



RESPONSIBLE CARE[®] Verification Report

Northwest Tank Lines Inc.

April - May 2015



Chemistry Industry
Association of Canada



Responsible Care[®]
Our commitment to sustainability.

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EXECUTIVE SUMMARY

This report documents the observations and conclusions of the independent verification team tasked with conducting a Responsible Care Verification of Northwest Tank Lines Inc. The verification was undertaken on May 12-14, 2015 and included team visits to the National Tank Services equipment maintenance facility in Edmonton, Alberta and the Northwest Tank Lines office in Calgary, Alberta. An orientation and planning meeting was held on April 02, 2015 at the company head office in Langley, British Columbia. This was the third Responsible Care Verification completed for Northwest Tank Lines Inc. The last verification was completed on October 22-23, 2012.

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 verification is complete and no further involvement is required by the verification team.



Signed:
Dave Mack
Verification Team Leader

Date: June 03, 2015

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 Co-ordinator:

Trula Normandeau
Health, Safety & Environment Coordinator
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Summary of Verification Team Observations

Works in Progress

The following relate to self-initiated actions to address identified gaps.

- i. Planning to set up an ergonomics training program for office staff.
- ii. Investigating the use of non-slip clamp on attachments to footwear for the prevention of slips on ice covered surfaces.
- iii. Working on the development of a personal health and wellness program for drivers (e.g., fitness, diet, etc.).
- iv. Investigating the use of new automatic transmissions to reduce engine emissions and also the use of environmentally friendly oils.
- v. Planning to set up lighting and video surveillance at the Spruce Grove yard. (Note: This is subject to deciding on remaining at this location. Currently that yard gets some illumination from adjacent industrial facilities.)

Successful Practices

The following relate to actions that strongly support sustained excellence in performance.

- i. The company's involvement in the CIAC TransCAER program and the leadership provided by bringing the road transportation aspect to this effort.
- ii. Documentation of the management system, supporting policies/procedures and records all readily accessible and organized.
- iii. The assignment of two field safety personnel "road warriors" whose prime role is to provide oversight to safe operations along transportation routes and at equipment parking yards.
- iv. The open and unrestricted process for reporting and follow-up to incidents and near misses brought forward by employees.

Improvement Opportunities

The following relate to suggested actions that would enhance the effectiveness of current programs.

- i. Establish an overview industrial hygiene policy that references and summarizes the essential elements of the various related programs currently in place.
- ii. Ensure that drivers who may be required to use self-contained breathing apparatus are appropriately trained in its use, care and maintenance. (Note: This requirement currently applies only to one customer product of which the company plans to discontinue delivering.)
- iii. Develop a template for management of change action planning that standardizes the process (e.g., action steps, decision points, approvals, etc.).
- iv. In discussions with neighbours adjacent to equipment parking yards, ensure any potential impacts from incidents at those neighbouring facilities are addressed in emergency planning.
- v. Set up a process to periodically make contact with communities not covered by CIAC TransCAER events, with respect to providing awareness of company operations in the area. This could be done through municipal planning officers.
- vi. Consider extending emergency exercises, from typical scenarios, to address more major incidents that could possibly occur (e.g., BLEVE, significant acid spill, multi-casualty, etc.).
- vii. Establish a media communications policy to be applied during emergency situations (e.g., designated spokespersons, preparation of statements, interview protocol, use of social media, training, etc.).
- viii. Take every opportunity to specifically share the results of all Responsible Care verifications with those external groups/organizations with which the company interfaces.

1. Introduction

1.1 About Responsible Care Verification

As a partner of the Chemistry Industry Association of Canada (CIAC), the most senior executive responsible for Northwest Tank Lines Inc. operations in Canada attests annually to CIAC and its peers that the company's operations conform to the expectations contained in the Responsible Care Model for Transportation Partners and are guided by the *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, Northwest Tank Lines 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 CIAC Responsible Care Model for Transportation Partners, 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 partnership; 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 partnership.

Verification is conducted according to a common protocol, developed by the association's partners and others, including several critics of the chemical industry. The verification is typically 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). Northwest Tank Lines 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, or by CIAC at glaurin@canadianchemistry.ca or (613) 237-6215 extension 233.

1.2 About Northwest Tank Lines Inc.

Northwest Tank Lines Inc. had its origins in Vancouver in 1955 as Intercity Express Ltd and after acquisition and expansions became Northwest Tank lines in 2000. The company provides bulk road transportation services for natural gas liquids and chemicals distribution to a number of related industries. As well as office staff, it directly employs several drivers and also makes use of contracted owner operator personnel as required. The Canadian head office and administration is located in Langley, British Columbia with operations ongoing in British Columbia and Alberta. There is also an administration office in Calgary, Alberta.

1.3 About This Verification

The verification of Northwest Tank Lines Inc. was conducted on May 12-14, 2015 and included team visits to the National Tank Services equipment maintenance facility in Edmonton, Alberta and the Northwest Tank Lines office in Calgary, Alberta. An orientation and planning meeting was held on April 02, 2015 at the company head office in Langley, British Columbia. Attachment 2 contains a list of those individuals interviewed and their affiliations.

This is the third verification exercise completed for Northwest Tank Lines Inc. The last verification was completed on October 22-23, 2012.

The verification team was comprised of the following individuals.

Name	Affiliation	Representing
Dave Mack	Consultant	<i>Team Leader</i>
Rejeanne Cool	Consultant	<i>Industry verifier</i>
Jim McGregor	Resident of Langley, BC	<i>Community Representative</i>

2. Team Observations concerning commitments related to the Responsible Care Model for Transportation Partners

During the verification of Northwest Tank Lines Inc., the verification team looked for evidence that the company was addressing the expectations documented in the CIAC Responsible Care Model for Transportation Partners.

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

1. **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.
2. **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 partnership.

3. **Improvement opportunities;** identify instances where the team has observed company actions and decision making as being largely consistent with the expectations detailed in the CIAC Responsible Care Model for Transportation Partners, 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 CIAC Responsible Care Model for Transportation Partners are as follows:

2.1 Team Observations Concerning Health and Safety

The Health and Safety Theme defines health and safety expectations regarding all company operations along transportation routes and at fixed facilities.

2.1.1 Occupational

There is a job task analysis and site assessment process used to identify workplace hazards (e.g., product loading/unloading activities at customers' facilities and also for office work). An ergonomic program is also in place for truck drivers which includes such things as driving positions and climbing in and out of cabs. Customer product training is given to drivers and chemical exposure monitors and vapour masks are provided. An annual vapour mask fit testing program is in place. There may also be situations where drivers are required to use self-contained breathing apparatus. Pre-employment and routine medical examinations are given to all drivers as part of the process to maintain their legal driving licences. Relevant occupational health and safety processes and procedures are documented in a driver's manual.

Works in Progress

- i. Planning to set up an ergonomics training program for office staff.
- ii. Investigating the use of non-slip clamp on attachments to footwear for the prevention of slips on ice covered surfaces.
- iii. Working on the development of a personal health and wellness program for drivers (e.g., fitness, diet, etc.).

Improvement opportunities

- i. Establish an overview industrial hygiene policy that references and summarizes the essential elements of the various related programs currently in place.
- ii. Ensure that drivers who may be required to use self-contained breathing apparatus are appropriately trained in its use, care and maintenance. (Note: This requirement currently applies only to one customer product of which the company plans to discontinue delivering.)

2.1.2 Operations

Prior to accepting new customer products for shipment, material hazard information is reviewed, followed by a loading/unloading site assessment and route risk assessment. Typical worst case incident scenarios, from company experience, are vehicle crashes involving injuries, product loss and environmental impact. Overall company operational risks are reviewed as part of the insurance process and high risk transportation routes are reviewed annually. New transportation equipment specifications are determined in conjunction with the vendors with driver input. All equipment maintenance is scheduled and tracked by the company, and is outsourced to appropriate shops (e.g., National Tank Servicers). Observations during a short site visit to the National Tank Services facility in Edmonton revealed a well organized operation with appropriate attention being paid to environment, health and safety aspects. Preventive maintenance is managed through a proprietary electronic software system referred to as TMW. The only fixed facilities are offices and secured equipment parking yards in British Columbia and Alberta. There is a documented management of change policy in place which addresses changes to processes, equipment, personnel and facilities, except for replacement in kind. An action planning process is used to manage changes on a case by case basis. Regular meetings take

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place with service providers and customers which include discussions on the company's Responsible Care related expectations. Service providers include chemical suppliers, trucking contactors and equipment maintenance and cleaning shops. Responsible Care related self assessments are carried out on these annually. Relevant operations health and safety processes and procedures are documented in a driver's manual.

Improvement opportunity

- i. Develop a template for management of change action planning that standardizes the process (e.g., action steps, decision points, approvals, etc.).

2.2 Team Observations Concerning Environment

The Environment Theme addresses the protection of the environment through the responsible management of all company operations along transportation routes and at fixed facilities.

Transportation tractor unit emissions are the main source of environmental impact from company operations. These include engine exhaust, tyre wear, brake pad wear and fuel/oil spills. The company operates a modern fleet of vehicles (approximately two years old) with the latest engine emission controls. Speed is limited and tracked through on board computers to minimize related emissions and critical events such as heavy braking etc. are also monitored. Hazardous wastes include washings from tank trailer cleaning and used oils. These are managed by contracted maintenance shops.

Work in Progress

- i. Investigating the use of new automatic transmissions to reduce engine emissions and also the use of environmentally friendly oils.

2.3 Team Observations Concerning Security

The Security Theme addresses the protection of people, property and information as it relates to all company operations along transportation routes and at fixed facilities.

Security during transportation operations is defined by the USA government/business partnership referred to as Custom-Trade Partnership Against Terrorism (C-TPAT) and the Canadian equivalent referred to as Partners in Protection (PIP). The company has a documented security plan in place which is based upon the above. Drivers are instructed on security awareness and all trucks are fitted with a panic button to be used in case of an emergency. Driver background information is also obtained prior to employment. An annual audit is carried out by C-TPAT. Security intelligence information is obtained through related government and industry communication bulletins. At equipment parking yards, the company standard is for no loaded trailers to be located therein, and for the yards to be fenced, locked, illuminated and have video surveillance in place.

Work in Progress

- i. Planning to set up lighting and video surveillance at the Spruce Grove yard. (Note: This is subject to deciding on remaining at this location. Currently that yard gets some illumination from adjacent industrial facilities.)

2.3 Team Observations Concerning TransCAER

The TransCAER Theme addresses the effective communication and two way dialogue with those stakeholders who may be affected by or have an interest in company operations along transportation routes and at fixed facilities. It also addresses the protection of people, property and the environment through response to emergencies as they relate to all company operations along transportation routes and at fixed facilities.

2.3.1. Community Awareness and Dialogue

Discussions have taken place with the immediate neighbours to equipment parking yards, regarding the operations and risks at these locations. Due to the nature of yard operations (i.e., no loaded trailers, minimal movements, etc.) risk are expressed as being negligible. The company is represented at their CIAC Regional TransCAER Committee, which co-ordinates a program of outreach to communities along transportation corridors in the region, and regularly participates in community TransCAER events. In the area of social responsibility, defined as the inclusion of stakeholder interests into company activities, the most applicable element here is the company's ongoing community support through donations to various charities.

Successful Practice

- i. The company's involvement in the CIAC TransCAER program and the leadership provided by bringing the road transportation aspect to this effort.

Improvement opportunities

- i. In discussions with neighbours adjacent to equipment parking yards, ensure any potential impacts from incidents at those neighbouring facilities are addressed in emergency planning.
- ii. Set up a process to periodically make contact with communities not covered by CIAC TransCAER events, with respect to providing awareness of company operations in the area. This could be done through municipal planning officers.

2.3.2 Emergency Response

There is a documented emergency preparedness and response plan in place that addresses fixed facility and transportation operations. Response operations are contracted out to qualified responder organizations with appropriate equipment available and experience in on-scene incident management. Emergency simulations, based upon typical scenarios, are carried out every two years, and table top exercises are routinely done at drivers' safety meetings.

Improvement opportunities

- i. Consider extending emergency exercises, from typical scenarios, to address more major incidents that could possibly occur (e.g., BLEVE, significant acid spill, multi-casualty, etc.).
- ii. Establish a media communications policy to be applied during emergency situations (e.g., designated spokespersons, preparation of statements, interview protocol, use of social media, training, etc.).

3. 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 CIAC Responsible Care Model for Transportation Partners.

The verification team studied Northwest Tank Lines Inc. management system(s) and compared and contrasted the attributes of that system(s) to those of a self-healing overall management system as discussed in the CIAC Management System Guide. The verification team's related observations to the company management system(s) are as follows:

3.1 Overall System Structure

The overall structure is intended to address how the company's Responsible Care related management system and its components align with the plan-do-check-act continual performance improvement process. This

includes how the Transportation Partners' Responsible Care Model expectations are cross referenced to relevant management system elements and/or supporting standards, processes and procedures.

There is a comprehensively documented health, safety and environment management system in place which defines the plan-do-check-act continual performance improvement cycle and the elements of each. The system elements are preceded by overall policy and governance statements. The system is supported by a detailed cross reference document that shows how each process in support of the management system is aligned with the Responsible Care Model.

Successful Practice

- i. Documentation of the management system, supporting policies/procedures and records all readily accessible and organized.

3.2 Observations 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 elements of the CIAC Responsible Care Model for Transportation Partners and supporting tools; and other industry benchmarks.

The plan step of the company management system addresses the establishment of annual objectives and targets with respect to control of hazards, regulatory requirements and standards, stakeholder input, previous performance, and other relevant criteria. Objectives focus on reducing incidents and include the slate of measures as defined in the Responsible Care Model.

3.3 Observations on the DO Step

During the Do Step in the management system, the company converts the decisions of the PLAN Step into action and ensures awareness and understanding by all involved. 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.

The do step of the company management system addresses responsibilities, rules, policies and procedures, emergency response and training. The previously mentioned drivers' manual includes Responsible Care related information relevant to driving operations.

3.4 Observations 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 check step of the company management system addresses the monitoring of performance results and compliance with expectations, as well as incident reporting and investigation. Performance versus objectives is regularly reviewed at management meetings. Alberta and British Columbia health and safety Certificate of Recognition audits are carried out annually with appropriate follow-up. Routine equipment, yard, and office inspections are carried out using dedicated checklists. Two field safety personnel, referred to as "road

warriors” maintain a focus on these inspections. There is a focus on reporting all incidents, and a step by step incident investigation process is in place with follow-up action planning.

Successful Practices

- i. The assignment of two field safety personnel “road warriors” whose prime role is to provide oversight to safe operations along transportation routes and at equipment parking yards.
- ii. The open and unrestricted process for reporting and follow-up to incidents and near misses brought forward by employees.

3.5 Observations 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 need to 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 or corrected, etc.

The act step of the company management system covers performance reporting and management system review. Consolidated environment health and safety performance reports are periodically prepared. Overall management system reviews are done annually to determine its effectiveness in facilitating ongoing performance improvement.

Improvement opportunity

- i. Take every opportunity to specifically share the results of all Responsible Care verifications with those external groups/organizations with which the company interfaces.

4. Team Observations on the Responsible Care Ethic and Principles for Sustainability

Each CIAC partner 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, and the degree to which the principles inform the manner in which the company does its business.

The verification team carefully observed Northwest Tank Lines Inc. 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 application of the *Responsible Care Ethic and Principles for Sustainability* are as follows:

Through observation and analysis, the company was seen to be appropriately aligned with the following elements of the *Responsible Care Ethic and Principles for Sustainability*:

- *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 know the risks and benefits of what we do.*
- *Take preventive 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 requirement and meet or exceed their letter and spirit.*
- *Promote awareness of Responsible Care, and inspire others to commit to the principles.*

5. 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 verification is complete and no further involvement is required by the verification team.

Company Response to Verification Team Report

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

Northwest Tank Lines 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 partners. Plans will be developed and implemented to respond to those Works in Progress where completion of such is action required to close gaps with respect to requirements, as 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.

Trula Normandeau
Health, Safety & Environment Coordinator
June 2, 2015

Interview List

Company Personnel

Name	Position	Location
Danny Singh	Facility Manager	National Tank Services, Edmonton, Alberta
Michael Perry	President	NWTL Langley, BC
Roger Schulenburg	Shop Foreman	National Tank Services, Edmonton, Alberta
Steve Dryden	Field Safety Supervisor	NWTL Edmonton, Alberta
Tim Johnson	Director of Health Safety and Environment	NWTL Langley, BC
Tom Blaney	Chief Executive Officer	NWTL Langley, BC
Trula Normandeau	Safety Co-ordinator	NWTL Langley, BC



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