



RESPONSIBLE CARE[®] Verification Report

Harmac Transportation

May 10 - 11, 2016



CHEMISTRY INDUSTRY
ASSOCIATION OF CANADA



Responsible Care[®]
Our commitment to sustainability.

Disclaimer

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

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

EXECUTIVE SUMMARY

This report documents the observations and conclusions of the independent verification team tasked with conducting a Responsible Care Re-verification of Harmac Transportation (Harmac). The re-verification was undertaken on May 10th & 11th 2016 and included team visits to the Vaughn head office, terminal and maintenance facility as well as a video tour of the Corunna location. The re-verification team also conducted interviews with other company personnel at locations the team was unable to visit. This was the fifth Responsible Care re-verification completed for Harmac. The last re-verification was completed on December 10th, 11th & 12th 2013.

While considering all aspects of the Responsible Care Model for Transportation Partners during this re-verification the team placed an emphasis on conducting an in-depth examination of company aspects related to code elements from the 2011 revised member protocol that pertain to member partners. Operations Code sub-section (iii) Malicious Intent and Critical infrastructure/Business Continuity and Operations Code section six, Resource Conservation. Stewardship Code Section three, Expectations with Respect to Other Parties and sub-section(ii)(d) historical Waste Practices. Accountability Code Section Three sub-sections (i) through (vii) entitled Other Stakeholders. The team also reviewed the company's approach to social responsibility

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



Signed:
Cameron D. Dillabough
Verification Team Leader

Date: June 7, 2016

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:

David MacDonald
Vice President of Highway and Dedicated Logistics
902 482-2403
dmacdonald@seaboard.acl.ca

Summary of Verification Team Observations

Findings Requiring Action

There were not any Finding Requiring Action noted during this verification

Works in Progress

Completion of the following works in progress are actions required to close gaps with respect to related transportation partner model requirements:

1. Completion of the design and implementation of the intranet based “Seaqual” document management system.
2. To add The “Journey Management” route risk assessment management system to the Responsible Care Action Grid.
3. Complete the selection and assignment of “Responsible Care Champions” support teams in each regional operations area.
4. To develop sustainability focus areas that will be supported by overall management system key performance areas.
5. Complete the cross reference document between corporate policies and the requirements of the 2005 Transportation Partners Protocol plus the Responsible Care Commitments code elements described in the Executive Summary.
6. At time of the verification the Vaughn Joint Health and Safety Committee was being reorganized to improve representation and effectiveness.

Improvement Opportunities

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

1. Retain third party expertise to conduct an industrial hygiene audit, and appropriate testing protocol, at each location that conducts maintenance activities that could affect employee health. (2005 protocol area “Health & Safety”, section “Occupational” sub-section #3)
2. Retain third party expertise to conduct a site risk assessment where the focus is outside the scope of a C-TPAT audit in areas such as fence line vegetation, bomb threat scenarios and active shooter scenarios.
3. Retain third party expertise to conduct a hazard analysis of each terminal/maintenance facility with the objective of developing a hierarchy of potential site hazard including a worst case scenario (WCS). (2005 protocol area “operations”, sub-section #9)
4. Modify the Responsible Care Outreach policy to specifically require those residential and industrial neighbours that may be affected by a site worst case scenario be provided the appropriate risk information. (2005 protocol area TransCAER/Public Awareness”, sub-section #1.3,)
5. Develop an internal risk communication SOP that informs site employees of risks posed by neighboring facilities.
6. Develop a policy and procedures for the divestiture, decommissioning and or demolition of inactive or old facilities. (2005 protocol area “Environment”, sub-section #3)
7. For each site develop a plot plan emergency response schematic that shows the location of escape routes, muster points, first aid rooms, fire extinguisher and fire department standpipe locations, eyewash locations, surface drain sumps, fire run-off areas and site emergency response command post locations.
8. Review the C.I.A.C. water use metric and adopt the described metric to the corporate management systems.
9. Establish waste generation base line measurements to aid in setting future waste reduction targets.
10. There is an opportunity for improvement to determine if there are opportunities to apply the criteria of Stewardship Code ST115 to this process.

11. There is an opportunity improvement to develop a corporate level social responsibility statement that adheres to the criteria described in the Responsible Care Commitments hand book. (Appendix A, Page 40)
12. There is an improvement opportunity to develop a management system to benchmark company performance utilizing the collective benchmarks listed on page 43 of the Responsible Care Commitments hand book.
13. There is an improvement opportunity to analyze improvement opportunities from previous reports and prioritize, incorporate or reject these suggested improvements. (ref: C.I.A.C. Verification Protocol page 34)
14. There is an improvement opportunity to develop a corporate management system to promote Responsible Care by name throughout the organization utilizing the various initiatives already in place at Harmac Transportation.

Successful Practices

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

1. Harmac provides leadership in the proactive promotion of Responsible Care by name in employee newsletters, office signage, contractual agreements, advertisement in the C.I.A.C.'s Catalyst periodical and the use of the Responsible Care logo on select highway trailers.
2. The focus of the Harmac driver management system is the Driver Scorecard that links driver compliance and safe driving performance to special recognition and monetary awards. In 2016 the system was further enhanced by reducing allowances for various speed parameter violations.
3. Employee wellness is promoted under the "Healthy Fleet" management system that promotes physical fitness, good nutrition and health awareness.
4. The management system for randomized drug and alcohol testing.
5. The introduction of an Asset Management System for preventive maintenance with a target of ninety percent on-time completion.
6. The introduction of a facility sustainability and environmental management system that encompasses a wide range of waste streams and recycling opportunities.
7. A highly successful community outreach management system involving various groups and communities. A highlighted example is the comprehensive employee volunteer program with the Canadian Red Cross.
8. Partnering with the Pabineau First Nation Aboriginal Community to develop employment Opportunities for band members.
9. The corporate proactive Journey Management Plan which includes a route risk assessment plus Instructions loading and unloading that focuses on customer service.
10. Developing a baseline total carbon footprint for the entire corporation (Seaboard) to aid in developing reduction initiatives.
11. The Business Continuity Management System to keep communication and critical operations functioning during power failures and other unplanned events.
12. The use of an annual Responsible Care refresher module for employee awareness.
13. Participation and support for the CIAC TRANSCAER initiatives and representation on the TRANSCAER Road Carrier Committee.

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 Harmac's operations in Canada attests annually to CIAC and its peers that the company's operations conform to the expectations contained in the Responsible Care Model for Transportation Partners 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, 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 CIAC Responsible Care Model for Transportation Partners, along with advice on areas that may require attention;

1. Identify opportunities for assisting the company when benchmarking its own practices and performance against those of its peers, thus supporting continual improvement;
2. Contribute to the credibility of Responsible Care amongst company personnel and stakeholders, as well as the stakeholders of the broader industry;
3. Identify successful company practices that can be promoted to peers in the CIAC partnership; and
4. 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 conducted by a team consisting of:

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

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

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

1.2 About HARMAC

Harmac Transportation is a wholly owned subsidiary of Seaboard Transportation headquartered in Dartmouth, Nova Scotia. All Harmac facilities and operational infrastructure in Canada are included in the 2016 Responsible Care verification. These facilities include the North York (Vaughn) office, terminal and maintenance operations, the Montreal office, terminal and maintenance operations and the Corunna office, terminal and maintenance operations and those Harmac related support functions at the Dartmouth office location. Since the 2013 verification Seaboard, the parent company, has elected to revise their corporate management systems to reflect a Responsible Care Management System. The Harmac Transportation business focus is the transportation of petroleum based products and chemicals.

1.2.1 About SEABOARD TRANSPORTATION (parent company)

Since the last verification Seaboard Transportation, the Harmac parent company, has made the corporate decision to manage their North American operations under one management system following the guidelines of the Ethic of Responsible Care. The head office will utilize an Responsible Care Management System Model. The successful practice noted below is enabled by this corporate commitment.

Works in Progress

1. Completion of the design and implementation of the intranet based “Seaqual” document management system.
3. Completion of the selection and assignment of “Responsible Care Champions” support teams in each regional operations area.
4. To develop sustainability focus areas that will be supported by overall management system key performance areas.
5. Complete the cross reference document between corporate policies and the requirements of the 2005 Transportation Partners Protocol plus the Responsible Care Commitments code elements described in the Executive Summary.

Successful practices

1. Harmac provides leadership in the proactive promotion of Responsible Care by name in employee newsletters, office signage, contractual agreements, advertisement in the C.I.A.C.’s Catalyst periodical and the use of the Responsible Care logo on select highway trailers.

1.3 About This Verification

The re-verification of Harmac was conducted on May 10th & 11th 2016 and included team visits to the Vaughn head office, terminal and maintenance facility and a video tour of the Corunna facility. The verification team also conducted interviews with other company personnel at locations the team was unable to visit. During the course of the re-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 fifth verification exercise completed for Harmac. The last verification was completed on December 10th, 11th & 12th 2013.

The verification team was comprised of the following individuals.

Name	Affiliation	Representing
Cameron Dillabough	C.I.A.C.	<i>Team Leader</i>
Ron Ormson	C.I.A.C.	<i>Public at Large Verifier</i>
Stan Ouellette	Community Representative	<i>The Corunna community</i>

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

During the re-verification of Harmac, the verification team looked for evidence that the company was addressing the expectations documented in the CIAC Responsible Care Model for Transportation Partners. While considering all aspects of these expectations, the team placed an emphasis on conducting a more in-depth examination of certain company aspects identified by the company or the team related to the Operations Code sub-section (iii) Malicious Intent and Critical infrastructure/Business Continuity and Operations Code section six, Resource Conservation. Stewardship Code Section three, Expectations with Respect to Other Parties and sub-section(ii)(d) historical Waste Practices. Accountability Code Section Three sub-sections (i) through (vii) entitled Other Stakeholders. The team also reviewed the company’s approach to social responsibility.

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 expectations contained in the CIAC Responsible Care Model for Transportation Partners. Where possible, the 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 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 partnership.
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 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

2.1.1 Occupational Safety

The corporate management philosophy is based on a balanced scorecard approach and focuses on four performance areas. Safety, Financial, Service and Human Resource Management. To support this philosophy the company has in place a comprehensive management system based on the Plan, Do, Check and Act model. A comprehensive occupational health and safety management system is in place that pertains to both fixed facilities such as administration and maintenance facilities and the transport fleet operation. Aside from functions that apply to specific areas such as driver management and equipment maintenance and safety all employee health and safety programs such as the “Healthy Fleet”, referenced below, and expanded employee assistance programs are available to all employees. At the time of the verification the Joint Health and safety Committee at the Vaughn facility was in the process of reorganization to garner representation from all functional areas and improve the effectiveness of the committee.

Works in Progress

1. At time of the verification the Vaughn Joint Health and Safety Committee was being reorganized to improve representation and effectiveness.

Successful Practices

1. Employee wellness is promoted under the “Healthy Fleet” management system that promotes physical fitness, good nutrition and health awareness.
2. The focus of the Harmac driver management system is the Driver Scorecard that links driver compliance and safe driving performance to special recognition and monetary awards. In 2015 the system was further enhanced by reducing allowances for speed limit exceedance.
3. The corporate management system for randomized drug and alcohol testing is viewed by the verification team as a successful practice.

Improvement opportunities

1. Retain third party expertise to conduct an industrial hygiene audit, and provide the appropriate testing protocol, at each location that conducts maintenance activities that could affect employee health. (2005 protocol area “Health & Safety”, section “Occupational” sub-section #3)

2.1.2 Operations Safety

As referenced above operations safety and Customer Service are a key management focus. In 2015/2016 the company created two separate management functions entitled “Asset Management” and “Fleet Service Management” to improve customer service and vehicle safety by ensuring mobile assets are available for dispatch. The group has an “in service” target of 90%. The cornerstone of driver performance and safety continues to be the “Driver Performance Score Card Program” which is a comprehensive management system that links six key performance indicators; safe vehicle operation, safe product handling, compliance with regulations for commercial vehicles, adherence to corporate and customer policies, incident-free service; and professional service to a driver performance index that can result in substantial monetary reward. In the spirit of continual improvement in 2016 the management system was further enhanced by reducing allowances for various speed parameter violations.

Works in Progress

1. To add The “Journey Management” route risk assessment management system to the Responsible Care Action Grid.

Successful Practices

1. The focus of the Harmac driver management system is the Driver Scorecard that links driver

compliance and safe driving performance to special recognition and monetary awards. In 2015 the system was further enhanced by reducing allowances for speed limit exceedance.

2. The introduction of an Asset Management System for preventive maintenance with a target of ninety percent on-time completion.
3. The corporate proactive Journey Management Plan which includes a route risk assessment plus Instructions loading and unloading that focuses on customer service.

1.3 Supply Partner Assessments

There is a corporate level ISO based quality management system in place. A component of that management system is developing criteria for selecting and assessing suppliers. The result is a listing of approved suppliers whose performance is monitored within the ISO audit process and the expectations of Responsible Care in relation to the supply chain.

Improvement opportunities

1. There is an opportunity for improvement to determine if there are opportunities to further apply the criteria of Stewardship Code ST115 to this process.

2.2 Team Observations Concerning Environment

Environmental Management is a component of the Corporate Sustainability Management System. Each Seaboard location, including the Harmac locations, are required to have in- place policies and procedures to support reuse and recycling, measurement and reduction of the carbon footprint and product stewardship. Objectives and key performance indicators are then developed to support these corporate focus areas. As a corporation Seaboard is committed to tracking the corporate carbon footprint and developing annual carbon reduction objectives. Of note, the Harmac Vaughn location employs a very proactive and comprehensive power unit and trailer parts recycling management system. Similar recycling initiatives are in-place at other company locations.

Successful Practices

1. The introduction of a facility sustainability and environmental management system that encompasses a wide range of waste streams and recycling opportunities.
2. Developing a baseline total carbon footprint for the entire corporation (Seaboard) to aid in developing reduction initiatives.

Improvement opportunities

1. Develop a policy and procedures for the divestiture, decommissioning and or demolition of inactive or old facilities. (2005 protocol area "Environment", sub-section #3)
2. Review the C.I.A.C. water use metric and adopt the described metric to the corporate management systems.
3. Establish waste generation base line measurements to aid in setting future waste reduction targets.

2.3 Team Observations Concerning Security

The company is C-TPAT (Customs-Trade Partnership Against Terrorism) certified and has in place the appropriate security management systems to comply with this code element. Management systems are also in-place to address personnel, site and in-transit security. The team has listed an improvement opportunity the completion of a third party risk assessment that is outside the scope of C-TPAT but reflects current security concerns and issues.

Improvement opportunities

1. Retain third party expertise to conduct a site risk assessment where the focus is outside the scope of a C-TPAT audit in areas such as fence line vegetation, bomb threat and active shooter scenarios.

2.3 Team Observations Concerning TransCAER

The TransCAER theme addresses the protection of people, property and the environment through response to emergencies as they relate to all company operational aspects including warehousing, trans-loading, in route transportation, etc. This includes overall social responsibility and effective communication and two-way dialogue with all stakeholders who may be affected or have an interest in company operations.

2.3.1 Emergency Response

While appropriate management systems are in place to respond to transportation emergency response situations the team has listed three improvement opportunities that relate to a site emergency response scenarios. While the impact on the community of a site worst case scenario could differ in severity from a chemical production facility the team has recommended a third party quantitative risk assessment be performed that will assess any potential effects on the community. The Emergency Response Business Continuity Plan was tested successfully in 2015 at the Vaughn terminal as a result of an extended power failure.

Successful Practices

1. The Business Continuity Management System to keep communications and critical operations functioning during power failures and unplanned events.

Improvement opportunities

1. Retain third party expertise to conduct a hazard analysis of each terminal/maintenance facility with the objective of developing a hierarchy of potential site hazard including a worst case scenario (WCS). (2005 protocol area "operations", sub-section #9)
2. Develop an internal risk communication SOP that informs site employees of risks posed by neighboring facilities.
3. For each site develop a plot plan emergency response schematic that shows the location of escape routes, muster points, first aid rooms, fire extinguisher and fire department standpipe locations,

2.3.2. TRANSCAER Outreach

The company has a management system in place to interface with the communities where they have a physical presence such as office and maintenance facilities. The company is a member of the Emery Village Business Improvement Association, (North York) the Sarnia Transportation Community Advisory Panel and the Anjou Industrial Park. (Montreal). The previous report was shared with these three entities and informal communications have taken place with industries surrounding the Vaughn facility. The company maintains a public complaint system (telephone or email) regarding public concerns about company highway operations. Each complaint is followed-up by a service representative. The Company also serves on C.I.A.C. TransCAER subcommittees and frequently supplies tank wagons and personnel for C.I.A.C. sponsored transportation emergency response training for community emergency responders. The company is also represented on the North Toronto CAER Group and the Montreal CAER Group. The team has listed an improvement opportunity in this area to modify the Responsible Care outreach policy to specifically address risk communication. Reference www.canadianchemistry.ca 1. Tab-Responsible Care. 2. Tab-Responsible Care in Action.

Successful Practices

1. Seaboard as a corporation has a highly successful community outreach management system involving various groups and communities. A highlighted example is the comprehensive employee volunteer program with the Canadian Red Cross.

Works in Progress

1. The Seaboard is in the process of implementing a public communication and two-way community dialogue management system that will formalize and greatly enhance the mostly informal processes now in place.

Improvement opportunities

1. Modify the Responsible Care Outreach policy to specifically require those residential and industrial neighbours that may be affected by a site worst case scenario be provided the appropriate risk information and what action they should take should a worst case scenario occur. (2005 protocol area TransCAER/Public Awareness”, sub-section #1.3,)

2.3.3 Social Responsibility

The overall philosophy of the parent company Seaboard Transportation and thus Harmac Transportation, is of a socially Responsible company. There are several progressive initiatives that have been implemented in the past and planned for the future. Foremost is the decision of Seaboard Transportation to manage the entire company in accordance with the codes and Ethic of Responsible Care including the recently acquired United States based AJ Weigand Inc. The company has several employee programs such as Corporate gym memberships, personal discounted home, auto and pet insurance, a personal fuel discount program and a health and wellness program. The company has also entered into a Canada wide Partnership with The Canadian Red Cross in “The Ready When Time Comes Program” that provides employee volunteers for the Red Cross in the event of local emergencies. For additional information on company achievements in this area visit: www.seaboardtransportgroup.com/company/communityinvolvement

Successful Practices

1. Partnering with the Pabineau First Nation Aboriginal Community to develop employment opportunities for band members.

Improvement opportunities

2. There is an improvement opportunity to develop a corporate level social responsibility statement that adheres to the criteria described in the Responsible Care Commitments hand book. (Appendix A, Page #40)

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 Harmac’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:

3.1 Observations on the PLAN Step

During the PLAN Step of the management system, the company management team develops a path forward based on the goals of the company 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.

In reviewing the plan step, the following was noted:

Since the 2013 verification Seaboard, the parent company, has adopted the Plan, Do, Check and Act planning model championed by the C.I.A.C. As a consequence, Harmac utilizes this model to identify (plan) annual

performance and improvement objectives that support the overall corporate objectives or specific goals related to the Harmac operation including Responsible Care. While growth through acquisition is the overall business objective of Seaboard a balanced scorecard approach (Safety, Financial, Service and Human Resource Management) is the functional methodology to achieve industry leading safety, health and environmental management performance, sound financial returns, preferential customer service in a socially responsible environment.

While Seaboard/Harmac have developed several excellent management systems that have produced excellent results in safety performance, employee welfare and Social Responsibility for example there is not a formal process to benchmark the company performance against other transportation related companies.

There is a significant back log of improvement opportunities from previous reports. The team is recommending that the company focus on reducing the back log by analyzing and prioritizing these recommendations to determine their relevance in the present Seaboard Transportation management structure.

Improvement opportunities

1. There is an improvement opportunity to develop a management system to benchmark company performance utilizing the collective benchmarks listed on page 43 of the Responsible Care Commitments hand book.
2. There is an improvement opportunity to analyze improvement opportunities from previous reports and prioritize, incorporate or reject these suggested improvements. (ref: C.I.A.C. Verification Protocol page 34)

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 reviewing the do step, the following was noted:

Once annual goals and objectives are developed by the corporate management group they are cascaded through the organization with each division and individual managers within the division developing functional and personal key performance indicators (KPIs) to support the corporate initiatives. The corporation maintains an intranet based “dashboard” to track the progress in achieving KPIs throughout the year.

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 reviewing the check step, the following was noted:

There is a “checking” protocol in place consisting of various internal and external audits including employee performance monitoring, ISO quality audits, customer audits which include customer service requirements and adherence to customer safety and environmental expectations. Continuous driver performance monitoring is part of a technology based driver monitoring system and an annual internal Responsible Care audit is conducted as part of the process of the Executive Contact signing the annual C.I.A.C. Responsible Care attestation letter. Responsible Care verifications are conducted every three years.

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 or corrected, etc.

In reviewing the act step, the following was noted: There is a component of the management system that requires a monthly KPI review to determine progress in achieving the various continual improvement initiatives identified by senior managers including those related to Responsible Care. Any short falls are analyzed and appropriate corrective action is initiated.

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 Harmac'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 application of the *Responsible Care Ethic and Principles for Sustainability* are as follows:

The facility was seen to be guided by the *Responsible Care Ethic and Principles for Sustainability* in the following aspects:

- ***Work for the improvement of people's lives and the environment, while striving to do no harm.***
Seaboard has a very comprehensive community involvement management system. Indicative of that commitment is the Canada wide partnership of volunteers with the Canadian Red Cross entitled "Ready When Time Comes". For additional information on this and other community involvement commitments view the website: www.seaboardtransportgroup.com/company/communityinvolvement
- ***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.***
While the company does have a Responsible Care Community Outreach policy in place as a vehicle for two-way community dialogue, the team is recommending the policy be modified to specifically reference a commitment to community risk communication.
- ***Take preventive action to protect health and the environment.***
The company has introduced a formal asset management program that involves a preventative maintenance management system with a target of 90% on-time completion of vehicle repairs and inspection.

The company has in-place a "Journey Management Plan" management system which is a very comprehensive route risk analysis to provide a proactive route selection process that maintains strict adherence to hazmat designated routes and that take into account major weather systems.

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

The company has in-place a “Driver Performance Scorecard” management system that utilizes a point system to manage and track driver performance and to maintain a culture of road safety that is tied to monetary incentives. The system involves a Driver Performance Coach to aid drivers in achieving the company performance expectations. As an example of a continual improvement objective the system has been further enhanced in 2016 by reducing allowances for various speed parameter violations.

The “Healthy Fleet” employee wellness program promotes physical fitness, nutrition, and health awareness among all company employees.

Seaboard Transport is exemplary in its support of the C.I.A.C. TransCAER initiatives and participation on three regional TransCAER subcommittees.

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

Harmac, as a liquid product hauler, has in place comprehensive equipment and driver safety and environmental controls to ensure safe delivery of customer products. Integral to the management system is continual contact and information exchange with the customer.

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

Proactive open engagement and dialogue with First Nation groups where certain operations extend through those communities. Seaboard entered into negotiations with the Pabineau First Nation (near Bathurst Nova Scotia) to explore partnership opportunities at the Trevali mine. As a result, fifty percent of the Seaboard drivers on the project are from the Pabineau First Nation.

- ***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.***

Seaboard has introduced a Responsible Care Sustainability facility management system for all locations. The initiative has been driven by the Harmac Vaughn location that has identified a unique range of waste streams and recycling opportunities.

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

Seaboard the parent company of Harmac, has elected to utilize a Responsible Care based management system as the overarching management system for the corporation. Throughout the company management systems are identified by name as a Responsible Care management systems.

Harmac utilizes an annual Responsible Care education refresher module to promote employee awareness of Responsible Care. The Company also provides leadership in promoting Responsible Care by name through its employee newsletters, office signage, advertisements in Catalyst magazine and use of the Responsible Care logo on some of its highway trailers.

Owner Operators receive Responsible Care training and annual refresher courses.

Harmac has shared past Responsible Care reports and Responsible Care related updates with their primary contractors.

Contract tender information sent to prospective contractors includes information on the company’s Responsible Care values.

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 team believes that the company is capable of responding to the range of Findings Requiring Action identified during the re-verification, as summarized in the Executive Summary and discussed in detail in the report. The re-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 I have reviewed this verification report. The observations and conclusions contained in the report have been discussed with the verification team.

Once again, the Responsible Care verification process has been a tremendous help to Harmac's continuous improvement efforts in growing as a Responsible Care company. The dialogue, feedback, counsel and direction provided by the verification team has provided constructive insight into our progress and opportunities to advance. The observations, conclusions and resulting improvement opportunities identified in this report are in alignment with Harmac values and direction as a corporation. As a result, these improvement opportunities will be considered as part of our continuous improvement process.

Harmac 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 the Findings Requiring Action and 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.

David MacDonald
Vice President, Highway and Dedicated Logistics
Seaboard Transport
June 30th 2016

Interview Lists

A: Company Personnel Contacted During Verification Process

NAME	POSITION	LOCATION
David MacDonald	VP-Highway & Dedicated Logistics	Dartmouth, NS
Greg Coughlin	General Manager for Chemical Division Operations Supervisor	North York, ON
George Windover		Sarnia, ON
Jocelyn Beaulieu, CHRP	Human Resources Generalist	North York, ON
Michael Sharpe	Business Manager North York	North York, ON
Brad Beaton	Manager, HSE-Canada	Dartmouth, NS
Harv Roberts	Consultant, Seaboard Transport	Dartmouth, NS
Victoria Dreimanis	Human Resources Support Specialist	North York, ON
Mary Adams	Manager, Loss Control and Compliance	Dartmouth, NS
Lisa Malerba	Resource Scheduling Coordinator	North York, ON
Mark Kadlec	General Manager	Bolivar, OH
Jeffrey Climie	Asset Manager	North York, ON
Phil Breault	Fleet Service Business Manager	North York, ON
Jatinder Giogina	JHSC-Asset Manager, ERP	North York, ON
Garry Stewart	JHSC-Trailers/Special Projects	North York, ON
Cheryl Gardner	JHSC-CSR Chemical	North York, ON
Sivilay Vongsaphay	JHSC-HSE Administrator	North York, ON
Kara McKinnon	JHSC-Dispatch Lead	North York, ON
Harinder Angurala	JHSC-Operations Analyst	North York, ON
Pavneet Kaur	JHSC-Recruitment and Retention Specialist (Chemical)	North York, ON
Simon Ma	JHSC-Recruitment Process Manager (ERP)	North York, 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