

Responsible Care® Verification Report

Harmac Transportation

April 24-25, 2019



CHEMISTRY INDUSTRY
ASSOCIATION OF CANADA



Responsible Care®
Our commitment to sustainability.

Disclaimer

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EXECUTIVE SUMMARY

This report documents the observations and conclusions of the independent verification team tasked with conducting a Responsible Care Re-verification of Harmac Transportation (Harmac). This verification was undertaken on April 24 and 25, 2019 and included team visits to the Vaughn office, terminal and maintenance facility as well as a visit of the Corunna location.

This was the sixth Responsible Care re-verification completed for Harmac. The last re-verification was completed on May 10 and 11, 2016

The team focused their attention on the Responsible Care Model for Transportation Partners (2016) and reviewed company implementation in light of the corresponding code elements.

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 Finding Requiring Action identified during the re-verification - summarized below and discussed in detail in the report.

The re-verification is completed, and no further involvement is required by the verification team.

Signed: _____

Date: Aug 10, 2019

Gerry Whitcombe

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:

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Summary of Verification Team Observations

As per the verification protocol, Findings Requiring Action must be addressed within three years unless otherwise noted. Improvement Opportunities must be reviewed and addressed. Justification is required for rejected improvement opportunities. Works in progress will be reviewed during the next verification. Successful Practices are potential improvement areas for other member companies.

Findings Requiring Action

1. It is a finding requiring action that the community dialogue process is not fully developed / documented as a management system nor is it effectively in place at the two visited company sites.

Opportunities for Improvement

1. to incorporate industrial hygiene into occupational health assessments of jobs (job hazard assessment - JHA).
2. to ensure mental health processes are included in the management system
3. to evaluate all mandated inspection processes on their need to be audited for compliance
4. to create a simple policy to cover future design and/or acquisitions to cover RC requirements in codes OP01-OP06
5. to develop a MOC policy and process in Fleet Management System that addresses procurement of all non-regulated products, leveraging the benefits of a formalized MOC process to procurement processes
6. to ensure MOC or document management processes bring proper expert review (i.e. code knowledgeable) to standards/issues/topics.
7. to include Partner Carrier assessment criteria in Waste Vendor self-assessments. Such criteria should include HSE performance as it relates to the transport portion of their services and it should be risk based.
8. to attend the Community Police Liaison seminar on current security topics in Toronto ie malicious intent
9. to invite the MTO control centre and neighbours to discuss WCS as part of community dialogue and outreach process.
10. to ensure all plant visitors are (formally) shepherded by responsible, appropriate plant personnel
11. to include in the Community Management System, upgrade a process based on the experience in Corunna to ensure sites have adequate knowledge about a neighbour's operation and what to do in the case of an emergency
12. to communicate about TRANSCAER to all employees

Works in Progress

1. The detailed documentation of the company Responsible Care Management System and the documents supporting compliance with code requirements are a work in progress.

Successful Practices

1. The progress in the identification and hazard analysis of all jobs
2. The company's driver safety manuals, training, coaching and mentoring programs, performance recognition and driver survey programs, collectively is a successful practice.

1. Introduction

About Responsible Care Verification

As a partner of the Chemistry Industry Association of Canada (CIAC), the most senior executive responsible for Harmac'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 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;
- promote awareness of Responsible Care and inspire others to commit to these principles.

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

- 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;
- Identify opportunities for assisting the company when benchmarking its own practices and performance against those of its peers, thus supporting continual improvement;
- Contribute to the credibility of Responsible Care amongst company personnel and stakeholders, as well as the stakeholders of the broader industry;
- Identify successful company practices that can be promoted to peers in the CIAC membership; and
- 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). Harmac 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 the Responsible Care staff at CIAC at glaurin@canadianchemistry.ca or (613) 237-6125 extension 233.

About HARMAC

Harmac Transportation is a wholly owned subsidiary of Seaboard Transportation headquartered in Dartmouth, Nova Scotia. All Harmac facilities and operational infrastructure in Canada are included in the 2019 Responsible Care verification. These facilities include the North York (Vaughn) office, terminal and maintenance operations, the Montreal office, terminal and maintenance operations and the Corunna office, terminal and maintenance operations and those Harmac related support functions at the Dartmouth office location.

Since the 2013 verification Seaboard, the parent company, has elected to revise their corporate management systems to reflect a Responsible Care Management System. The Harmac Transportation business focus is the transportation of petroleum-based products and chemicals.

About This Verification

The verification was conducted on April 24, 2019 at the company's office, terminal and maintenance operation in North York in Toronto, ON and on April 24, 2019 in a smaller facility in Corunna Ontario. During the course of the verification, the team had the opportunity to interact with a range of company personnel. Attachment 2 contains a list of those individuals interviewed and their affiliations.

This was the sixth verification of Harmac with the previous verification completed in May 2016.

The verification team was comprised of the following individuals.

Name	Affiliation	Representing
Gerry Whitcombe	CIAC Verifier	Industry (team leader)
Kris Lee	CIAC Verifier	Public-At-Large
Al Ruggero	Public Verifier	Emery Village, North York

Team Observations Concerning the Responsible Care Commitments (Codes and benchmark and Collective Expectations)

This report is structured to follow guidance presented in the "Responsible Care for Transportation Partners (Revised 2016)" (RCTP) document in an attempt to provide a framework for the company to continue its development of its Responsible Care Management System.

In communicating its observations, the verification team will make repeated reference to the following categories of observations:

1. **Findings Requiring Action** document instances where the verification team observes specific company actions (or the absence of company actions) which are inconsistent with the detailed codes and benchmark and collective expectations contained in the Responsible Care Commitments. Where possible, the verification team will communicate, based on their experience and judgment, why it is inconsistent and how the observation relates back to a possible gap in the expected management

system and / or the ethic and principles underpinning company actions. The team may also provide advice on how the situation might be responded to.

2. **Works in Progress** document instances where the verification team has observed the company self-initiating actions in response to identified gaps and deficiency arising from other internal or external audit and review activities, or where the company has self-initiated important improvement opportunities.

3. **Successful Practices** document instances where the team believes the company has taken actions that strongly support sustained excellence in performance, and which should be communicated throughout the CIAC membership.

4. **Improvement opportunities** identify instances where the verification team has observed company actions and decision making as being largely consistent with the expectations detailed in the Responsible Care Commitments, but for which the team is of the opinion that the company could support further improvement by considering alternate or additional benchmarks when undertaking its planning and decision making.

Transportation Partner companies are expected to have an established management system that drives continuous improvement in the four themes of the Responsible Care Model (Health and Safety, Environment, Security and TRANSCAER)

These four themes are the result of the Transportation Partner's commitment to the Responsible Care Ethic and Principles for Sustainability. The eight components contained therein are given below along with the various ways the company believes it is working to achieve each. The bullet points after each numbered component are verbatim input from the company with no comment or judgement from the verifiers.

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:

1. *Work for the improvement of people's lives and the environment, while striving to do no harm;*
 - *HSE program including RC, Corporate Safety Manual and Campaigns, Driver Performance Scorecard program, recognizing and providing incentives for safe driving and loading / unloading behaviors*
 - *PayWorks program to delivery timely and reliably accurate pay, Sales to Cash TMW actualization project to reduce paper, processing work, and improve timeliness and accurateness of pay*
 - *Volunteer partnership with Red Cross, allowing folks an opportunity to take time from work to volunteer and contribute to community*
 - *Flexible work hours policy*
 - *Robust HR policies and practices dealing with respect in the workplace, harassment, bullying, reasonable suspicion training, equal opportunity employment etc.*
 - *Workplace functions to promote healthy nutrition, strong moral and positive work environment (National Safety Week, Employee & Family Open House, Family Skating and Hockey Game)*
 - *Housekeeping programs for a healthy, clean workspace including Re-use / Recycle program, office / terminal audits etc.*

- *Conduct regular staff and driver employee surveys that allow them to identify workplace issues and successes, with a “close the loop” process that communicates the survey findings, the company’s commitment to address certain findings and progress reports on those initiatives.*
- 2. 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;*
- *Active participants in Ontario Leadership group of TRANSCAER, North Toronto TRANSCAER group, Sarnia CAP*
 - *Engaged with neighbors at Arrow Rd and Polymoore facilities*
- 3. Take preventative action to protect health and the environment;*
- *Corporate HSE program, Step up for Safety Campaigns*
 - *Programs that focus in environment – The GreenNet Team*
 - *Work processes that protect the environment – oil recycle program, tire recycle program, fuel efficiency program*
 - *Nutrition and healthy diet workshops*
 - *Education on Sleep Apnea, and other health/lifestyle issues – lunch & learn opportunities*
- 4. Innovate for safer products and processes that conserve resources and provide enhanced value;*
- *Waste reduction initiative led by Procurement team last year – included switch from K-Cup coffee to brewing pots (to reduce plastic waste from cups), installation of recycling receptacles at all terminals to encourage reuse – recycle, campaign to encourage “lights out” when offices and workspaces not in use, campaigns to promote reduction in printed materials in all terminals.*
 - *Work led by procurement with suppliers for better designed equipment that are more fuel efficient, carry optimized payloads, provide safer product handling process. (New Kenworth trucks with better fuel economy and features)*
- 5. Engage with our business partners to ensure the stewardship and security of our products, services and raw materials throughout their life-cycles;*
- *Technology (PNET, TMW, TMT) that plan, direct and track the location of assets at all times*
 - *Processes with shippers and wash facilities that ensure last contained products are well understood, there is a chain of custody of product and residue established, there are proper security applied to loaded trailers throughout the chain of custody including application of trailer seals, driver policies not permitting unattended loads.*
 - *Processes that ensure receipt of product into consignee facilities as first grade product destined to finished goods, that ensure product residue is handled responsibly by washes with approved recovery and abatement systems.*
 - *As outlined in our waste management processes, engagement with suppliers and recovery services that ensure waste products are re-used / recycled responsibly with chain of custody of waste products upheld throughout lifecycle.*
- 6. Understand and meet expectations for social responsibility*
- *Formal volunteer program with Red Cross to support emergency and on-going initiatives*
 - *Support local organizations like Salvation Army, United Way, and others that deliver services into local communities*
 - *Continuous improvement initiatives around our employee support programs such as new technology to create more robust pay administration, employee scholarship program, continuing education programs*

7. *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;*

- *Work primarily through our membership in industry associationsNTTC, OTA, ATA to advocate sustainability initiatives, for instance the promotion of ELogs as a safer way of ensure Hours of Service standards are adhered to. Challenged in several courts in Atlantic Canada acceptance of E-Log technology.*

8. *Promote awareness of Responsible Care, and inspire others to commit to these principles*

- *Use Responsible Care logo in ALL marketing material (internal & external)*
- *Reference Responsible Care and Verification reports in ALL tender proposals*
- *Letters sent to Vendors regarding our commitment to Responsible Care and expectations of them in this regard*
- *Continuing Education program within the company comprised of New Employee Orientation, Annual Refresher Module and RC Quiz competitions*
- *Participation in TRANSCAER community events, offering trained people and equipment for education purposes*

Team Observations on the Management System and Responsible Care Model.

Management System

It is the team's opinion that, although a work in progress, the current management system is sufficiently in place for setting and meeting all company goals and driving continual improvement.

In reaching its conclusion the team was guided by the Responsible Care for Transportation Partners (RCTP) protocol which requires companies to develop and maintain a management system which includes the following four features (with team observations below each):

1. "Establishing and maintaining an overall management system (i.e., plan-do-check-act) to ensure that the Responsible Care Ethic and the expectations described in the Transportation Partners Responsible Care Model are effectively implemented and sustained. Includes a cross-referencing of management system components to the model expectations. "

The company is in the midst of a process of developing, modifying, consolidating and improving different management systems that are present across the various businesses and functions governed by Seaboard Transport. To guide and assist this effort there is now an overarching Responsible Care Leadership Team (RCLT) in place to ensure all management systems align with the company's Responsible Care direction. Since this is a broadening of the original Harmac commitment different levels of management system maturity was expected and have been discovered and are being managed by the team.

The RCLT's management system has been defined in principle and is currently being fully documented using the company's new document management system.

The team reviewed the Management System checklist from the RCTP and observed that most of the required management system elements are present in the Company's RCMS. The team suggests that this checklist be maintained and enhanced for internal use as well as for future verifications.

In general, it is noted that the current company focus on a companywide standardized management system has caused a re-evaluation of the company document structure. A process is underway for determining what documents are required and a roadmap for getting them in place.

The team believes this is an opportune time for the company to prepare a high-level policy manual for the organization using the RCTP as a template. The manual should contain relevant codes of practice taken from the CIAC Responsible Care Commitment package interpreted to define the commitment of this Partner Company to Responsible Care. A linkage between CIAC codes of practice and interpreted codes should be maintained. The manual should align or index these interpreted codes with internal standards, guidelines and procedures.

This manual, owned by the RCLT, will provide direction for any business that is required to comply with the Company's commitment. It will be especially useful in onboarding new acquisitions as they can clearly understand the scope of the Responsible Care commitment and quickly perform gap analyses and develop implementation plans.

Built in this manner the manual specifies, for the CIAC verification process, exactly what will be verified and provides a framework for constructive criticism and continual improvement. It will greatly simplify the initial interactions with the verification team as all corporate aspects of the company's commitment to Responsible Care will be documented in one place.

This is a topic that should be reviewed at the next verification.

The detailed documentation of the company Responsible Care Management System and the documents supporting compliance with code requirements is a work in progress.

The four themes of RCTP are integrated into the management system and a current cross reference between the codes of practice and company processes is maintained and actively managed. They are reviewed in detail below under Responsible Care Model.

"2. Establishing goals and recognizing performance in Responsible Care. Includes how employees are encouraged to identify and report problems and make suggestions for improvements."

The company has a well-established history of objectives, goals and plans and uses key performance indicators (KPI's) extensively. The current organizational structure with the RCLT being positioned immediately below company leadership and the board should ensure a clear Responsible Care focus on future KPI development.

The team is of the opinion that the management system is generally capable of discovery with both formal and ad-hoc processes in place to catch issues. The intention is for all systems to ultimately be fully integrated into the RCMS.

- Some of these processes are:
 - Driver surveys (generates feedback on a variety of topics)
 - MOC process
 - Audit - it's early on in the management system process - have just finished the first one and it's now being driven by the RCLT.
 - Incident investigation.
 - Management Review - driven by the RCLT, now is a regular management system feature

- Document Management. It was initiated as a Harmac effort but is now companywide and being driven by the RCLT. Expectations are for a one-year implementation.

“3. Measuring and communicating safety and environmental performance.”

Occupational and operational safety is divided amongst road, shop and office categories within the company. All areas have appropriate KPIs and the company communicates performance regularly. An excellent semi-annual publication (The Headliner) features stories about safety performance and general safety topics.

The company is concerned about vehicle fuel economy and in pursuit of optimal performance an important benefit is a corresponding carbon footprint reduction. The monitoring of and improvement in fuel economy is on-going.

“4. Training of existing, new and transferred employees (including management), in Responsible Care.”

The Driver Management Discipline program has 4 levels of performance scoring 1 to 4 (best to worst). A full time Driver Performance Coach has been appointed and among obvious other duties conducts a mentoring and coaching program for drivers deemed vulnerable in this process (levels 3 and 4)/

A milestone program identifying mileage achievements for top performing drivers is in place and communicated bi-annually in the Company “The Headliner” publication.

Comprehensive “Corporate Safety Manual” and “Professional Drivers’ Guide” are in place.

The Responsible Care manual, described under 1 above, would be an important resource for ongoing Responsible Care employee training.

The company’s driver safety manuals, training, coaching and mentoring programs, performance recognition and driver survey programs, collectively is a successful practice.

Responsible Care Model

The four themes of the Responsible Care Model are Health and Safety (Occupational and Operational), Environment, Security and TRANSCAER. Requirements taken from the RCTP document are given in italics after which the team’s perspective on which codes are applicable (Code Links) followed by the team’s observations on company implementation and performance.

Health and Safety

Occupational Health and Safety

- “1. Ensuring all employees (including contractors) have received and understand all appropriate workplace hazard and risk information. Includes safe work procedures.*
- 2. Determining the health impacts of emissions and wastes.*
- 3. Monitoring the short and long-term health of employees. Includes communicating and following-up on any areas of concern. “*

Code Links: In general, this area is covered by Operations Codes OP22 through OP27.

Currently the company has processes in place so that workplace hazards are identified and risk information is disseminated. Shop work is restricted to routine maintenance on tractors with a somewhat broader scope of work for trailers, but there are no trailers containing chemicals handled by the shops so chemical plant type emissions and wastes are not a consideration. Any non-chemical exposure is handled by operating procedures and personal protective equipment and no long-term health monitoring is conducted.

Although much is in place historically the company has recognized that documentation is required for all codes in this area and has identified this as work-in-progress.

The JH&SC's are robust, employees are trained and meet once per month.

All incidents are reported into a corporate database but are managed locally. The corporate function reports, monitors and analyzes incidents for trend analysis and to ensure action items are followed up. The company believes (via benchmarking) their accident and incident performance are excellent. This past year a thorough analysis of slips and falls in Western Canada (a near miss category) has resulted in an action plan roll out across Canada.

All jobs have been identified (e.g. office, wash techs, shop, welders, forklift operators and truck drivers) and Job Hazard Assessment's (JHA's) have been done on each. An industrial hygiene component (OP26) was not included and although it is essential to a chemical plant it does not have the same significance here. Nevertheless, an industrial hygiene component has been included in the company cross reference (which the team supports) and further supports including it in JHA's.

The progress in the identification and hazard analysis of all jobs is a successful practice.

There is an opportunity for improvement to incorporate industrial hygiene into occupational health assessments of jobs (job hazard assessment - JHA).

There is a much greater understanding today of how debilitating and potentially destructive mental health issues can be. Navigating the health system can be an overwhelming task for someone struggling with these issues and good direction and support can be a powerful company tool.

There is an opportunity for improvement to ensure mental health processes are included in the management system.

A company requirement for a time-based inspection was found by the team not to be in compliance. When brought to management's attention it was immediately corrected. This event suggests that inspection processes should be audited for compliance.

There is an opportunity for improvement evaluate all mandated inspection processes on their need to be audited for compliance.

Health and Safety

Operational Health and Safety

- "1. Ensuring appropriate product environment, health and safety information is received from shippers. Includes determining and executing appropriate follow-up for shipper non-compliance.*
- 2. Determining and rewarding shippers' performance.*

3. *Selecting and evaluating third party carriers for shipment of customer products.*
4. *Selecting routes for minimization of risks while transporting shippers' products (not applicable to rail)."*

Code Links: These first four items are generally covered in the codes of practice as follows:

- Item 1 - Stewardship Code - section 2.2d Communication Through the Value Chain (ST104-ST110)
- Items 3 & 4 are generally covered in Operations Code, Transportation and Physical Distribution, (OP12-OP16) and the Stewardship Code under "3. Expectations of Companies with Respect to Other Parties" Codes ST115 - ST124. See later on in this section, under items 11 to 14.

The company ensures appropriate information (MSDS) is received from shippers and is made available at each terminal. In addition, each driver has a Professional Drivers' Guide containing specific information about company transported products as well as a copy of the Transportation of Dangerous Goods by Truck handbook containing information about every company transported product. Current MSD sheets are received at each loading to ensure only the latest sheet is present with the load.

The next six items deal with the company's physical assets:

5. *Assessing the risks from company operations or equipment, both fixed facility and mobile.*
6. *Assessing the risks from company operations or equipment at third-party facilities such as storage locations or repairs shops, etc.*
7. *Assessing the magnitude of potential impacts from incidents.*
8. *Ensuring appropriate operational risk minimization equipment and procedures are in place.*
9. *Determining, achieving and maintaining adequate buffer zones around new and existing facilities. Includes consideration for worst-case scenarios and for sensitive ecosystem impacts.*
10. *Ensuring changes to equipment, control systems, procedures, etc. do not downgrade their integrity."*

Code Links: These items are covered in the Codes generally as follows:

- 5: Design and Construction of Facilities (OP1-OP6) and General Considerations (OP7) and Stewardship as applied to a service (ST 96 - ST98)
- 6: Generally, Stewardship Code, 3. Expectations of Companies with Respect to Other Parties (ST115 - St 124).
- 7: Design and Construct, OP1, Emergency Management OP31 and Stewardship as applied to a service (ST 96 - ST98). Please note that under Process Safety Management (PSM) "Companies are also encouraged to apply their process safety management approach to transportation and distribution operations, especially where hazardous substances are involved." The PSM analytical approach can be applied to all hazards (not only highly hazardous chemicals) and as is noted in OP29 evaluations should be appropriate to the circumstances of the site.
- 8: Generally, OP7 - but Design and Construction, Malicious Intent and Incident Reporting and Investigation also. This section will be where most plant programs reside.
- 9: OP3, see 7 above.
- 10: OP7.

Detailed discussions for the areas reviewed by the team are given below.

2. Design and Construction of Facilities and Equipment

According to the preamble to the Design and Construct section of the codes:

*“This section of the code covers the “hardware” or physical assets, including fixed and mobile equipment, pilot or less than commercial scale and experimental operations and also electronic systems, data and coded instructions – i.e., anything permanent or temporary that is designed and constructed or programmed before it is operated.
Each company shall have written policies, standards and procedures for selection, design, construction and commissioning of new or modified facilities and equipment.”*

The company has not built any facilities in ten years but has grown to twice its size through acquisitions. Building new or acquiring should be guided by policies, standards and procedures. They provide a benchmark to the design or acquisition team, and thus need to be documented and readily available to those who need to use them. It is also useful if the design or acquisition team has a sense of why the guidance was developed and when to apply judgment, rather than simply following a set of rules without thinking. Considerations such as electrical classification, ventilation, firefighting equipment, drainage consideration, environmental control, emergency lighting, means of egress, and containment (among others) should be included.

There is an opportunity for improvement to create a simple policy to cover future design and/or acquisitions to cover RC requirements in codes OP01-OP06.

Management of Change (MOC)

There is a MOC process in place, but it is somewhat fragmented between the various businesses. It is the team’s understanding that a consolidation effort is underway.

Most equipment is strictly regulated, and purchases are like-for-like only. Equipment purchases for non-regulated products are not generally covered by MOC. There is an advantage in applying the MOC process to all changes although the rigor of the process may be risk based.

There is an opportunity for improvement to develop MOC to become the go-to process for all non-standard (non like-for-like) changes.

Change can cause dilution in the intent of a requirement if the original wording is not reviewed when change is contemplated. As the company continues in its document management endeavour it should ensure that the change management process for documents (often this is a stand-alone procedure) has sufficient reviews by code knowledgeable experts such that the original intent is not forgotten. It is worthwhile to include citations in the document to original code references.

There is an opportunity for improvement to ensure MOC or document management processes bring proper code knowledgeable expert review to standards/issues/topics.

Maintenance

Fleet management is under the control of the Toronto fleet manager. A comprehensive maintenance program is managed from Toronto for the Toronto and Corunna terminals. There are standard operating procedures (SOPs) written for all shop activities.

Promotion of RC by name

Logos are prominently displayed on all the trucks and in the Headliner newsletter. The company needs to determine, for the sake of CIAC copyright, the company entities ascribing to Responsible Care.

The following four items deal with the company's qualifying, selecting and assessing of customers and third parties.

- "11. Assessing and selecting customers, suppliers, carriers, and contractors or other second party service providers to ensure consistency with Responsible Care requirements. Includes hazardous waste management and environmental services contractors.*
- 12. Ensuring customers, suppliers, carriers, contractors or other service providers understand and comply with all relevant health, safety and environmental risk information and instructions.*
- 13. Monitoring on and off-site contractor performance. Include any third-party storage yards or warehouses.*
- 14. Assessing and selecting modes, carriers and routes for the transportation of products with respect to safety in transit and prevention of accidents, when, as a consignor, carriers are selected to transport dangerous goods that are you owned and offered for transportation."*

Code links: These items are generally covered in Operations Code, Transportation and Physical Distribution, (OP12-OP16) - (these were written with an in-house chemical company truck fleet in mind) and in the Stewardship Code under "3. Expectations of Companies with Respect to Other Parties", Codes ST115 - ST124.

The company has a dedicated fleet. However, it does use partner carriers during peak demand periods. These carriers are audited by QRC. It should be noted that activities undertaken under these circumstances are better governed using the Stewardship Codes ST115 -ST124 as they clearly relate to hiring third parties.

Environment

- "1. Determining the environmental impacts of emissions and wastes.*
- 2. Ensuring environmental impact and waste minimization is integral to company activity.*
- 3. Ensuring environmental impact and waste minimization is an integral part of the design of new or modified facilities, processes, and equipment and for the closing or demolition of old facilities.*
- 4. Identifying and evaluating historical waste sites and communicating and following-up, including remediation, as required. Includes formerly owned facilities and businesses.*
- 5. Establishing and meeting emission and waste reduction objectives. "*

Code Links: These items are generally covered in Operations Code, Environmental Protection, OP58-OP75 and Stewardship Code 2.2.e Historical Hazardous Waste Practices (ST111-ST114) and ST121 in Expectations of Companies with Respect to Other Parties.

All waste liquids are collected and sent out for disposal with approved waste handlers. Letters to these vendors mention Responsible Care. The company uses MOE preferred contractors for recycling used hardware.

Waste handling in a large geographic area for multiple hazard categories is challenging for the transportation sector. Under Responsible Care a company must demonstrate a risk-based system of prioritizing waste vendor documentation, assessment and control.

There is an opportunity for improvement to consolidate waste vendor assessments with waste carriers in a risk-based approach.

Security

- "1. Assessing security risks of company operations.*
 - 2. Determining the magnitude of potential impacts from security incidents.*
 - 3. Ensuring appropriate security risk minimization equipment and procedures are in place.*
 - 4. Ensuring unauthorized people do not gain access to any facility, property or machinery.*
- Includes yards and terminals."*

Code Links: Operations Code: Malicious Intent OP48 and portions of Emergency Management: OP31-OP47 as well as Critical Infrastructure/Business Continuity OP49-OP55.

The company is CTPAT certified and as such has an extensive, verifiable process in place to ensure conformance to items 1, 3 and 4.

There is an opportunity for improvement to attend the Community Police Liaison seminar on current security topics in Toronto

TRANSCAER

1. Public Awareness

- "1.1 Identifying public interests and representatives of those interests, around fixed facilities and along transportation corridors.*
- 1.2 On-going two-way public awareness dialogue with those who represent public interests, around fixed facilities and along transportation corridors.*
- 1.3 Providing risk information (including worst case scenarios) to the public and responding to concerns, around company operated fixed facilities and along transportation corridors.*
- 1.4 Providing risk information (including worst case scenarios) to the public and responding to concerns, around third-party facilities such as storage locations or repair shops etc., where company operations or equipment pose an off-site risk."*

Code Links: Generally covered by the Accountability Code (AC125 - AC152)

The company, in general, does a good job in meeting its commitment to TRANSCAER but not as good for its fixed sites. This area is in need of overall guidance in the form of code interpretation, templates and guidance for sites and individuals (both involved at sites and with TRANSCAER) to use in meeting the company's commitments to public awareness. In the verification process the selection of community representatives to participate in the process is an important part of determining the health of the community dialogue process. This is also an area in need of work by the company.

Nevertheless, there are activities underway and the Toronto site has identified Emery Village as its community partner and from that association there is potential to foster continuing dialogue making use of business networking opportunities. Shortly after the verification visit to the Toronto site the Emery Village BIA interviewed Seaboard for their newsletter.

The company was reminded that the BIA can bring important local information to the company as happened when it was suggested that the company should engage with Metrolinks at Toronto to plan traffic flows in response to upcoming major road reconstruction.

There was discussion about the Sarnia Transportation CAP as it struggles to be viable. While the company is working to help make it viable it should recognize that community dialogue is a process in itself with a CAP being only one way to accomplish it. After the team Corunna site visit, the Corunna site has decided to terminate the CAP dialogue model and adapt to a more diverse broad application as outlined in the CIAC – SCOPE guidelines. Progress on this new path should be a focus of the next verification.

It is a finding requiring action that the community dialogue process is not fully developed / documented as a management system nor is it effectively in place at the two visited company sites.

There is an opportunity for improvement to invite the MTO control centre and neighbours to discuss WCS as part of community dialogue and outreach process.

2. Emergency Response

“2.1 Carrying out worst-case scenario analysis.

2.2 Ensuring effective response to any foreseeable fixed facility or transportation corridor emergency.

2.3 Integrating company emergency response plans and the communities’ emergency plans.

2.4 Ensuring the needs of persons dislocated by an emergency are being addressed.

2.5 Evaluating and correcting emergency systems, when necessary, after an incident.

Includes response time.

2.6 Follow-up investigation of the short or long-term impacts from a fixed facility or transportation corridor incident.”

Code Links: Section 4iii) Emergency Response for fixed sites OP31 - OP40 and for the transportation corridor, OP41 - OP47.

Emergency response generally is found under corporate Loss Control. A credible worst-case scenario of a flammable toxic explosion has been developed and employees have been trained. Emergency response testing have come as the result of false alarms that have produced a community response. There is no process to account for visitors or guests should an emergency be identified.

There is an opportunity for improvement to ensure all plant visitors are (formally) shepherded by responsible, appropriate plant personnel

In Corunna the company has developed a relationship with a local chemical company where ongoing ER discussions have identified the contents of nearby, visible tankage and have otherwise concluded that the greatest risk to the facility are probably railcars.

There is an opportunity for improvement to develop a process based on the experience in Corunna to ensure sites have adequate knowledge about a neighbour’s operation and what to do in the case of an emergency

The company participates regularly in both east and west TRANSCAER as well as both leadership groups. They participate in annual road drills. A dislocation policy is in place. Knowledge about TRANSCAER has not been widely disseminated within the company.

There is an opportunity for improvement to communicate about TRANSCAER to all employees

Company Response to Verification Team Report

On behalf of Harmac Transportation, I have reviewed this verification report. The observations and conclusions contained in the report have been discussed with the verification team.

As always, the Responsible Care verification process has been invaluable to Harmac's continuous improvement efforts towards growing as a Responsible Care partner.

Feedback, advice, direction and dialogue with both the Responsible Care verifiers as well as the Community Representative provided valuable insight into Harmac's opportunities to advance. The observations, conclusions and improvement opportunities identified by the verification team align with Harmac's overall values and will be considered as part of the ongoing continuous improvement efforts.

Harmac will communicate the results of the verification process with its peers at their next meeting, and will discuss the verification results with our stakeholders, including those representing communities near our operating sites.

We will give consideration to the Improvement Opportunities identified by the verification team and will assist the CIAC in communicating and sharing the identified Successful Practices to other CIAC partners. Plans will be developed to respond to the Findings Requiring Action and those Works in Progress that are required to close gaps, as identified by the verification team.

Mary Adams
Operational Project Manager & Responsible Care Team Lead
Seaboard Group of Companies
December 19, 2019

Interview Lists

A: Company Personnel Contacted During Verification Process

Name	Position	Location
Mary Adams	Manager, Loss Control and Compliance	North York & Sarnia (interview)
David Macdonald	VP-Highway & Dedicated Logistics	North York (interview)
Brad Beaton	Manager, HSE-Canada	North York & Sarnia (interview)
Jessica Gaglia	HR Lead - Ontario	North York (interview & lunch)
George Almeida	General Manager, HDL Ontario	North York (interview)
Harv Roberts	Consultant, Seaboard Transport	North York (interview)
Lisann Nicholl	Director Fleet & Shops	North York (facility tour)
Chris Suchow	Service Manager	North York (facility tour)
Sivilay Vongsaphay	JHSC-HSE Administrator	North York (lunch)
Lisa Malerba	Resource Scheduling Coordinator	North York (lunch)
Ravina Lochan	Logistics Manager – ERP (OHS Committee)	North York (lunch)
George Windover	Operations Supervisor - Sarnia	Sarnia (Interview)
Sheila MacNail	Division Manager – Sarnia	Sarnia (Interview)
Kim Leyton	Customer Service Representative (OHS Committee) - Sarnia	Sarnia (lunch)
Glen Drouillard	Company driver / OHS Committee Rep	Sarnia (lunch)
Chris McLean	Lead Hand – Sarnia Shop	Sarnia (lunch)



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