must, every three years, participate in an external verification intended to:

1. Provide the Executive Contact with an external perspective when assessing if the company is indeed meeting the intent of the Responsible Care Commitments, along with advice on areas that may require attention;
2. Identify opportunities for assisting the company when benchmarking its own practices and performance against those of its peers, thus supporting continual improvement;
3. Contribute to the credibility of Responsible Care amongst company personnel and stakeholders, as well as the stakeholders of the broader industry;
4. Identify successful company practices that can be promoted to peers in the CIAC membership; and
5. Support the identification of areas of common weakness so that collective tools and guidance can be developed to improve performance in those areas across the CIAC membership.

Verification is conducted according to a common protocol, developed by the association's members and others, including several critics of the chemical industry. The verification is conducted by a team consisting of:

- Knowledgeable industry experts with experience in Responsible Care;
- A representative of the public at large (usually with a public interest background and with experience in Responsible Care gained from serving on the CIAC's National Advisory Panel) and;
- One or more representatives of the local communities where the company's facilities are located.

Once completed, the Verification Report is made publicly available through the CIAC website (www.canadianchemistry.ca). HML is also expected to share the report with interested persons in its communities and other stakeholders as part of its ongoing dialogue processes.

Additional information on Responsible Care and / or the verification process can be found at the CIAC website www.canadianchemistry.ca, or by contacting CIAC Director, Responsible Care at glaurin@canadianchemistry.ca or (613) 237-6215 extension 233.

About Harold Marcus Limited

Harold Marcus Limited is a family owned business headquartered in Bothwell, Ontario. The business was incorporated in 1946 by the company's namesake as a tank truck operation focusing on the crude oil business resulting from the discovery of oil in nearby Oil Springs Ontario. At present the company business focus is providing bulk tank services to a varied customer base including C.I.A.C. member companies. At the Bothwell and Sarnia locations the company maintains a skilled maintenance workforce enabling it to complete certified inspections and repairs to both bulk tank wagons and power drive units. The company employs 175 people with terminals in Bothwell, ON, Sarnia, ON, Saint-Jérôme, PQ, Brantford, ON and Battle Creek, MI, USA. The company also operates an emergency response division from the Bothwell facility.

About This Verification

The verification of Harold Marcus Limited (HML) was conducted on April 12 & 13, 2016 and included the team visit to Bothwell, Ontario site. The verification team also conducted interviews with other company personnel and external stakeholders at locations the team was unable to visit. During the course of the verification, the team had the opportunity to interact with a wide range of company personnel, as well as stakeholders external to the company. Attachment 2 contains a list of those individuals interviewed and their affiliations. This is the second verification exercise completed for HML. The last verification was completed on October 2013.

The verification team was comprised of the following individuals.

Name	Affiliation	*Representing*
Gerry Moss	**CIAC**	*Team Leader*
Debbie Krukowski	**CIAC**	*Public-At-Large Verifier*
Stan Ouellette	**Private Contractor**	*Community Representative*

Team observations concerning the Responsible Care commitments (codes and benchmark and collective expectations)

During the verification of HML, the verification team looked for evidence that the company was addressing the expectations documented in the Responsible Care Commitments. A sampling of the 152 code elements, a review of the 28 benchmark and collective expectations and the company response to the Ethic and Principles for Sustainability was undertaken. While considering all aspects of the Responsible Care Commitments during the verification, the team placed an emphasis on conducting a more in-depth examination of certain company aspects identified by the company or the team. These were related to specific aspects of the company's community initiatives and Responsible Care branding.

Overall, the team was impressed by the dedication and commitment of the site senior management to the ethic and principles of Responsible Care and their application to all aspects of the Canadian company operations.

Team Observations Concerning Operations Code

HML is a very progressive transportation company that employs many leading-edge systems to manage their bulk transport fleet. Integrated transportation software management systems ("telematics") allow for computer tracking of vehicle location, real time driver communications and monitoring of pre-set vehicle and driver performance parameters. These systems also allow the company to assess the most appropriate route based on the risk level of the materials involved.

The team is of the opinion that the company meets Responsible Care expectations for all reviewed Operations Code elements. There was one Finding Requiring Action in this section.

Design and Construction of Facilities and Equipment (OP1-6)

Examples of these codes in action were demonstrated by the new office design and construction underway. Design features added include soundproofing, double insulation for cooling and heating, security system, all fibre telecommunication system, in-floor heating, LED lighting. New trucks purchased are specified according to HML standards to have on-board telematics, auxiliary power units (APU) in trucks, (no need for idling), and they are piloting on-board cameras for all trucks.

For the codes that were reviewed all expectations for Responsible Care implementation have been met.

Findings Requiring Action:
None.

Works in Progress:
None.

Improvement Opportunities:
None.

Successful Practices:
None.

Omitted:
OP2

Operations Activities (OP7-21)

In considering the four subsections of the Operations Activities area the team agrees that the company sufficiently meets Responsible Care code implementation expectations. All operations activities including operating procedures, laboratory practices, transportation activities and plant maintenance are well documented and implemented.

i. General Considerations (OP7)
As mentioned previously, the use of telematics is a central element to the success of HML. For the entire organization, a gap audit is done annually by the insurance carrier, Marsh. It is very large in scope. Lacking is a good system of written operating and maintenance procedures which specify the process of management of change to facilities, organization and equipment. This is a finding.

ii. Laboratory Practice (OP8-11)
Omitted

iii. Transportation and Physical Distribution (OP12-16)
Scheduled inspections of equipment and facilities (according to external eg. TSSA standards), internal maintenance programs, ensure that the transportation fleet is meeting current regulations. Journey management planning, as well as customer requirements, and legislation determine what routes are to be followed. Standards for terminal operations, spot checks on drivers, in-cab evaluations, and site assessments before accepting new customers, all are part of safety, security and environmental management. Storage requirements including tanks, trailers, tankers; standards and procedures in place; equipment storage covered in a secured yard document, part of a hazardous material security plan.

iv. Maintenance (OP17-21)
Maintenance procedures are well integrated operating processes and preventive maintenance is routine. Integrity of critical equipment includes annual inspections of trucks and trailers (regulated mandates), information back ups off site, use of UPS, local town volunteer firefighters are the on-site fire brigade. Mechanics hold valid Ontario College Trades certificates.

Employees receive high level training, confined space training, suspicious activity training. People back each other up by cross-training. Contractors go through contractor training and outsiders cannot work without direct supervision. Equipment purchases are tracked and evaluated, eg. trucks based on engine performance. The weekly management meeting is the forum used to share this information.

Findings Requiring Action:
Develop a system of written operating and maintenance procedures which specify the process of management of change to facilities, organization and equipment. (OP7)

Works in Progress:
None.

Improvement Opportunities:
None.

Successful Practices:
None.

Omitted:
OP8-11, 18

Safety and Security (OP22-57)

The company has health and safety standards in place to provide employees and all other involved personnel with the necessary knowledge and tools to recognize potential safety, health and environmental hazards. Their goal is zero incidents (their current rate results are excellent). The team reviewed all six subsections in this area and concluded that Responsible Care code expectations are being met.

i. Occupational Health and Safety (OP22-27)

Everyone has access to the hazard recognition form; if dissatisfied with smaller issues, employees can go to management. Each bay and area of the yard is inspected by the JHSC. The company has arranged for a third-party consultant who acts as facilitator and sits as minute taker for JHSC. Initial hires are trained on safe work procedures; management evaluates training, drivers received an in-cab watch (ride along), spot checks, rack evaluations and score cards are provided (pay incentives). There are daily inspection, peer to peer correction, bonus based performance. Drivers receive medical surveillance (regulated requirement), random drug testing, participate in wellness programs; hearing, vision, and lung function testing is done, but no baseline medicals.

ii. Process Safety Management (OP28-30)

Emergency response plans, including worst case scenarios are in place for all sites; Emergency Response Assistance Plans (ERAP) are on file with Transport Canada for road transport. HML trains past the standards, e.g. training is every 2 years when required only every 3 years. Site emergency plan is reviewed annually,

iii. Emergency Management (OP31-47)

Identification and evaluation of upsets or external events that can lead to an emergency, leading to development of worst case scenario, the most likely event, and the ones that can cause the most damage, have all been shared with the local fire department (FD). HML provides resources to local FD, and trains volunteers for the local FD.

Emergency brochure has been provided to neighbours; the contact list for this is reviewed annually. Drivers have received media training, and local media contacts are on file.

It is a finding that the company's emergency plans need to be shared with Chatham Kent and Sarnia municipal planners and fire departments.

The company needs to expand on and improve the dislocation policy, as presently stated in business continuity plan.

Process for testing and updating the emergency plan is carried out every time HML responds to an emergency, over 150 times a year. The plan is documented, audited (by government and customers), and updated annually. Descriptions of response are also captured in ERAPs, which are tested regularly. Mutual aid is facilitated through the Canadian Emergency Response Contractors' Alliance (CERCA) membership.

iv. Malicious Intent (OP48)

Regular security vulnerability assessments are done internally. HML meets or exceeds Customs-Trade Partnership Against Terrorism (C-TPAT), and Free and Secure Trade (FAST) program requirements. It was stressed the threat can be inside; there is tracking of vehicles and who is logged into the truck. If employees are terminated, there is a check list, to make sure everything is accounted for. Routes have planned stops, at designated locations. Dispatchers can see if the driver is deviating (Qualcomm software tracks trucks, but dispatcher watches for off-track behaviour)

Based on recent experience with cyber crime vulnerability, there is an improvement opportunity for the company to develop and implement a policy to address how to deal with cyber crime, for ongoing training, and as part of the initial training period, and for reporting to authorities. etc.

v. Critical Infrastructure/ Business Continuity (OP49-55)
The company needs to fully embrace the CIAC guidelines for implementation of a comprehensive Business Continuity Plan. The plan currently in place has roles and responsibilities are clearly identified. Employee cross-training is in place. HML's business model is not dependant on suppliers, and no customer is big enough to 'bring the house down'.

vi. Incident Reporting and Investigation (OP56-57)
Standard issue incident reports are used, HML has an accident review board, and can escalate any incidents to the insurance 'captive'. Root cause analysis is carried out as required on incidents, using the 5 why method, depending on categorization of the incident. Implementation is part of the outcome of the review. Lessons learned are shared within the company and externally with insurance 'captive' as well as association members, where appropriate.

Findings Requiring Action:
The company's emergency plans need to be shared with Chatham Kent and Sarnia municipal planners and fire departments. (TRANSCAER 2.3) (OP35)

Works in Progress:
The company needs to fully embrace the CIAC guidelines for implementation of a comprehensive Business Continuity Plan

Improvement Opportunities:
The company should consider a policy to address how to deal with cyber crime, for ongoing training and as part of the initial training period, and for reporting to authorities, etc. (OP48)

Expand on and improve the dislocation policy, as stated in current continuity plan (OP38, 46)

Successful Practices:
The Business Continuity Plan has roles and responsibilities clearly identified. (OP51)

Omitted:
OP30

Environmental Protection (OP58-75)

The company has clear policies and practical procedures, focused on meeting environmental regulations, minimizing exposures, cost saving initiatives, directed towards sustainability and reducing its environmental footprint. Goals and objectives are set and performance monitoring is routine. As a result, the company has several results-based initiatives in recycling, reuse of materials, fuel economy for vehicles and maintenance practices that prolong the life of vehicle components.

This area fully meets our expectations on the implementation of Responsible Care.

Examples of these initiatives are the tire recap program to extend life of tires twice, the retrofitting of LED lighting, the installation of power factor compensating capacitors, the waste oil recycling program, the use of biodegradable, environmentally friendly hydraulic oil. All trucks have spill kits on board, drivers all have spill training; they have the resources to mitigate a spill quickly. All spills are tracked to completion under the

incident reporting system. HML does not buy “gliders”, (new truck with an older less environmentally friendly engine), used to circumvent emission standards.

Minimizing the environmental impact by methodically recycling all equipment removed from service. Trailers are recycled for the steel, hoses are reused (where possible), the remainder is evaluated and landfilled as non-hazardous waste.

It is a finding requiring action that a process be established for goal setting and tracking of all wastes.
HML requires all waste facilities required to have appropriate government permits (generator, receiver numbers, etc.), plus meet applicable ISO standards; they will do audits if they are not ISO certified. All waste is sampled, tested, classified and then removed to appropriate disposal location. There is a chemist on site to assist in monitoring the wash water pH to extend its usage.

The company has rejected waste disposal options not deemed up to Responsible Care requirements. For example, HML wanted to make sure that they are not just diluting and then putting it into the Great Lakes, choosing deep well disposal vs a sanitary sewer choice.

There is no long-term storage of waste, but they have a containment pad for temporary waste storage. Assessment criteria are used to determine the best environmental option for disposal.

At present, HML does not audit the disposal facilities, but does review current ISO certificates, conducts regular site visits, inquiries about orders, investigations, etc.

There is an opportunity for improvement that a process be established for periodically assessing waste disposal providers.

Findings Requiring Action:
It is a finding requiring action that a process be established for goal setting and tracking of all wastes. (OP60, 61)

Works in Progress:
None.

Improvement Opportunities:
The company shall require periodic assessment of waste disposal facilities per CIAC Waste Management Contractor Evaluation Protocol. (Operations 11) (OP75)

Successful Practices:
The use of biodegradable hydraulic oil, eliminates a hazardous waste disposal requirement, is a successful practice.

Omitted:
OP72.

Resource Conservation (OP76-80)

The company has a commitment to reduce water consumption, greenhouse gases and energy consumption. The management systems supporting continual improvement in reducing the footprint of its operation are in place and meet expectations for Responsible Care.

Evaluations are made on the impact of raw materials, supplies, energy and utilities, and of potential alternatives; for example, the use of LED lighting; fuel savings measures such as reduced speeds (Shaw tracking

speed gauge which reduced the number of speeders); reduced idling (installation of APU); conscious of water consumption and conservation in their truck washing operation. The company monitors fuel pricing closely, and buys 'ahead' to save money.

Findings Requiring Action:
None.

Works in Progress:
None.

Improvement Opportunities:
None.

Successful Practices:
None.

Omitted:
None.

Promotion of Responsible Care By Name (OP81-84)

The company needs to focus some effort in promoting Responsible Care on all stakeholder fronts. It is recommended that this be built into its ongoing communication plan, and that goals and benchmarks be set to provide measurable improvements.

However, the team toured the Bothwell site and did find some evidence of Responsible Care signage displayed and discussions with employees, in most cases, showed a working knowledge of Responsible Care. The team feels that the following areas should be considered in efforts to promote Responsible Care:

- business cards and letterhead
- internet & intranet pages
- Safety and Health policy (business unit and site)
- community newsletter and employee communication vehicles
- customer training, contractor training and visitor site orientation
- RC badges on coveralls, hard hats and wherever HML logo exists
- RC logo on signage at site entrances
- RC site flags and banners
- Inclusion of the RC logo on e-mail correspondence
- Inclusion of wording in all products and services contracts to identify expectations related to Responsible Care.

The posting of an executive contact signed “Ethic and Principles of Sustainability” document on both the company’s Canadian website and the employee intranet, as it is already posted at prominent locations throughout the site.

Opportunities to promote Responsible Care exist to the insurance captive, and industry associations such as CERCA, and the Ontario Trucking Association (OTA). The insurance captive is a best example of a group with a vested interest to be the best of the best. With respect to sanctions against companies who don’t do responsible things; the company provided examples of having stopped doing business with problem or shady companies, and unethical behaviour. The sharing of best practices through the insurance captive, and through their Community Advisory Panel (CAP), CIAC leadership group meetings; they shared a new floating roof concept with the CIAC leadership group, and are working with other carriers, e.g. Trimac on the ratcheting straps for securing hoses.

Findings Requiring Action:
None.

Works in Progress:
Responsible Care by Name (team feels that visibility is reasonable however, we encourage the company to add it to various documents and as part of their dialogue within their stakeholders). (OP81-84)

Improvement Opportunities:
None.

Successful Practices:
None.

Omitted:
None.

Team Observations Concerning Stewardship Code

The Stewardship Code addresses all company raw materials, products and services and defines expectations for the care and control of same throughout their life cycle. Code expectations in this area are considered to be appropriately addressed.

Expectations of Companies (ST85-114)

i. Research and Development (R&D) Expectations (ST85-92)
Omitted; not applicable.

Findings Requiring Action:
None.

Works in Progress:
None.

Improvement Opportunities:
None.

Successful Practices:
None.

Omitted:
ST85-92

ii. Expectations Beyond Research and Development (R&D) (ST93-114)
The team reviewed various aspects of the codes related to the five areas of this code section and is of the opinion that Responsible Care code expectations are being met.

a. Raw Materials, Products and Services Characterization and Evaluation (ST93-99)
Supplying various municipalities in Ontario with brine used for de-icing, spread on highways and roads is safer (i.e. uses less salt). Also, a dust control / suppressant for rural routes is provided.

With respect to waste disposal for customers; HML can do it better than their customers, in a safe, legally compliant, environmentally responsible manner.

The example of the use of the speed gauge, has reduced speeding by 80%, thus becoming a safer carrier. The use of elogs, which are not falsifiable, allows for less inspection issues as they are recognized as true for the purpose of compliance with authorities.

Energy consumption is captured by performance monitoring, eg. speeding, idling, fuel consumption data. Use of electronic signing methods, leading to reducing paper trails is a good example. Risk characterization examples include ERAPs, mutual aid agreements, ER plans. The company exceeds all regulated training standards.

Risk management includes drug & alcohol abuse programs, plus testing; another example is the fatigue management program (is not required but they do it). Each driver will do a risk assessment at customer sites. If the driver doesn't think it's safe, he has the ability to terminate operations. This would cause a discussion with the customer that could lead to HML cessation of business if unable to resolve. Drivers are trained to recognize risks; personal safety is also included in this assessment.

b. Promotion of Responsible Care by Name (ST100-102) See the previous section on this subject for more details.
Note that drivers are well educated, represent HML capably. It is a Work in Progress that HML consider presenting the Sustainability Components of their verification to their Insurance Captive group, as well as through the value chain.

c. Security (ST103)
Many facets of security are in place, including routine audits, security vulnerability assessments. Issues such as the potential for misuse, contractors, computer security, etc., have been addressed and are part of the system. Sites are access controlled, and have internal and external cameras.

HML has implemented a driver log-in program that protects from the misappropriation of vehicles and their loaded products. Vehicles are carefully monitored and tracked for any abnormalities, e.g. route deviation, unauthorized stops, prolonged absence of movement.

d. Communication Through the Value Chain (ST104-110)
Information delivery through drivers to shippers, the emergency response team use the opportunity to educate the firefighters and first responders. HML always shares learning from incidents with customers; give the story to customers and then they can share with other haulers. Historically the company has kept the head office in Bothwell for over 70 year; this represents 100 jobs in the community.

e. Historical Hazardous Waste Practices (ST111-114)
Environmental risks are routinely reviewed, waste manifests kept indefinitely, use of approved waste service providers only. A good example of 'going the extra mile' was given; HML voluntarily had the Ontario Ministry of the Environment (MOE) out to visit their site. Also, the company monitors a spill site voluntarily and shares the data with the MOE.

Findings Requiring Action:
None.

Works in Progress:

Responsible Care by Name (team feels that visibility is reasonable however, we encourage the company to add it to various documents and as part of their dialogue within their stakeholders) (ST100-102)

Improvement Opportunities:
None.

Successful Practices:
None.

Omitted:
ST105, 110

Expectations of Companies With Respect to Other Parties (ST115-124)

The company has procedures for the selection and management of third party products and service providers. HML is working to add Responsible Care contractual language, and some is already place.

Regular meetings are held with customers, and service providers to discuss issues, trends, etc.

In general, the team has determined that HML meets Responsible Care implementation expectations. However, a common challenge that the Partners face is appropriate appreciation of being a Responsible Care Partner throughout the membership. The team encouraged HML to continue to champion Responsible Care by name in order to obtain that recognition.

As previously stated, promotion of Responsible Care by name, here in contract language is a work in progress. All customer profiles are entered and maintained in the company computer system, and HML does not sub-contract out to other carriers.

With respect to customer management, the company is developing a policy for 'firing' customers. With respect to specific difficult to manage hazardous wastes, HML has special instruction included on the required documents for polychlorinated biphenyls (PCB). Learning from incidents, sharing of findings is a continuous process, using various avenues for communication, such as the insurance 'captive, and industry associations CERCA and OTA.

Findings Requiring Action:
None.

Works in Progress:
Responsible Care by Name (team feels that visibility is reasonable however, we encourage the company to add it to various documents and as part of their dialogue within their stakeholders) (ST115)

Improvement Opportunities:
None.

Successful Practices:
None.

Omitted:
ST116, 122

Team Observations Concerning Accountability Code

The Accountability Code defines expectations for communication and dialogue with communities local to company manufacturing and distribution operations and transportation corridors, as well as other stakeholders with an interest in company activities. In general, the company has implemented programs meeting all Responsible Care expectations.

Operating Site Communities (AC125-136)

The company has designated people in place to manage their community dialogue process, they also have a process to handle inquiries. The company participates in the Sarnia Transportation Community Advisory Panel (Sarnia TransCAP) but membership has dwindled to 3 community members over the past years. If the company wishes to continue to rely on the Sarnia TransCAP as an effective means of Community dialogue, then revitalization is essential. The company should work in conjunction with the other company partners to increase and reinvigorate the community membership in the Sarnia Transportation CAP. More work is needed to create community dialogue on various aspects of the company's business and potential threats to the community, environment and emergency procedures.

With the exception of the following, code expectations have been implemented to meet Responsible Care expectations.

The company has clear definition of community, i.e. the direct neighbours to their facilities. Stakeholder that the company interacts with include direct neighbours and those who they would have a direct effect on, the neighbours employees and family members, customers, suppliers, first responders, first nations. This list is maintained and updated annually.

The company doesn't do open houses anymore, and have no social services contact, but do take part in local parades, community college demonstrations, and loan equipment to first responders for training. The team has suggested that meeting with local neighbours face to face periodically may assist in keeping communications going.

The company should consider an opportunity to engage recipients on Responsible Care at donation time. As part of seeking out feedback, drivers have awareness training on what to say. There is an opportunity to improve the brochure prepared for immediate neighbours by including Responsible Care.
The company has operated from the same location for 70 years, and has no plans to close or relocate. In fact, the original owner, Harold Marcus' home, has been repurposed as the new office, moving management, accounting and dispatch staff to the "new" building. HML are considering celebrating the new offices, along with 70 years in the Bothwell community, as a way to develop contacts within the local media.

Findings Requiring Action:
None.

Works in Progress:
Responsible Care by Name (team feels that visibility is reasonable however, we encourage the company to add it to various documents and as part of their dialogue within their stakeholders). (AC132)

Improvement Opportunities:
The company should promote Responsible Care on their worst-case scenario brochure. (AC132)
The company should consider an opportunity to engage recipients on Responsible Care at donation time.
The company should work in conjunction with the other company partners to increase and reinvigorate the community membership in the Sarnia Transportation Community Advisory Panel. (TRANSCAER 1.2) (AC130)

Successful Practices:

None.

Omitted:
None.

Other Stakeholders (AC137)

In general, the company meets Responsible Care implementation expectations for all seven sub categories in this section, except where noted below.

AC137 local issues; regional planning thru Chatham-Kent municipality

i. Public Policy (AC138-140)
It is recommended that the site manager seek out, inform and engage with local, provincial and federal representatives to promote the company and Responsible Care.

ii. Finance (AC141-143)
There is regular contact at the sites with various parties, including regulators, insurance and customers, for the purpose of conducting audits. It is recommended that these be included in the promotion of Responsible Care by Name.

iii. Consumers (AC144)
Omitted; no direct consumer contact.

iv. Transportation Corridor (AC145)
The company is an active participant in the local TRANSCAER committee and activities.

v. General Public (AC146)
HML responds to concerns from the general public in an appropriate and prompt manner. All calls and/or correspondence are routed to the suitable member of the management team for a response.

vi. Non-Governmental Organizations (AC147-150)
The team observed that there was limited or no contact with non-governmental organizations. It is recommended that site management, identify, seek out and communicate at planned intervals with relevant non-governmental organizations.

There is a need for the company to seek out and identify NGOs (specifically local native group neighbours in Bothwell), in order to understand how they relate to HML. This will again provide an opportunity to provide Responsible Care information and engage with NGOs.

vii. Business (AC151-152)
The team has no specific information about this topic.

Findings Requiring Action:
None.

Works in Progress:
Responsible Care by Name (team feels that visibility is reasonable however, we encourage the company to add it to various documents and as part of their dialogue within their stakeholders). (AC140, 143, 150, 152)

Improvement Opportunities:

None.

Successful Practices:
None.

Omitted:
AC144

Appendices to Codes: Social Responsibility

This is relatively well understood and practiced at the facilities as appropriate. The local communities are sites where the employees live. HML is the single largest employer in the Bothwell area, contributes to local charities, establishments, and uses these opportunities to publicize HML when donations are made.

Findings Requiring Action:
None.

Works in Progress:
None.

Improvement Opportunities:
None.

Successful Practices:
None.

Appendices to Codes: Involvement in Public Policy Process

See above under Other Stakeholders, *i. Public Policy.*

Findings Requiring Action:
None.

Works in Progress:
None.

Improvement Opportunities:
None.

Successful Practices:
None.

Team Observations on the Company Management System

It is a requirement of Responsible Care that companies have a documented, self-healing management system or systems capable of identifying and responding to deficiencies and otherwise supporting continual improvement across all company business units, functions, and sites and as a framework for implementing the Responsible Care Commitments.

The verification team studied the HML management system(s) and compared and contrasted the attributes of that system(s) to those of a self-healing overall management system as discussed in the CIAC Management System Guide. The verification team's related observations to the company management system(s) are as follows: the company's management system for Responsible Care is complete and comprehensive.

Findings Requiring Action:
None.

Works in Progress:
None.

Improvement Opportunities:
None.

Successful Practices:
None.

Observations on the PLAN Step

In considering the PLAN Step of HML's management system, the verification team observed that staff actively seeks input from various sources, such as Responsible Care Commitments, stakeholders, business imperatives including various goals and objectives, laws and regulations, standards and benchmarks, that are then used in planning activities.

In considering the PLAN Step of the Harold Marcus Limited management system, the verification team observed the following:

Various management meetings bring input to processes, most training is legislated, some new ideas have been introduced, such as fatigue management; policies and procedures are reviewed; insurance captive payoff is measured and monitored re costs and learnings. External inputs to planning considered include legislation, customers, suppliers. This list of planning activities makes clear the connection between these activities and meeting the Responsible Care commitment.

From these examples and from more general observations, the management system expectations in this area are considered to be appropriately addressed.

Findings Requiring Action:
None.

Works in Progress:
None.

Improvement Opportunities:
None.

Successful Practices:
None.

Observations on the DO Step

During the DO Step in the management system, the company converts the decisions of the PLAN Step into action and ensures awareness and understanding by all involved. The team observed that the company has implemented an effective organizational structure, has assigned responsibilities to appropriate personnel, supplies sufficient training and resources to execute planned actions and has developed and documented standards, procedures and programs generally covering all aspects of Responsible Care.

In considering the DO Step of HML's management system, with the exception of the following, the verification team observed management system implementation expectations had been met.

Findings Requiring Action:
Complete a GAP analysis, whether it is the Transportation Partner Codes or the Member Codes. (Overall RC Ethic 1) (Management Systems Expectations Do 2)

Works in Progress:
None.

Improvement Opportunities:
None.

Successful Practices:
None.

Observations on the CHECK Step

In considering the CHECK Step of the HML management system, the verification team observed the following: key performance indicators are routinely monitored for alignment with expectations. Regular internal and external audits are conducted to ensure compliance with regulations, standards, company policies and procedures. The incident investigation process addresses requirements for root cause analysis (results are posted). Additionally, management review meetings are held, and competence evaluations done regularly.

The team agrees that the CHECK part of the company’s management system meets all implementation expectations for Responsible Care.

Findings Requiring Action:
None.

Works in Progress:
None.

Improvement Opportunities:
None.

Successful Practices:
None.

Observations on the ACT Step

In considering the ACT Step of the HML management system, the verification team observed the following: the company performs a range of activities on a routine and regular basis satisfying this part of their management system. The activities are comprehensive and tie the CHECK step with the PLAN step.

In considering the Act Step of Harold Marcus Limited management system, the verification team observed the following: audit findings are reviewed at the Monday management meetings, assigned responsibilities and completion dates.

The team agrees that, with the exception of the following, the ACT part of the company's management system meets all implementation expectations for Responsible Care.

Findings Requiring Action:
None.

Works in Progress:
None.

Improvement Opportunities:
Improve the existing assessment process to document the review of the management system to identify required changes and updates to support the annual CIAC attestation process. (repeat from 2013) (Overall RC Ethic 1) (Management Systems Expectations Act 4)

Successful Practices:
None.

Team Observations on the Responsible Care Ethic and Principles for Sustainability

Each CIAC member company is formally committed to the ethic of "*Doing the right thing, and being seen to do the right thing*." This ethic, along with the principles for sustainability are expected to guide the company's decision making and practices. In conducting the verification, the team is looking to understand how well the ethic is understood and adopted within the company, and the degree to which the principles inform the manner in which the company does its business.

The verification team carefully observed the HML decision making processes and actions and compared and contrasted the attributes of those with the attributes of a company guided by the Responsible Care Ethic and Principles for Sustainability as discussed in the Responsible Care Commitments (Appendix E). The verification team's related observations on the company's application of the *Responsible Care Ethic and Principles for Sustainability* are as follows:

- *Work for the improvement of people's lives and the environment, while striving to do no harm:*
  HML provided several examples of recycling and reuse in their operations. The driver & vehicle electronic monitoring system provides for safer operation of their vehicles on the road. Energy saving projects like improved mileage, switching to high efficiency lighting as well as the recycling of used oils are in evidence.

- *Be accountable and responsive to the public, especially our local communities, who have the right to know the risks and benefits of what we do:*
  HML is very active both the Bothwell community and in Sarnia where they are an active member of the Sarnia Transportation Community Advisory Panel. The company circulates a semi-annual newsletter to the communities near their facilities. HML also provides onsite training and information sessions for local first responders with reference to safety sensitive areas of company facilities and have hosted an open house at the Bothwell location.

- *Take preventative action to protect health and the environment:*
  HML takes all necessary precautions in all aspect of business to ensure the safety of their employees and their surrounding environments. The philosophy of "Doing the right thing" is applied when managing, facilitating and auditing all Health & Safety matters and concerns. Where applicable, HML maintains an open-door policy and welcomes all governed agencies and/or auditing firms, of which helps direct, assist and maintain our high level of Safety compliance and due diligence.

- *Innovate for safer products and processes that conserve resources and provide enhanced value:*
  If one considers the service provided by HML as a "product" the very essence of the Fleet Solutions Group is to support this principle by improving highway safety, reducing the cost of operations (fuel), and support innovation in transportation through mutual support and continuous improvement that enhances the value of the service. All of these efforts culminate in a safer and more efficient product travelling though our communities.

- *Engage with our business partners to ensure the stewardship and security of our products, services and raw materials throughout their life cycles:*
  HML works closely with customers to support this principle. HML is a C-TPAT certified carrier and as a result has various policies and procedures to ensure vehicles proceed from the customer direct to the destination in a safe and secure manner. An example of the application of this principle is the "Journey Management Plan". A journey management plan is a specific route of travel that has been predetermined on the bases of community safety. JMP's map out every detail of the trip from approved rest and fueling stops to a pictorials of high volume intersection and difficult turns.

- *Understand and meet expectations for social responsibility:*
  This principle was covered in detail under section 2.3.3.

- *Work with all stakeholders for public policy and standards that enhance sustainability, act to advance legal requirements and meet or exceed their letter and spirit:*
  While this principle does not directly apply to C.I.A.C. member partners HML is very active in: Ontario Trucking Association, Canadian Fuels Association, CERCA, Municipality of Chatham Kent all of which by design enhance sustainability.

- *Promote Responsible Care® and inspire others to commit to these principles:*
  HML is very active in promoting awareness of Responsible Care® both through visibility, by the use of the Responsible Care® logo throughout their operations and in the philosophy of the policies and procedures that govern the daily operation of the company. The Responsible Care® Ethic is promoted through their interface with various communities both at home and during the company's TRANSCAER activities.

Verification Team Conclusion

This report documents the observations and conclusions of the independent verification team tasked with conducting a Responsible Care Verification of Harold Marcus Limited (HML). The verification was undertaken on April 12 and 13, 2016 and included the team visit to Bothwell, ON. This was the second Responsible Care verification completed for the site.

During the verification of HML, the verification team looked for evidence that the company was addressing the expectations documented in the Responsible Care Commitments (152 code elements plus 28 benchmark and collective expectations). The team considered all aspects of the Responsible Care Commitments during the verification.

As a result of the examination conducted, and in consideration of the observations communicated within this report, the verification team is of the opinion that the Responsible Care Ethic and Principles for Sustainability are guiding company decisions and actions, and that a self-healing management system is in place to drive continual improvement. The team believes that the company is capable of responding to the range of Findings Requiring Action identified during the verification, as summarized in the Executive Summary and discussed in detail in the report. The verification is complete and no further involvement is required by the verification team**.**

Appendix 1: Company Response to Verification Report

Harold Marcus Limited has been in operation since 1946 and has always felt that the principals that guided us were those of integrity, safety and a general instinct to do the right thing. It wasn't until 2009 that we learned there was a name for these principals, Responsible Care.

In 2016 we participated in our third RC verification. This verification was slightly different in format but the net result remained the same. The process is challenging and sometimes forced us to go outside of the box and look a little deeper at our own processes and policy, but always with positive results. Those positive results are a direct result of our verification team and their efforts to make this experience enjoyable and educational. Their willingness to use this time as vessel to foster growth and learning on both side is truly what is at the heart of the Responsible Care ethic.

In each of verification we have emerged with more than when we started and 2016 was no exception. We would like to say thank you to Gerry, Debbie and Stan for the time they have sacrificed from their families and the genuine effort they put forth to make this experience great! We thoroughly enjoyed the experience and look forward to seeing you again in 2019!

Best Regards,
The Harold Marcus Team.

APPENDIX 2: INTERVIEW LISTS

A: Company Personnel Contacted During Verification Process

NAME	POSITION	LOCATION
Denis Marcus	President	Bothwell, ON
Kyle Campbell	Manager, Safety & Compliance	Bothwell, ON
Amy Jo Marcus Campbell	Finance Manager	Bothwell, ON
Roger Philmore	Maintenance Manager	Bothwell, ON
Matt Workman	IT Manager	Bothwell, ON
Kevin Meredith	JH&SC	Bothwell, ON
Jason Hollis	JH&SC	Bothwell, ON

B: External Stakeholders Contacted During Verification Process

NAME	POSITION	LOCATION

CHEMISTRY INDUSTRY ASSOCIATION OF CANADA
Suite 805, 350 Sparks Street
Ottawa (ON) K1R 7S8
T: 613 237-6215 F: 613 237-4061
www.canadianchemistry.ca