



# RESPONSIBLE CARE<sup>®</sup> Verification Report

*Harmac Transportation Inc.*

December 10 - 12, 2013



Chemistry Industry  
Association of Canada



Responsible Care<sup>®</sup>  
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<sup>®</sup> 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<sup>®</sup> 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 Harmac Transportation Inc.. The verification was undertaken on December 10 – 12, 2013 and included team visits to the headquarters and Transportation terminal in North York, Toronto and Transportation Terminal in Corunna, Ontario.. The verification team also conducted interviews with other company personnel and external stakeholders at locations the team was unable to visit. This was the fourth Responsible Care verification completed for Harmac Transportation Inc. The last verification was completed on April 26 & 27, 2011.

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 Finding 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: \_\_\_\_\_

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:

Greg Coughlin, General Manager  
Harmac Transportation Inc.  
55 Arrow Rd., North York, ON  
M9M 2L4  
Tel: 416-642-0515 x 3024  
[gcoughlin@harmactransport.com](mailto:gcoughlin@harmactransport.com)



## SUMMARY OF VERIFICATION TEAM OBSERVATIONS

The verification team identified one Finding Requiring Action.

### Findings Requiring Action (FRA)

1. The company does not have a documented policy in place to deal with dislocated persons resulting from a company emergency incident. A policy should be developed and included in the appropriate company emergency response manuals. (3.5)

### Works in Progress (WIP)

1. Due to the influence of Harmac Transportation Inc., A.J. Weigand, an American subsidiary of Seaboard, is pursuing membership in the American Chemistry Council and subsequent Responsible Care verification. (4.1)
2. Work is continuing to finalize defined management systems around Fleet Operations and Quality. (4.2)
3. The company is planning to implement an overall document control system. The team supports and encourages progress in this endeavour. (4.2)
4. The company is assessing the inclusion of plastic bottles and metal cans in their office/mechanical shop recycling efforts. (3.3)

### Improvement Opportunities (IO)

1. A process was developed to review and take action on the previous report findings and opportunities. This process should be adopted as the standard practice and documented in the Responsible Care Management System. (2.1)
2. With regard to the communication and promotion of Responsible Care to its stakeholders, the company has been focused on building a strong basic management system and organization structure around Responsible Care. There is an opportunity to expand efforts in the communication and promotion of Responsible Care. Please refer to the CIAC Responsible Care Visibility Guidance Document for more information and ideas. (2.4)
3. Significant work has been done in developing a Responsible Care/Management System, including documentation, such as a cross-reference. There is an opportunity to continue to refine this to provide better linkage to specific Responsible Care Partner elements, to ensure that all are covered by an appropriate management system or documented process. (4.1)
4. There is an Improvement Opportunity to strengthen the management of people systems, to include Responsible Care requirements (e.g. job descriptions, performance reviews, training systems). In addition, it is recommended that the management of change process should include organizational changes for positions with Responsible Care responsibilities. (3.1)
5. There is an opportunity for the company to develop a formalized industry performance benchmark process with performance targets established for various identified measurement areas. (2.3)
6. There is an opportunity to add additional broad based indicators to the current slate of performance measures. (e.g. completion of planned events and activities such as for TransCAER, emergency response drills, and outreach; and tracking of public concerns received. (2.3)
7. The company does an annual drive along audit of its drivers. There is an opportunity to ensure the audit includes a confirmation that MSDS records in the possession of the driver are correct and up to date. (3.1)
8. There is an opportunity for the company to periodically assess and validate the effectiveness of its Joint Health and Safety Committee. (3.1)
9. The company should consider expanding the Journey Management plan to the chemicals business unit on a strategic basis. (3.1)
10. The team recommends that the company complete linkages between the Transman system and the TWM dispatching computer to prevent equipment from being dispatched when due for inspection and/or servicing. (3.1)

11. Self assessments are done periodically by the tank wash suppliers using the National Tank Truck Carrier (NTTC) tank wash assessment form. There is an opportunity to audit the facilities against these assessments and include a Responsible Care element in such audits. (3.2)
12. There is an improvement opportunity to strengthen the 'Check Step' of the Harmac management system in all relevant Responsible Care areas. In some instances, the team identified examples of reviews and assessments being done, but without formal and documented procedures (e.g. weekly site security checks). In other areas, periodic reviews are being done but there are no formal reviews and assessments of those processes through the companies own audit procedures (e.g. waste haulers for bulk oil and tires). In addition, there are policies indicating reviews need to be done, but a formal mechanism is lacking to ensure reviews are indeed carried out on a regular and scheduled basis (e.g. emergency response plan review of neighbouring operations). Overall, the auditing process could be improved by the inclusion of relevant Responsible Care elements (e.g. external mechanical shops, new customer assessment). (4.3)
13. There is an opportunity for the company to research and consider processes and data that would facilitate the measurement of its fuel footprint specifically with regard to greenhouse gas, NOx and SOx emissions. (3.3)
14. The company does an annual driver assessment in the form of a drive along. There is an opportunity to include a security component in this assessment. (3.4)
15. There is an opportunity to include the requirement for periodic changes to site keypad access codes in the site security manuals. (3.4)
16. There is an opportunity to include a bomb threat in the site Emergency Response Plan, including a subset of standard procedures to be followed if a bomb threat is received. (3.5)
17. There is an opportunity to conduct periodic building evacuation drills at all sites, conducted seasonally. In addition, the company should investigate reciprocal arrangements with site neighbours for evacuee shelter in inclement weather. (3.5)
18. There is an opportunity to install audio and visual building alarms to signal the need for a building evacuation. (3.5)
19. There is an opportunity to share mock exercise results with employees via the company newsletter. In addition, the company should involve external stakeholders such as the Sarnia Transportation CAP and the Emery Village Business Improvement Association in sharing those results. (3.5)
20. The company should develop site specific Worst Case Scenarios, to be included in the site Emergency Response Plan and share these with their local stakeholders. (3.5)
21. The company is a member of the Sarnia Transportation CAP. There is an opportunity for the company to recommend that the CAP should have a charter to outline its purpose, scope and operating guidelines and to assist in developing it. (3.5)
22. The company should consider if there is value in belonging to the Sarnia CAER organization. (3.5)
23. There is an opportunity for the company to develop a Sustainability Policy and use this policy to guide their sustainability initiatives. (5.0)

### **Successful Practices (SP)**

1. Responsible Care annual Internal Assessment process and guidance document have been developed to provide the Executive Contact with confidence in signing the annual Attestation. (2.1)
2. Harmac Transportation Inc., through its development of a Responsible Care Management System is spreading the influence of Responsible Care to other operating business units in the larger group of Seaboard companies. (4.1)
3. The Company has made a clear and direct link between the Driver Scorecard and the Driver Bonus System, an important factor in the company's efforts to continually improve driver behaviour and performance in all aspects of the drivers' role. (2.3)

# 1. INTRODUCTION

## 1.1 About Responsible Care Verification

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

As an element of this commitment to Responsible Care, Harmac Transportation Inc. 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 CIAC website [www.canadianchemistry.ca](http://www.canadianchemistry.ca). Harmac Transportation Inc. 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](http://www.canadianchemistry.ca), or by contacting CIAC Responsible Care Manager at [glaurin@canadianchemistry.ca](mailto:glaurin@canadianchemistry.ca) or (613) 237-6215 extension 233.

### 1.2 About Harmac Transportation Inc.

Harmac Transportation Inc. is a 100% owned subsidiary of Seaboard Liquid Carriers headquartered in Dartmouth, Nova Scotia.

Since the previous Re-verification in 2011, the company has continued to be active in three major bulk liquid divisions (petroleum, liquid chemical and LPG). Core products moved in the liquid/chemical division include soaps, resins, latex, oil, chlorine and solvents. The petroleum division transports gasoline, diesel fuel, jet fuel and naphtha. However, the following is a list of changes since the previous Re-verification as follows:

- The GWR Burlington terminal has been closed, and operations have been integrated through Arrow Rd facility.
- AJ Weigand, a chemical liquid carrier based in Bolivar, Ohio with satellite operations in Duncan, South Carolina, has officially started the process of Responsible Care verification in the US. This begins with securing 2 RC sponsors. They have secured 1 sponsor and are in the process of finalizing the second sponsor.
- Petroleum operations have recently expanded with the purchase of Wiebe Transport, an Alberta based carrier with terminals in Edmonton and Grand Prairie.
- The scope of chemicals operations has increased slightly, with the re-staffing of the Sarnia operation in support of the IOL contract. An office and staff member has been established as well to operate a small fleet of tractors in Atlantic Canada. This office is established in St John, however there is no garage or yard operation associated with the office.

All Harmac facilities and operational infrastructure in Canada are subject to the Responsible Care commitment. These include the following:

- North York office, terminal and garage operations.
- Montreal office, terminal and garage operations
- Sarnia office, terminal and garage operations.
- St. John office operations

### 1.3 About This Verification

The verification of Harmac Transportation Inc. was conducted on December 10 – 12, 2013 and included team visits to the headquarters and Transportation terminal in North York, Toronto and Transportation Terminal in Corunna, Ontario. 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 fourth verification exercise completed for Harmac Transportation Inc. The last verification was completed on April 26 & 27, 2011.

The verification team was comprised of the following individuals.

<b>Name</b>	<b>Affiliation</b>	<b>Representing</b>
Gerry Moss	CIAC – Industry Consultant	<i>Team Leader</i>
Jim Wakefield	CIAC – Public Consultant	<i>Public-At-Large Verifier</i>
Melanie Jonas	Emery Village BIA	<i>Community Representative</i>



## 2. TEAM OBSERVATIONS CONCERNING THE RESPONSIBLE CARE COMMITMENTS (CODES AND BENCHMARK AND COLLECTIVE EXPECTATIONS)

During the verification of Harmac Transportation Inc., the verification team looked for evidence that the company was addressing the expectations documented in the Responsible Care Commitments (41 code elements plus benchmark and collective expectations) in the Transportation Partner Model.

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 team will communicate, based on their experience and judgement, 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 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 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.

The verification team's observations of how the company has addressed the Responsible Care Commitments are as follows:

### 2.1 Follow up of Findings in Last Verification Report.

The team reviewed how the company addressed the findings requiring action and opportunities for improvement cited by the previous verification team in their report to the company. All previous Findings Requiring Action were closed however, a number of Improvement Opportunities remained open. These open items are being carried forward in this report either in their original form or reworded to reflect additional information and clarity.

#### Successful Practices

- A Responsible Care annual Internal Assessment process and document have been developed to provide the Executive Contact with confidence in signing the annual Attestation. (SP 1)

#### Improvement Opportunities

- A process was developed to review and take action on the previous report findings and opportunities. This process should be adopted as the standard practice and documented in the Responsible Care Management System. (IO 1)

The team is of the opinion that code expectations in this area are being appropriately addressed.

## 2.2 Response to Incidents and Concerns since the Last Verification

Since the way in which unplanned situations are handled shows the influence of the Responsible Care ethic and responsiveness of the management system, the team looked at the issues, incidents and concerns that have arisen since the last verification and how the company has handled them. Some of these may be covered under individual topics below, as noted.

### Overview

Harmac Transportation Inc. has a comprehensive in-house developed process for the investigation of incidents and accidents. This includes reporting, root cause analysis, establishing corrective action and communication of results as training/alerting opportunities back to the workforce. All incident/accidents are reviewed by senior management.

With the bulk of the corporation's incidents involving the road transportation of products, the investigation processes are tailored primarily for transportation incidents. The on board truck computer (OBTC) is designed to capture vehicle operating information (e.g. vehicle speed, vehicle location, braking data) prior to and at the time of the incident which, when combined with police reports, scene photos etc provide the input information necessary to do an accurate incident re-construction and analysis.

The team is of the opinion that the company is meeting the relevant Responsible Care expectations in this regard.

## 2.3 Performance Measures

The 'check' step of a management system is the part that shows the effectiveness of the system, and a key question is: "What does the company check as its indicator of performance?" For a few items – injuries, road accidents, fuel efficiency, releases and TransCAER events – CIAC specifies measures for reporting under Responsible Care. Most other areas are left to the discretion of each transportation partner. The team was asked to review and comment on the measures used by the company to track and improve performance. Some of these are covered under specific sections below, but general comments are given here.

### Overview

The company tracks personal injury rates; accident rate per million miles driven; number of product spills and contaminations; and out of service percentages relative to regulatory roadside inspections. Improvement in these areas continues as they continue to implement specific safety initiatives.

While their primary benchmarking process is against their own historical performance, company violation status vs. industry benchmarks is readily available via provincial commercial violation operating record systems in Canada (e.g. CVOR in Ontario) and US Department of Transportation (DOT) records in the US. Harmac reviews this information on a monthly basis to ensure that all violations recorded have been reported by drivers to the company, to ensure that there are no errors in the data compiled and to assess their ongoing performance against their own history and industry norms. Benchmarking is also addressed through the National Tank Truck Carriers Association, which compares performance for similar sized carriers within its membership.

### Successful Practices

- The Company has made a clear and direct link between the Driver Scorecard and the Driver Bonus System, an important factor in the company's efforts to continually improve driver behaviour and performance in all aspects of the drivers' role. (SP 3)

### Improvement Opportunities

- There is an opportunity for the company to develop a formalized industry performance benchmark process with performance targets established for various identified measurement areas. (IO 5)
- There is an opportunity to add additional broad based indicators to the current slate of performance measures. (e.g. completion of planned events and activities such as for TransCAER, emergency response drills, and outreach; and tracking of public concerns received. (IO 6)

### 2.4 Promotion of Responsible Care by Name

Throughout the interview process the team checked for evidence that the Responsible Care ethic was visible and at work in the company, guiding the company's judgement, decisions and actions.

The company uses internal and external communication tools to promote Responsible care (e.g., company website, driver meetings process, TransCAER/Responsible Care brochure, promotional material, business cards with Responsible Care logo. The CIAC Executive Contact is well versed in Responsible Care, and actively promotes the ethic and principles throughout the company. Performance expectations are in place. It was evident that there is a desire to operate the company in a safe, environmentally sound manner, with all activities done in the spirit of Responsible Care. A Responsible Care orientation package is part of the training for all employees. Responsible Care refresher training is done annually. The executive(s) contact fully participates in CIAC's Responsible Care Leadership Group meetings as well as regular contact with CIAC executives

The team is of the opinion that the Responsible Care ethic underpins the company's actions and decision making processes.

### Improvement Opportunities

- With regard to the communication and promotion of Responsible Care to its stakeholders, the company has been focused on building a strong basic management system and organization structure around Responsible Care. There is an opportunity to expand efforts in the communication and promotion of Responsible Care. Please refer to the CIAC Responsible Care Visibility Guidance Document for more information and ideas. (IO 2)

### 3. TEAM OBSERVATIONS CONCERNING SPECIFIC MANAGEMENT SYSTEMS

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 Harmac Transportation Inc.'s 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.

Using the Transportation Partners Responsible Care Model, the management system topics are Operations Safety, Supply Partner Assessments, Environmental Protection and Resource Conservation, Security, Emergency Management and Response / TransCAER outreach.

The verification team's related observations to the company management system(s) are as follows:

#### 3.1 Operations Safety

The team looked at how the hazards and risks from potential episodic ('sudden') incidents are identified and controlled throughout the company's operations, including awareness and understanding of the methods used for assessment and the techniques for hazard control, and how these are applied and kept current.

##### Overview

Safety at Harmac is given top priority. Annual environment health and safety objectives are established, with performance tracked against these and reviewed monthly by functional personnel and senior management. The company has a published safety policy and a very detailed and extensive Driver's Guide that outlines safe practices for all aspects of the job. There are a variety of driver training programs, including orientation of new drivers that includes Responsible Care, TDG, emergency response, defensive driving and mentoring. Incident flashes via the On-Board Truck Computer (OBTC) system keep drivers aware of safety issues on an ongoing basis.

Transportation route risk assessments are carried out on new delivery routes and where new commodities are to be carried. Detailed Journey Management Plans and/or site management plans are also used for selective/strategic locations. There is also a process in place to determine if in fact the company can handle products that have not been handled in the past. The company has refused to carry some specific commodities as a result of the above assessment.

Health and safety committees, or the equivalent, are in place at terminal facilities. A unique initiative is that monthly Joint Health and Safety (JHSC) meetings are held Ontario-wide via teleconference and include locations that are not required by law to have a JHSC. Driver participation impacts the amount of their safety bonus. There is also a job audit program in place which is specifically applied to driving operations. At least once per year each driver is accompanied by a member of management and their driving performance assessed. Observations by management personnel from the roadside are also carried out.

##### Improvement Opportunities

- There is an Improvement Opportunity to strengthen the management of people systems, to include Responsible Care requirements (e.g. job descriptions, performance reviews, training systems). In addition, it is recommended that the management of change process should include organizational changes for positions with Responsible Care responsibilities. (IO 4)

- The company does an annual drive along audit of its drivers. There is an opportunity to ensure the audit includes a confirmation that MSDS records in the possession of the driver are correct and up to date. (IO 7)
- There is an opportunity for the company to periodically assess and validate the effectiveness of its Joint Health and Safety Committee. (IO 8)
- The company should consider expanding the Journey Management plan to the chemicals business unit on a strategic basis. (IO 9)
- The team recommends that the company complete linkages between the Transman system and the TWM dispatching computer to prevent equipment from being dispatched when due for inspection and/or servicing. (IO 10)

### 3.2 Supply Partner Assessments

The team looked at how customers, suppliers, carriers, contractors, etc. are assessed, selected and measured for their performance with respect to meeting the Responsible Care expectations of the company.

#### Overview

There is a formalized process for selection and approval of suppliers based upon quality of work and materials supplied, and there is a preferred vendor list in place. For new suppliers, there is an annual review of their performance.

Periodic audits of parts and equipment suppliers are carried out by fleet management personnel to ensure company quality standards are met. Annual audits are also carried out by fleet management personnel on external vehicle maintenance facilities. External tank wash facilities are required to complete a self audit developed by the National Tank Truck Carriers Cleaning Council, a program widely accepted throughout the industry. The company's commitment to safety and quality is communicated to customers with an expectation that they have processes in place to ensure the safety of personnel, product quality and respect for the company's equipment.

#### Improvement Opportunities

- Self assessments are done periodically by the tank wash suppliers using the National Tank Truck Carrier (NTTC) tank wash assessment form. There is an opportunity to audit the facilities against these assessments and include a Responsible Care element in such audits. (IO 11)

### 3.3 Environmental Protection & Resource Conservation

The team looked at the company's history, projections and plans for reducing emissions, both through reductions in direct emissions from facilities and equipment and through energy efficiency/intensity improvements.

#### Overview

While greenhouse gas emission levels from road transport vehicles are regulated, the company's approach is to exceed the government standards wherever possible.

To this end a number of emissions reduction technologies have been implemented with others being considered as they become available. Implemented examples include the automatic shutdown of tractor engines after 5 minutes idling, bunk heaters in sleeper cabs to eliminate the need for running vehicle engines for heating, and power units being governed to a maximum speed of 102 KPH. New tractors are purchased with the latest emission reducing technologies and the driver scorecard system also focuses on improving driving performance, which reduces environmental emissions.



The company has made a commitment to reducing emissions and wastes through procuring only the most environmentally efficient vehicles available, and maintaining them to the highest standards. Recycling of tires, oil, lubricants is included as part of their supplier expectation. Recycling occurs across the company from paper to tankers. Tire suppliers/tire selection and use are an important consideration for Harmac as this affects fuel consumption and efficiency.

#### Works in Progress

- The company is assessing the inclusion of plastic bottles and metal cans in their office/mechanical shop recycling efforts. (WIP 4)

#### Improvement Opportunities

- There is an opportunity for the company to research and consider processes and data that would facilitate the measurement of its fuel footprint specifically with regard to greenhouse gas, NOx and SOx emissions. (IO 13)

### 3.4 Security

The team looked at how the company assesses and manages potential security threats to personnel, facilities, equipment, etc. throughout its entire transportation system (e.g., yards, terminals, routes, storage locations, etc.) including exposure to diversion of materials for illicit activities such as use or in production of chemical weapons, explosives or narcotics.

#### Overview

There is a documented overall security plan in place, which includes a process to provide all personnel with security awareness training. Specific policies also cover point-to-point cargo security; yards and facilities; equipment; and internal activities. A sensitive information plan is communicated on a need to know basis and reviewed annually.

The company is a certified and validated participant in “C-TPAT” a security initiative of the U.S. Customs and Border Protection Agency. The company’s security initiatives have been audited by the U.S. Department of Transportation acting on behalf of the U.S. Department of Homeland Security.

#### Improvement Opportunities

- The company does an annual driver assessment in the form of a drive along. There is an opportunity to include a security component in this assessment. (IO 14)
- There is an opportunity to include the requirement for periodic changes to site keypad access codes in the site security manuals. (IO 15)

### 3.5 Emergency Management & Response / TransCAER Outreach

The team looked at the company’s management system for ensuring appropriate preparedness and response to emergencies throughout the entire transportation system (e.g., yards, terminals, routes, storage locations, etc.), including involvement with local emergency services and other mutual aid processes. How the company is fulfilling its commitments for ensuring that the potentially affected public understands and is prepared for the risks presented by adjacent operations, including outreach and two way dialogue initiatives, was also reviewed.

#### Overview

There is comprehensively documented emergency response plan in place, which is designed to ensure an immediate and effective response to operational emergencies. The plan includes specific protocols for all facets of the business including petroleum, chemical and compressed gases.

The worst case scenario for an incident at a company terminal, parking or other fixed facility would be a failure of a full tank containing hazardous materials. This is mitigated by a company policy and practice not to park full tanks on these premises. It is recognized however that such parking situations could occur in exceptional circumstances, but every effort is made to prevent this from occurring.

Specialized services are contracted to carry out product handling during an emergency, and the company takes responsibility for clean-up and remediation activities, where this is required.

The emergency manual has been shared with a number of the company's core customers which have multiple sites serviced by the organization.

The company is represented on three (3) CIAC TransCAER committees. These are Toronto, Ontario Regional and National. Involvement with the Quebec Regional TransCAER Committee continues to be sought. Company TransCAER representatives generally attend the required local and regional TransCAER meetings and there appears to be the requisite participation in TransCAER activities.

There has been no significant change in concerns expressed by the public since the last verification. These primarily take the form of complaints about the manner in which they have observed company trucks operating on the highway. All complaints of this nature are followed up with the driver concerned and the complainant where information is provided to identify the individuals.

The company is a member of the Emery Village Business Improvement Area (BIA) in North York. The local community representative on the verification team is an employee of the BIA.

#### Findings Requiring Action

- The company does not have a documented policy in place to deal with dislocated persons resulting from a company emergency incident. A policy should be developed and included in the appropriate company emergency response manuals. (FRA 1)

#### Improvement Opportunities

- There is an opportunity to include a bomb threat in the site Emergency Response Plan, including a subset of standard procedures to be followed if a bomb threat is received. (IO 16).
- There is an opportunity to conduct periodic building evacuation drills at all sites, conducted seasonally. In addition, the company should investigate reciprocal arrangements with site neighbours for evacuee shelter in inclement weather. (IO 17).
- There is an opportunity to install audio and visual building alarms to signal the need for a building evacuation. (IO 18).
- There is an opportunity to share mock exercise results with employees via the company newsletter. In addition, the company should involve external stakeholders such as the Sarnia Transportation CAP and the Emery Village Business Improvement Association in sharing those results. (IO 19)
- The company should document site specific Worst Case Scenarios, to be included in the site Emergency Response Plan and share these with their local stakeholders. (IO 20)
- The company is a member of the Sarnia Transportation CAP. There is an opportunity for the company to recommend that the CAP should have a charter to outline its purpose, scope and operating guidelines and to assist in developing it. (IO 21)
- The company should consider if there is value in belonging to the Sarnia CAER organization. (IO 22)

## 4. 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 reviewed the Harmac Transportation Inc. Plan, Do, Check, Act of their management System 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 are as follows: The company developed their management system using CIAC's management system recommendations. It has a documented series of requirements, policies and procedures, compliance and reporting activities in place, which are clearly cross-referenced to the elements of the CIAC Transportation Partners Responsible Care Model.

### Overview

The company organization is structured in such a way that top down corporate objectives and bottom up performance results are passed through the various business units, orbits and management levels in a very efficient manner, with clear responsibilities outlined and results based recognition systems evident throughout. There are clearly communicated policy statements from the president in three different areas, Corporate Philosophy, Safety and Environment. These statements are posted in all facilities, and re-enforced through regular employee communications, objective settings, etc.

The company's management system addresses the Responsible Care themes as defined for CIAC Transportation Partners. Responsible Care, Environment, and Safety policies, which set the strategic direction for the company, are in place, and supported by a series of documented practices and procedures. The company is a member of the Ontario Trucking Association and the National Tank Truck Carriers Association in the U.S.A. and is also registered under the ISO 9001-2000 Quality Management System Standard and undergoes external audits against this standard.

### 4.1 Observation on the PLAN Step

During the PLAN Step of the management system, the company decides what the goals of the company are and how they will be met. In determining those goals, it is expected the company will look inward, across its operations, but will also look outward, considering the expectations of: stakeholders; regulatory requirements; relevant CIAC Responsible Care Commitments and supporting tools; and other industry benchmarks.

As part of the PLAN step, Harmac Transportation Inc., has a Responsible Care Core Team in place to lead processes in place for regular leadership team meetings, quarterly business reviews, which include Responsible Care reports, as well as other business management functions.

In considering the PLAN Step of Harmac Transportation Inc.'s management system, the verification team observed the following:

### Works in Progress

- Due to the influence of Harmac Transportation Inc., A.J. Weigand, an American subsidiary of Seaboard, is pursuing membership in the American Chemistry Council and subsequent Responsible Care verification. (WIP 1)

### Successful Practices

- Harmac Transportation Inc., through its development of a Responsible Care Management System is spreading the influence of Responsible Care to other operating business units in the larger group of Seaboard companies. (SP 2)

### Improvement Opportunities

- Significant work has been done in developing a Responsible Care Management System, including documentation, such as a cross-reference. There is an opportunity to continue to refine this to provide better linkage to specific Responsible Care Partner elements, to ensure that all are covered by an appropriate management system or documented process. (IO 3)
- There is an Improvement Opportunity to strengthen the management of people systems, to address organizational changes for positions with Responsible Care responsibilities, job descriptions and performance reviews to include Responsible Care (where appropriate), and training systems to include Responsible Care requirements. (IO 4)

## 4.2 Observation 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. It is expected that the company will implement an organizational structure, assign responsibilities to appropriate personnel, supply sufficient training and resources to execute planned actions and develop and document standards, procedures and programs, as applicable.

There are Responsible Care sub-teams in place to execute initiatives to support Responsible Care activities in areas such as Health, Safety and Environment. These include but are not limited to training, emergency response, site and product security, sourcing, supplier management, community interface, CAER, sustainability, etc., but expansion to include the major Responsible Care Partner elements could prove useful.

In considering the DO Step of Harmac Transportation Inc.'s management system, the team observed the following:

### Works in Progress

- Work is continuing to finalize defined management systems around Fleet Operations and Quality. (WIP 2)
- The company is planning to implement an overall document control system. The team supports and encourages progress in this endeavour. (WIP 3)

## 4.3 Observation on the CHECK Step

During the CHECK Step in the management system, actions carried out in the DO Step are assessed to determine if they are actually being carried out according to plan, and whether they are achieving the desired outcomes and delivering continual improvement. Here, the overall management system and components will be reviewed along with employee competences for assigned responsibilities, internal and external audits will be undertaken, incidents will be assessed to identify root causes, and performance measurement will be conducted and reviewed.

The Responsible Care Leadership Team develops and monitors Key Performance Indicators (KPI) for all Responsible Care elements not specifically contained and measured within other management system areas. For Responsible Care elements within other management systems, these are audited for prescribed KPI review and compliance.

In considering the Check Step of Harmac Transportation Inc.'s management system, the team observed the following:

### Improvement Opportunities

- There is an improvement opportunity to strengthen the 'Check Step' of the Harmac management system in all relevant Responsible Care areas. In some instances, the team identified examples of reviews and assessments being done, but without formal and documented procedures (e.g. weekly site security checks).
- In other areas, periodic reviews are being done but there are no formal reviews and assessments of those processes through the companies own audit procedures (e.g. waste haulers for bulk oil and tires).
- In addition, there are policies indicating reviews need to be done, but a formal mechanism is lacking to ensure reviews are indeed carried out on a regular and scheduled basis (e.g. emergency response plan review of neighbouring operations).
- Overall, the auditing process could be improved by the inclusion of relevant Responsible Care elements. (e.g. external mechanical shops, new customer assessment). (IO 12)

#### 4.4 Observation on the ACT Step

During the ACT Step in the management system, the company translates the results of the CHECK Step into corrective actions for improvement. This includes revisiting the PLAN Step to decide whether changes are required for the company's stated goals or action plans, policies and procedures for achieving those goals. Considerations when examining the Act Step include whether and how: audit and review findings are responded to; performance is communicated internally and externally; employee and contractor performance is rewarded and corrected, etc.

The Responsible Care Leadership Team documents gaps in the monthly KPI review process and audit schedule. Action plans for these gaps are developed in the monthly team meetings, documented, corrective actions assigned, and are required to be reported back upon to the team monthly until complete. Corrective actions and other learnings are documented and used as inputs to the planning process.

In considering the Act Step of Harmac Transportation Inc.'s management system, the verification team observed the following:

<None>



## 5. TEAM OBSERVATIONS ON THE RESPONSIBLE CARE ETHIC AND PRINCIPLES FOR SUSTAINABILITY

Each CIAC member and 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, is 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, the degree to which the principles inform the manner in which the company does its business and on how the company sees and fulfils its role in areas of social responsibility.

The verification team carefully observed Harmac Transportation Inc.’s 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. The verification team’s related observations on the company’s specific application of the *Responsible Care Ethic and Principles for Sustainability* since the last verification are as follows:

### **Work for the improvement of people’s lives and the environment, while striving to do no harm.**

- Scholarship fund for all employees and contractors. The fund provides \$1,000 each year for up to 4 years for every employee or contractor student pursuing post-secondary education and meeting basic qualification criteria.
- Flu clinics hosted at all Seaboard and Harmac main terminals.
- Implementation of formal management training program to assist with employee personal and professional development.
- Implementation of a continuing education financial support program that assists employees with continuing education costs while employed with Seaboard / Harmac.

### **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.**

- Participation in Sarnia CAP community outreach events, including the Emergency Preparedness Day exhibitions.
- Engagement with the Emery Village Business Improvement Association.

### **Take preventive action to protect health and the environment.**

- Implementation of an employee health club / exercise employee program through Good Life Fitness, offering discounted rates and healthy living information.
- New Dartmouth office facility provides a fully equipped exercise facility with showers / change rooms at no cost to employee /contractors.
- New Dartmouth office facility provides extra-ordinary kitchen, lounge and leisure rooms to encourage healthy eating, relaxing employee environment etc.

### **Innovate for safer products and processes that conserve resources and provide enhanced value.**

- Enhancement of the driver scorecard model to produce another level of accountability and performance by the driver as it relates to safe driving, fuel economy and responsible management of driving hours.
- Enhancement of Harmac bill of lading and compliance requirements regarding the inspection of tank internals post delivery and post wash as a means of reducing contaminated loads (waster elimination) and reduction of product residual heel (waster elimination).
- Anti roll over technology and anti under- run protection are best practices used on petroleum units and new chemical units.

**Engage with our business partners to ensure the stewardship and security of our products, services and raw materials throughout their life-cycles.**

- Harmac does not permit the loaded trailers to be left unattended while in the care and custody of Harmac.
- When Harmac is requested to pre-load or drop a loaded trailer by the shipper, Harmac will only do so if the load is placed in secure shipper or receiver facility.
- There is a Standard Operating Procedure for placement of loaded trailers in secure shipper or receiver locations.
- Harmac has an oil recycling program so that lubricant materials are stewarded through the life cycle of the product.
- Harmac conducts wash facility audits to ensure responsible and secure handling of tank residues through the wash process, and proper environmental control on waste streams. We review the need for these audits to become more frequent and better documentation and communications back to the wash.
- Harmac has a cardboard / paper recycling program to ensure packaging raw materials are diverted from land fill.
- Harmac has a program for equipment disposal which ensures as much of the trailer is recycled as possible. Tractors are sold to the “aftermarket” to continued use.

**Understand and meet expectations for social responsibility.**

- Outside of ongoing charities that are supported i.e. Salvation Army, Junior Achievers of Canada, Local Food Drive and Toy Drive campaigns, no new charities added during this period.

**Work with all stakeholders for public policy and standards that enhance sustainability, act to advance legal requirement and meet or exceed their letter and spirit.**

- Worked with Nova Scotia and New Brunswick Transportation Departments to advance the acceptance and implementation of electronic logs, increasing the accountability and transparency of safe driving hour management in these jurisdictions.

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

- Implementation of Management System across the corporation, educating and communicating Responsible Care ethics and codes, and outlining how leadership will begin to integrate these codes and ethics into their managing systems.

Notwithstanding the excellent accomplishments made by the company outlined above, the team recommends the following:

**Improvement Opportunities**

- There is an opportunity for the company to develop a Sustainability Policy and use this policy to guide their sustainability initiatives. (IO 23)

## 6. VERIFICATION TEAM CONCLUSION

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.

## ATTACHMENT 1 COMPANY RESPONSE TO VERIFICATION TEAM REPORT

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

Harmac wishes to thank the Verification Team for an open, collaborative and insightful verification process. The Verification Team has some excellent suggestions, which are included in this report, as to how Harmac can continue to improve its self-healing capacities and attenuation of the responsible care ethics and codes further into the corporations work streams.

Harmac Transportation Inc. will communicate the results of the verification exercise with its CIAC 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 verification team and will assist the CIAC in communicating and sharing the identified Successful Practices to other CIAC members. Plans will be developed and implemented to respond to the Findings Requiring Action identified by the verification team. Our progress in implementing those plans will be discussed when preparing our Annual Statement of Re-Commitment to Responsible Care, and communicated to the verification team at the time of our next verification.

David MacDonald  
VP Operations & Business Development  
Harmac Transportation Inc  
March 28,2014

## ATTACHMENT 2 INTERVIEW LISTS

### A: Company Personnel

Name	Position	Location
David MacDonald	Vice President Operations HDL & BD	North York, ON
Greg Coughlin	General Manager	North York, ON
Harv Roberts	Director HSE	Dartmouth, NS
Todd Stauffer	Director Operational Finance	North York, ON
Mike Lojzer	HSE Compliance Supervisor	North York, ON
Brad Beaton	Manager – HSE	North York, ON
Bob MacQuarrie	Sr Vice President Operations ERP	North York, ON
Mike Sharpe	Business Manager	North York, ON
Mark Robinson	Terminal Manager	Sarnia, ON
Melissa Jones	Customer Service Rep.	Sarnia, ON
Harinder Angurala	Business Analyst	North York, ON
Simon Ma	Recruitment Process Manager	North York, ON
Garry Stewart	Fleet Manager	North York, ON
Cheryl Gardner	Customer Service Rep.	North York, ON

### B: External Stakeholders

Name	Company / Organization	Position	Location
Stan Ouellette	Sarnia Transportation CAP	Community Member	Sarnia, ON
Ron Skreptak	Sarnia Transportation CAP	Community Member	Sarnia, ON





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](http://www.canadianchemistry.ca)