



RESPONSIBLE CARE® Verification Report

H.L. Blachford Ltd.

December 6 - 8, 2016

Disclaimer

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

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

EXECUTIVE SUMMARY

This report documents the observations and conclusions of the independent verification team tasked with conducting a Responsible Care Verification of H.L. Blachford Ltd. (Blachford). The verification was undertaken on Dec 6 to Dec 8, 2016 and included team visits to Mississauga ON. This was the eighth Responsible Care verification completed for Blachford. The last verification was completed on February 2016

While considering all aspects of the Responsible Care Commitments during this verification the team placed an emphasis on conducting an in-depth examination of company aspects related to the findings and opportunities resulting from the previous verification.

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: _____ Date: 20 January, 2017

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:

Gillian Seagrave
905 823-3200 x254
gseagrave@blachford.ca

Summary of Verification Team Observations

Works in Progress

1. The update of the SHEER manual.
2. Implementation of processes supporting management participation in workplace inspections, stronger checking processes and appropriate BBS processes.
3. SHEER revision that includes Industrial Hygiene (30.31.13.03 – Industrial Hygiene Program)
4. The update in SHEER to the emergency response plan. Make sure the review frequency is added and ensure the SOP considers a variety of scenarios for drills.
5. The Environmental Committee reviewing site emission and resource conservation opportunities on an ongoing basis and making recommendations to the site Process Committee for action.
6. The development, documentation and implementation of the Blachford Responsible Care Management System (BRCMS).
7. The development of targets for Responsible Care measures.
8. The development of a document management system.

Improvement Opportunities

1. Develop a checklist or template which meets the requirements of Design and Construct for use in Project Review and Contractor specification. This entire area should have a section in the Company RCMS - this is a 'Do' component of the BRCMS.
2. Challenge assumptions about management of change with the goal of providing assurances that the current way of handling MOC is appropriate. Investigate the Workorder System as the basis of an automated MOC process tool where all aspects of the procedure including reviews and subsequent sign-offs can be enforced and documented.
3. Review lab procedures with respect to the classifications of chemicals for storage and to chemical inventory considerations such as the life span of the chemical and its container.
4. A reminder process for required ongoing motor carriers evaluations.
5. Investigate whether the data collection resulting in near misses and non-recordables is providing accurate information
6. Review CIAC guidance relative to the Company's Business Continuity Plan and ensure the SOP requires regular drills.
7. Consolidate the processes that generate and contain action items (resulting from incident investigation and reporting or any other source) and consider developing an electronic tool to manage with the goal of integrating the reporting system with other management processes.
8. Incorporate the Responsible Care logo into company letterhead (especially in communications with residents) and into all employees email signatures.
9. Pull together and document the components of the Product Development process into one overall management process
10. Develop a template or checklist (covering code requirements) for a regular (risk based) review of raw materials and products.
11. Replace, revise or refine the partner self-assessment process to result in a value-added assessment that enhances Responsible Care.
12. Take the opportunity to work with community groups (e.g. to obtain feedback, to present an annual report back to community, write article for community newsletter(s) (in particular the PRCA), provide speakers for community stakeholder events (watershed, lakeshore, airshed

and other environmentalist groups), outreach to MP, MPP and municipality politicians (city, board of trade, environmental initiatives), speak about the chemicals of concern in the community, showcase activities (substitutions, eliminations, reductions in toxics) , report on resolution of complaints.

13. Work specifically with PRCA regarding communications to neighbours (become more aware and sensitive to neighbourhood and community culture).
14. Build a review process for policies into the BRCMS to be managed by the RCST.
15. In the document management process add a revised or reviewed date in the document header, establish a (risk based) review cycle standard for all documents and stagger the review dates throughout the year, synchronized with the current process.
16. Develop the BRCMS so that it is auditable in terms of performance of the system (how well the BRCMS works as a management system) and by the system (what is the performance of each component in the BRCMS).

Successful Practices

1. Ontario Leading Indicators Project survey and benchmarking reports

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 Blachford'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, Blachford 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). Blachford 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) 237-6215 extension 233.

1.2 About Blachford

H.L. Blachford Ltd. is owned by the Blachford family. H.L. Blachford Ltd. has one manufacturing facility in Canada located in Mississauga Ontario. H.L. Blachford is a member of the C.I.A.C. and is the only Blachford company included in this verification. The Blachford Group of companies also has three locations in the United States and one in the UK. H.L. Blachford is a signatory to the Responsible Care® Global Charter. The Mississauga facility, which employs sixty six people, manufactures a variety of lubricants, chemical specialty and acoustic products including:

- Metallic soaps – used as lubricants, release agents, heat stabilizers and process aids in plastics applications
- Anti-tack agents and process aids for the rubber industry
- Lubricants for processing powdered metals and for making steel wire
- Acoustical materials for large trucks, construction and farming equipment, locomotives and industrial applications.

The H.L. Blachford chemical manufacturing processes are considered “batch” processes consisting of blending and mixing operations and controlled chemical reactions. The raw materials utilized in

production are relatively low hazard and the resulting products are marketed as production aids and comprise a small percentage of the customer’s final product. Most products manufactured at the Mississauga location are classed as “non-hazardous”. For more information on H.L. Blachford go to: www.blachford.com.

1.3 About This Verification

The verification of H.L. Blachford Ltd. (Blachford) was conducted on Dec 6 to Dec 8, 2016 and included team visits to Mississauga ON. During the course of the verification, the team had the opportunity to interact with company personnel, as well as stakeholders external to the company. Attachment 2 contains a list of those individuals interviewed and their affiliations.

This was the eighth Responsible Care verification completed for Blachford. The last verification was completed on February 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
Karen Ryan	Community Verifier	Local Community

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

During the verification of Blachford, the verification team looked for evidence that the company was addressing the expectations documented in the Responsible Care Commitments (152 code elements plus 28 benchmark and collective expectations). While considering all aspects of the Responsible Care Commitments during the verification, the team placed an emphasis on conducting a more in-depth examination of certain company aspects identified by the company or the team. These were related to the findings and opportunities resulting from the previous verification.

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.

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

2.1 Team Observations Concerning Operations Code

2.1.1 Design and Construction of Facilities and Equipment

The team determined that all necessary Responsible Care components are contained in the process(es) used for new facilities and equipment but an overall structure (description) is lacking. Such a checklist or description would be ideally situated in the overall management system (BRCMS).

Opportunity for Improvement

Develop a checklist or template which meets the requirements of the Design and Construct code area for use in Project Review and Contractor specification. This entire area should have a section in the Company RCMS - this is a 'Do' component of the BRCMS.

2.1.2 Operations Activities

a. General Considerations

The company's operating procedures are controlled documents and are scheduled to be reviewed annually. A new document management system is still being implemented as a result of the previous verification with the goal to be fully caught up before the next verification. This is an understandably complex endeavour and the team believes the plan and progress is appropriate.

The company uses a management of change process which is deemed appropriate for its organizational structure. While having worked successfully so far, the team suggests a detailed review of this practice.

Opportunity for Improvement

Challenge assumptions about management of change with the goal of providing assurances that the current way of handling MOC is appropriate. Investigate the Workorder System as the basis of an automated MOC process tool where all aspects of the procedure including reviews and subsequent sign-offs can be enforced and documented.

Work In Progress

The update of the SHEER manual.

b. Laboratory Practice

The company is certified to ISO 9001 and thus has a sound management system for its laboratory. However, with the update of the SHEER manual underway this is an appropriate time to review some aspects of laboratory operation.

Opportunity for Improvement

Review lab procedures with respect to the classifications of chemicals for storage and to chemical inventory considerations such as the life span of the chemical and its container.

c. Transportation and Physical Distribution

The company's standards and procedures adequately cover this area. One item to consider is a reminder process for carrier update requirements.

Opportunity for Improvement

A reminder process for required ongoing motor carriers evaluations.

d. Maintenance

The maintenance area is monitored by the Process Committee (PC) and is reviewed at least once per year. Processes include critical equipment, preventive maintenance and predictive preventive maintenance.

2.1.3 Safety and Security

a. Occupational Health and Safety

A major finding in the previous verification related to the systems managing worker health and safety. The required improvements included "management participation in workplace inspections, strengthening the "checking" process during daily operations and implementing an appropriate level of Behavior Based Safety Management." The team was satisfied with progress in this area including shift management participation with workers in routine inspections and BBS improvements involving process and procedure audits and quarterly presentations of observations. However, this is an ongoing effort and should be reviewed at the next verification.

The previously mentioned update to the SHEER manual is scheduled to include additions and revisions to Industrial Hygiene and this also should be reviewed at the next verification. The team was presented with data relating to near misses and non-recordable incidents and suggests a review of the data collection process to gain confidence that the data is providing accurate guidance.

In a response to the above mentioned finding the company participated in an on-line survey (Ontario Leading Indicators Project (OLIP)) provided by the Ontario not-for-profit Institute for Work & Health. (<http://www.iwh.on.ca/olip-survey-and-benchmarking-reports>)

"The aim of the Ontario Leading Indicators Project (OLIP) is to identify organizational and management measures that can be used by workplaces and system partners to improve health and safety performance before injuries and illnesses occur."

It is difficult for a small company to effectively implement leading indicator H&S programs and this tool and database help provide the benchmark data necessary for sound decision making. The company had its employees participate, has analyzed its data and has put plans in place to address shortfalls. It also plans to repeat the survey in the near future to assess progress in those areas where improvement was suggested.

The activity surrounding this endeavour is worthy of note especially for smaller member companies but may also be applicable to larger member companies.

Opportunities for Improvement

Investigate whether the data collection resulting in near misses and non-recordables is providing accurate information

Work in Progress

Implementation of processes supporting management participation in workplace inspections, stronger checking processes and appropriate BBS processes.

SHEER revision that includes an Industrial Hygiene (30.31.13.03 – Industrial Hygiene Program)

Successful Practice

Ontario Leading Indicators Project survey and benchmarking reports

b. Process Safety Management

The company uses the Zurich Insurance model for risk assessment that prescribes a strategic overall approach for managing plant risk and, as well, an equipment hazard analysis as their tactical process.

c. Emergency Management

The company has completed its worst case and worst credible case scenario study (Kurt Reimann & Associates, Nov. 13, 2014) and has had community meetings where the results were discussed. Consideration to external emergencies affecting plant operations is included in the Business Continuity Plan and is also covered by a procedure (30.31.30.10RC – Response to an External Chemical Emergency).

Transportation emergency response is covered in SOP 30.31.11.12RC – Transportation of Dangerous Goods.

The plant emergency response procedures (30.32.30.01-10) are under review and the team recommends guidance should be given on the frequency and robustness of emergency drills and also on the type of scenarios handled.

Work in Progress

The update in SHEER to the emergency response plan. Make sure the review frequency is added and ensure the SOP considers a variety of scenarios for drills.

d. Malicious Intent

Responsible Care code implementation expectations are met under the company's C-TPAT assessment.

e. Critical Infrastructure/Business Continuity

The team viewed the company's Business Continuity Plan and recommends that it be reviewed opposite CIAC guidance.

Opportunity for Improvement

Review CIAC guidance relative to the Company's Business Continuity Plan and ensure the SOP requires regular drills.

f. Incident Reporting and Investigation

There is an investigation and reporting process covering all Responsible Care code implementation expectations. However, many mechanisms exist to keep track of action items resulting from investigations which can lead to inefficiencies and confusion.

Opportunity for Improvement

Consolidate the processes that generate and contain action items (resulting from incident investigation and reporting or any other source) and consider developing an electronic tool to manage with the goal of integrating the reporting system with other management processes.

2.1.4 Environmental Protection

a. Emissions and Waste Reduction

The company uses a threshold standard of less than 50% exposure to dust control. Greater than 50% exposure automatically triggers a mitigation plan. For dust emissions, bags are monitored and recycled.

Ongoing efforts and new projects in emission and waste reduction are of interest to the community and show good faith and interest in maintaining a solid reputation under Responsible Care.

b. Handling, Treatment and Disposal of Wastes

Oily water waste is generated by two streams; sewage waste water collection and oily water wash used in between batches. Sewage waste water is skimmed and/or separated into interceptors which are periodically cleaned and sent for disposal. When there is a change of batches the containers are cleaned with oil based solvents which is captured and sent to licensed facilities. Since the waste facilities blend these oily wastes with those of other customers, a certificate of destruction is not feasible. Instead the company has added a section to their waste audit facility document to ensure proper handling.

A complaint from a neighbour about noise resulted in the hiring of a consultant to investigate the situation resulting in the reduction of the noise to the satisfaction of the neighbour.

2.1.5 Resource Conservation

From the last verification there was an improvement opportunity "to expand the Terms of Reference for the Environmental Committee to include a review of site emissions and resource conservation opportunities with the objective of recommending action plans for any reduction opportunities to the Process Committee. These opportunities should include reduction targets that are below legislated levels as described in appendix "F" section 13 "Emissions and Waste Metric" of the Responsible Care® Commitments booklet. The team also recommends adding key water and air emissions data to the

Responsible Care® scorecard." The team was informed that this opportunity is being implemented as an ongoing requirement.

Work in Progress

The Environmental Committee reviewing site emission and resource conservation opportunities on an ongoing basis and making recommendations to the site Process Committee for action.

2.1.6 Promotion of Responsible Care by Name

The team viewed the company's Responsible Care procedure 30.31.32.04RC (Promoting Responsible Care) and commends the company for developing a SOP for this area. Some other simple ways of promoting Responsible Care involve utilizing the logo in various manners.

Opportunity for Improvement

Incorporate the Responsible Care logo into company letterhead (especially in communications with residents) and into all employees email signatures.

2.2 Team Observations Concerning Stewardship Code

2.2.1 Expectations of Companies

a. Research and Development (R&D) Expectations (85-92)

The new product development process is an excellent and thorough stage gate process consisting of several linked processes. As such it meets Responsible Care code implementation expectations. The presentation given to the team describing the processes could be developed into an upper level management system that would clearly meet the documentation requirements for such a system within the 'Do' component of the company management system (BRCMS).

Opportunity for Improvement

Pull together and document the components of the Product Development process into one overall management process.

b. Expectations Beyond R&D (93-114)

a Raw materials, Products and Services Characterization and Evaluation (93-99)

The company deals primarily with low hazard raw materials and products. Hazards such as dust, leakage or spillage are dealt with by design or when necessary on a requested or emergency basis. Formalizing a risk based review, based on the codes in this area, will ensure on going conformance to code requirements.

Opportunity for Improvement

Develop a template or checklist (covering code requirements) for a regular (risk based) review of raw materials and products.

e Historical Hazardous Waste Practices (111-114)

The company has thoroughly researched and documented their past processes and practices (“Historic Waste Disposal Practices”) and fully meets the Responsible Care code implementation expectations for this area.

2.2.2 Expectations with Respect to Other Parties

The company has developed procedure 30.31.30.13RC (Qualifying Value Chain Partners) that covers suppliers, customers, distributors, external warehouses and toll manufacturers and which applies to company purchasing, sales, manufacturing and R&D personnel. This fully meets Responsible Care code implementation expectations. The effectiveness of the partner self-assessment process and document has been questioned and the team believes improvements should be considered.

Opportunity for Improvement

Replace, revise or refine the partner self-assessment process to result in a value-added assessment that enhances Responsible Care.

2.3 Team Observations Concerning Accountability Code

2.3.1 Operating Site Communities

The company has implemented procedure 30.31.32.03RC (Dialogue with Community Stakeholders) to cover code requirements for this area. Since the last verification (and in response to findings and opportunities) a plan was developed, implemented and completed and further ongoing activity is under development. This is a difficult geographical area in which to build a community dialogue process and the team commends the company for sticking to its plan. Some opportunities resulting from dialogue the team had with community members is given below.

Opportunities for Improvement:

- Take the opportunity to work with community groups (e.g. to obtain feedback, to present an annual report back to community, write article for community newsletter(s) (in particular the PRCA), provide speakers for community stakeholder events (watershed, lakeshore, airshed and other environmentalist groups), outreach to MP, MPP and municipality politicians (city, board of trade, environmental initiatives), speak about the chemicals of concern in the community, showcase activities (substitutions, eliminations, reductions in toxics) , report on resolution of complaints.
- Work specifically with PRCA regarding communications to neighbours (become more aware and sensitive to neighbourhood and community culture).

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 Responsible Care Commitments.

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

The company has documented their overall management system and presented it to the team. Although it is not in the typical form of an overarching, unified document the team is of the opinion that this newly-documented description sufficiently meets Responsible Care requirements for a company level management system. However, the team is particularly encouraged by the company's recent decision to combine the components of this management system into a more typical system by using a template shared by a peer company. This report makes recommendations where we believe that system can be enhanced.

Work In Progress

The development, documentation and implementation of the Blachford Responsible Care Management System (BRCMS).

The team is of the opinion that the company's current management system meets implementation expectations for a Responsible Care Management System.

3.1 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 CIAC Responsible Care Commitments and supporting tools; and other industry benchmarks.

In considering the PLAN Step of Blachford's management system, the verification team observed the following:

- The plan part of the management system provides, amongst other things, direction for key components of the management system. One of these is the process to develop and manage policies. Overall direction as to what policies are needed, assignment of ownership, policy review schedule etc are defined here. The management of this area rests with the appropriate management committee, and accountability for the performance of each policy area (each written policy) could be assigned to the policy "owner" or left with the committee as a group, but key is the understanding that the policy is expected to generate results conforming to policy direction and this should be measured, reviewed and corrections made if necessary.

Opportunity for Improvement

Build a review process into the BRCMS for policies to be managed by the RCST.

3.2 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.

In considering the DO Step of Blachford's management system, the verification team observed the following:

This is a small company with the key people fulfilling multiple roles. There is a senior leadership team that becomes the Responsible Care Steering Team (RCST) with the addition of the Responsible Care Coordinator. The RCST meets frequently and has developed a dashboard of important relevant items including a full suite of Responsible Care measures. Targets for these measures are the next logical step and are under development. Action items come from different sources and are handled independently (but are reviewed by this group) and an opportunity to streamline this process was offered in the Incident Investigation and Reporting section of this report.

The document management system (a finding in the previous report) continues in development but has been partially implemented. Although new documents meet the new requirements there is no 'revised last' date as part of the system. This and other improvements are suggested below.

Work in Progress

The development of targets for Responsible Care measures.
The development of a document management system.

Opportunity for Improvement

In the document management process add a revised or reviewed date in the document header, establish a (risk based) review cycle standard for all documents and stagger the review dates throughout the year, synchronized with the current process.

3.3 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.

In considering the Check Step of Blachford's management system, the verification team observed the following:

A new procedure (SOP 30.31.32.05RC (Responsible Care Internal Audit)) has been developed to completely audit all 152 code elements each year. Each element is reviewed and, if warranted, opportunities for improvement are suggested. The results are reviewed and tracked by the RCST. An audit conducted by, reviewed and analyzed by the RCST should also be applied to the overall management system (BRCMS) and once it (the management system) has been developed an annual audit of performance of the BRCMS and by the BRCMS should be implemented.

The draft Responsible Care Scorecard is an excellent document and will only be improved when targets are added.

Opportunity for Improvement: develop the BRCMS so that it is auditable in terms of performance of the system (how well the BRCMS works as a management system) and by the system (how does each

component in the BRCMS perform).

3.4 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 needed 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 and corrected, etc.

In considering the Act Step of Blachford's management system, the verification team is of the opinion that the company fully meets Responsible Care implementation expectations for this part of the management system.

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

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

The verification team carefully observed Blachford'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 as discussed in the Responsible Care Commitments (Appendix E). The verification team's related observations on the company's application of the Responsible Care Ethic and Principles for Sustainability are as follows:

..work for the improvement of people's lives and the environment, while striving to do no harm;

- Manufacturing plant efforts to reduce dust exposure
- Company's charitable initiatives
- Company's products are replacements for metal stamping chlorinated lubricants.
- Engagement of other stakeholders such as the Credit Valley Conservation for land use and naturalization
- Education subsidies for employees
- Group benefits including smoking cessation, Employee Assistance Plan

..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;

- Fundamental company position - will respond to every and all complaints

..take preventative action to protect health and the environment ;

- Recent industrial hygiene efforts for dust collection
- Reduction of toxic materials use
- Repurpose/recycle products and packaging

..innovate for safer products and processes that conserve resources and provide enhanced value;

- Develop products that: are low dusting, contain reduced toxic substances, can be recycled, reduce waste at the customer, reduce transportation needs, prolong the life of customer assets, require less energy to make
- John Blachford winner of Canada Medal 2016 for new products in chemical and acoustic materials

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

- Very strong commitment to partnerships with customers to handle products and wastes at customer's site.

..understand and meet expectations for social responsibility;

- Clearly articulated on website
- President is a member of the McGill Faculty Advisory Committee
- Local donations are done on an ad-hoc but continual basis, President approves all donations

..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;

- President's CIAC participation
- Company commitment to staffing SHARE, TRANSCAER and Process Safety Committees
- Local committees, e.g. Mississauga Board of Trade

..promote awareness of Responsible Care, and inspire others to commit to these principles.

- President's personal commitment to promote Responsible Care to employees, customers and neighbours.

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 Blachford I have reviewed this verification report. The observations and conclusions contained in the report have been discussed with the verification team.

Blachford 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. 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.

John Blachford
HL Blachford Ltd.
Sept. 2017

Interview Lists

A: Company Personnel Contacted During Verification Process

Name	Position	Location
John Blachford	President	Mississauga
Mike Cundari	VP Manufacturing	Mississauga
Jean Reid	VP R&D	Mississauga
Howard Kennedy	VP Sales & Marketing, CS	Mississauga
Mark van der Vlist	VP Sales & Marketing, MW	Mississauga
Dave McCoy	VP Finance & Administration	Mississauga
Dave Lines	JH&SC	Mississauga
Dan Lowry	JH&SC	Mississauga

B: External Stakeholders Contacted During Verification Process

Name	Company / Organization	Position	Location
Dorothy Syer	Park Royal Community Association (PRCA)	Treasurer	Mississauga
David Field	PRCA	Vice President	Mississauga
Trevor Isaac	PRCA	President	Mississauga



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