



Chemistry Industry
Association of Canada
canadianchemistry.ca

Association canadienne
de l'industrie de la chimie
chimiecanadienne.ca

RESPONSIBLE CARE[®]

VERIFICATION REPORT

NORTHWEST TANK LINES INC.

OCTOBER 22-23, 2012

Disclaimer

This report has been produced by a team, convened by the Chemistry Industry Association of Canada (CIAC) to provide advice to the above company and assist it in meeting its Responsible Care commitments as a member of the Association. The material in it 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 which is the subject of this report to interpret and act on the findings and recommendations in this guidance document 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 Northwest Tank Lines Inc. The verification was undertaken on October 22-23, 2012 and included team visits to the Langley, British Columbia headquarters. The visit was supplemented by a tour of a tank maintenance facility, a truck parking facility and a tank cleaning facility in the Langley area. Information was gained from interviews and inspections at these sites. A telephone interview was also conducted with a customer of the company. This verification was conducted by a two-person team assisted by a local community representative from Langley. This was the second Responsible Care verification completed for Northwest Tank Lines Inc. The last verification was completed on September 22 – 24, 2008.

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 verification - summarized below and discussed in detail in the report. The verification is complete and no further involvement is required by the verification team.

Signed: C. Bourdon
Claude Bourdon
Verification Team Leader

Date: January 30, 2013

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:

Trula Normandeau,
604-856-6666 ext. 303,
trula@nwtl.ca

SUMMARY OF VERIFICATION TEAM OBSERVATIONS

The verification team identified three Findings Requiring Action.

Findings Requiring Action

1. It is a Finding Requiring Action to document in the Northwest Tank Lines' Health Safety and Environmental management system (i.e. in elements 2.1 and 4.3) the requirement to undertake the existing processes for assessment of suppliers and customers.
2. It is a Finding Requiring Action to have a documented process to communicate risk to immediate neighbours at company-operated facilities (even if there is no off-site risk), and to ensure that risk communication to immediate neighbours is done at third party service providers, where it is determined that there is off-site risk. This will require that risk assessments are carried out in order to determine what needs to be communicated at company-operated facilities, and if risk communication is necessary at third party service providers. These requirements are based on TransCAER elements 1.3 and 1.4 of the Responsible Care Partners Model.
3. It is a Finding Requiring Action to document and implement in the management system a formal internal assessment or audit process that confirms Responsible Care is in place. This requirement is included in element 6.2 of the company's Management System. This assessment along with a continually maintained Partner's model cross reference would provide support for the signing of the annual attestation.

Works in Progress

1. To complete the Safety Manual that is currently in progress. Pull together all Health, Safety, Environmental and Security policies and procedures that apply across the organization. The key aspects of safety and environmental that apply to drivers are in the Drivers Manual.
2. Continue to investigate the introduction of a wellness program in 2013, particularly with drivers in mind.

Successful Practices

1. Incident/accident investigation and tracking to completion.
2. The inclusion of tractor hydraulic hoses in their hose test program.
3. Electronic rollover prevention (this add-on is not standard tractor equipment)
4. Senior executive sign off on each incident/accident investigation.

Improvement Opportunities

Northwest Tank Lines is generally meeting expectations in the communication and promotion of responsible Care, by name, the team believes that there are a number of opportunities to strengthen the company's commitment to this core principle. Examples include the following next 7 improvement opportunities:

1. Consider posting of verification reports on the company website (internal and external) and/or to refer people to the CIAC website.
2. Include in current customer appreciation letter Responsible Care info.

3. Consider providing Responsible Care training for all maintenance and tanker interior wash facilities employees.
4. Consider adding additional content to the Responsible Care component of job descriptions.
5. Consider adding or renaming a regular/recurring Responsible Care section in the Spirit newsletter.
6. Consider implementing a formal annual Responsible Care refresher to supplement safety meeting RC discussions.
7. Consider including a reference to Responsible Care in the text of the Policy Statement, Safety Policy, Security Policy and Environmental Policy (beyond the Responsible Care logo).
8. Ensure tracking matrix includes full description of actions implemented to address the findings requiring actions.
9. Update supplier self-assessment to include compliance with regulations, i.e. WHMIS requirements to labeling waste or tanker residue. Include a requirement to conduct follow-up site visits to confirm compliance to federal and provincial regulations.
10. Consider expanding across the company the issuing of gift certificate to drivers when they report potential unsafe conditions at shippers and receivers as was done in Calgary for a driver.
11. Consider discussing with CIAC how to get more peer integration between Partner members in the west as there are few Partners peers in the west.
12. Ensure that the annual Responsible Care attestation is signed by the most senior company executive.
13. Consider adding debriefing in the corporate ER plan as a component of all emergency response plan exercises and incidents including actual incidents and test conducted by contracted ER service providers.

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 Northwest Tank Lines Inc. attests annually to CIAC and its peers that the company's operations conform to the expectations contained in the Responsible Care Commitments and are guided by Responsible Care Ethic and Principles for Sustainability.

The Responsible Care® Ethic and Principles for Sustainability

We are committed to do the right thing, and be seen to do the right thing.

We dedicate ourselves, our technology and our business practices to sustainability - the betterment of society, the environment and the economy. The principles of Responsible Care® are key to our business success, and compel us to:

- work for the improvement of people's lives and the environment, while striving to do no harm;
- be accountable and responsive to the public, especially our local communities, who have the right to understand the risks and benefits of what we do;
- take preventative action to protect health and the environment;
- innovate for safer products and processes that conserve resources and provide enhanced value;
- engage with our business partners to ensure the stewardship and security of our products, services and raw materials throughout their life-cycles;
- understand and meet expectations for social responsibility;
- work with all stakeholders for public policy and standards that enhance sustainability, act to advance legal requirements and meet or exceed their letter and spirit;
- promote awareness of Responsible Care, and inspire others to commit to these principles.

As an element of this commitment to Responsible Care, 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 Responsible Care Commitments, along with advice on areas that may require attention;
2. Identify opportunities for assisting the company when benchmarking its own practices and performance against those of its peers, thus supporting continual improvement;
3. Contribute to the credibility of Responsible Care amongst company personnel and stakeholders, as well as the stakeholders of the broader industry;
4. Identify successful company practices that can be promoted to peers in the CIAC membership; and
5. Support the identification of areas of common weakness so that collective tools and guidance can be developed to improve performance in those areas across the CIAC membership.

Verification is conducted according to a common protocol, developed by the association's members and others, including several critics of the chemical industry. The verification is conducted by a team consisting of:

- A knowledgeable industry expert 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 contacting the Responsible Care staff at 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. NORTHWEST TANK LINES provides bulk truck transportation services for natural gas liquids, chemicals for the pulp and paper industry, mining industry, and agricultural fertilizing feedstock industry. There are 26 staff employees and approximately 120 drivers. The Canadian head offices and administration is located in Langley, British Columbia, Canada with operations in British Columbia and Alberta, Canada. They are members of the Chemistry Industry Association of Canada (CIAC), National Tank Truck Carriers, Liquid Petroleum Emergency Response Corporation, Customs-Trade Partnership Against Terrorism (C-TPAT), Partners in Border Protection (PIP).

For additional information visit Northwest Tank Lines Inc. at: www.northwesttanklines.com

1.3 About This Verification

The verification of Northwest Tank Lines Inc. was conducted on October 22-23, 2012 and included team visits to the Langley, BC Head office, a maintenance service provider, an interior tanker wash service provider and an interview with a customer in the pulp and paper industry. During the course of the verification, the team had the opportunity to interact with a wide range of company personnel. Attachment 2 contains a list of those individuals interviewed and their affiliations.

This was the second verification exercise completed for Northwest Tank Lines Inc. The last verification was completed in September 2008. The verification team was comprised of the following individuals.

Name	Affiliation	Representing
Claude Bourdon	CIAC - Industry Consultant	Team Leader
David Powell	CIAC - Public Consultant	Public-At-Large Verifier
Jim McGregor	Resident of Langley	Community Representative

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

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

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

1. **Findings Requiring Action** document instances where the verification team observes specific company actions (or the absence of company actions) which are inconsistent with the detailed codes and benchmark and collective expectations contained in the Responsible Care Commitments. Where possible, the 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 Follow up of Findings in Last Verification Report.

The team reviewed how the company addressed the findings requiring action and opportunities for improvement cited by the previous verification team in their report to the company.

The last report was shared with employees, customers and membership associations. This was accomplished via meetings, emails, letters and newsletters articles and publications,

All Findings Requiring Action were reviewed and completed. An action plan matrix is used to track OFIs to completion. These FRAs/OFIs reviews and actions are reported to senior management. New procedures were developed or updated as required. Action plan tracking has been included in job descriptions.

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

Improvement Opportunities

- Consider posting of verification reports on the company website (internal and external) and/or to refer people to the CIAC website.
- Ensure tracking matrix includes full description of actions implemented to address the findings requiring actions.

2.2 Response to incidents and Concerns since the Last Verification

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

Northwest Tank Lines Inc. has a comprehensive process for the investigation of incidents and accidents to completion. This includes reporting, root cause analysis and communication of results as training/alerting opportunities back to the workforce. All issues are discussed at the recurring Monday morning operations meeting and the Friday HS&E meeting. Incidents are communicated to employees via “TMW” (transportation software). Driver safety meetings are held quarterly as well as driver “tailgate” meetings on the road. All incident/accidents are reviewed by senior management.

The dislocation policy was discussed and clarified as referring to the need to follow up with anyone affected by Northwest Tank Lines regarding incidents, damage to property, compensation.

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

Successful Practice

- Incident/accident investigation and tracking to completion.

2.3 Performance Measures

The ‘check’ step of a management system is the part that shows the effectiveness of the system, and a key question is: “What does the company check as its indicator of performance.

Northwest Tank Lines Inc. has the necessary source data available to compile performance measures in those areas as defined by the CIAC for Transportation Partners (i.e., accidents/incidents/ crashes, injuries, roadside inspections, and TransCAER public events) that is compiled into a detailed report including the tracking of near misses. All incidents/accidents are discussed at the regular Monday operations meeting and Friday HS&E meetings. The transportation software TMW produces a daily critical performance report. Drivers are now on electronic E-log for recording on/off driving duty. Due for implementation in 2013 will be the TMW incident/accident tracking and reporting module, TMW maintenance module and the flagging of Responsible Care refresher training.

Their analysis showed an increase in incidents in 2011, but this was explained as due to the inclusion of additional tracking categories. They can now look for trends on a wider range of types of incident.

The Marsh Canada external safety evaluation and benchmark, which was listed as a best practice in the 2008 In-Place verification is no longer in use. This benchmark is not provided by their current insurance provider. Performance against overall company goals are monitored by the Executive Committee at their quarterly meetings. Individual employee goals are monitored at formal mid-year and year end reviews.

External audits are routinely carried out in accordance with government, industry and insurance requirements. Driver/carrier Provincial profiles are obtained, reviewed and acted on.

Cargo losses including spill/drips and security incidents are reported and tracked.

Internal policy audits/reviews provide assurance that what is stated as being done does reflect what occurs.

Performance is communicated through documented reports, employee meetings, TMW safety alerts, and, through the company's "Spirit" newsletter.

The team is of the opinion that Management systems are in place within Northwest Tank Lines Inc. to comply with code expectation in this area.

3. TEAM OBSERVATIONS CONCERNING SPECIFIC MANAGEMENT SYSTEM

3.1 Operations Safety

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

There is a detailed Safety Policy and a comprehensively documented management system in place, which clearly describes how activities are implemented in accordance with a plan-do-check-act continual performance improvement cycle. The management system is subject to an annual review of its effectiveness. A series of specific procedures have been developed in support of the overall management system.

A tracking system is in place to address action items from Executive Committee meetings and Responsible Care implementation activities to ensure timely completion.

Drivers are required to attend a 2 day training and orientation that includes a full review of the driver manual which includes Responsible Care training. There are training modules for specific products. Some training is done by customers at customer facilities. Many of the training modules include an examination component.

Driver trainers known as "road warriors" do "ride alongs" to provide training and monitor of performance in BC and Alberta. They use Transportation of Dangerous Goods inspection forms for their safety reviews. These maintenance spot checks are carried out throughout the operations 5 days a week. The CEO of the Northwest Tank Lines also does numerous ride-alongs. This is his opportunity to promote Responsible Care, his safety vision and to have meaningful interaction with the employees of the company.

TMW is used to track/flag annual or other training requirements. Monday morning meetings are held to discuss all operation and safety incidents which are tracked to conclusion. Friday meetings are exclusively reserved for HS&E issues. There were 10 safety objectives identified for 2012.

Preventative maintenance schedules for tractors and tanker maintenance, repair and inspections are managed through TMW – the company transportation computer software. Due dates are flagged and reports are generated to schedule equipment for the mandatory testing, inspection and maintenance protocols. Owner/operator owned equipment is managed in the same manner. This maintenance work is outsourced to certified maintenance contractors. Tractor and tanker equipment suppliers report that the Northwest Tank Lines maintains one of the newer tractor and tanker fleet. MSDSs are managed at the local level in binders.

There is no Joint Health and Safety Committee but driver safety meetings are held quarterly with detailed minutes and action plans in place to address issues. Interviews with a long term driver indicated that there was satisfaction with the efforts of the company to resolve issues. Incident Investigation is completed by the health, safety and environmental department using a thorough incident investigation procedure, action plan and final closing of the issue.

The company uses its newsletter, “Spirit” to communicate safe operations and other information to its stakeholders.

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

Works in Progress

- To complete the Safety Manual that is currently in progress. Pull together all Health, Safety, Environmental and Security policies and procedures that apply across the organization. The key aspects of safety and environment that apply to drivers are in the Drivers Manual.
- Continue to investigate the introduction of a wellness program in 2013, particularly with drivers in mind.

Successful Practice

- The inclusion of tractor hydraulic hoses in their hose test program.
- Electronic rollover prevention (this add-on is not standard tractor equipment)

3.2 Supply Partner Assessments

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

NWTL outsources all tractor and tanker maintenance requirements. It also outsources interior and exterior tanker cleaning. A self-assessment process is in place to review the environment, health and safety aspects of suppliers (tires), service providers (tanker cleaning) and emergency response services. Meetings and inspections with these suppliers/facilities occur regularly. There are no other contractors associated with the company’s transportation operation.

Purchase of new tractors and tankers is in compliance with EPA 2010 and EPA 2013 standards. Specifications for new equipment are developed for the suppliers and senior company drivers are included in the review of these specification.

A new business template is complete for new customer and/or product. A HS&E site visit is conducted prior to accepting contracts with new customers for the transportation of their products, those customers’ operations are reviewed with respect to associated risks (e.g., loading/unloading facilities, product hazards, etc.). Customers’ environmental, health and safety compliance is monitored by company drivers on a day to day basis, as pick-up and delivery activities take place. A file is kept on business that has been turned down in the past due to unsuitable risk conditions. Senior executive(s) visit key customers annually.

It was evident during a customer interview that Northwest Tank Lines is considered an excellent transportation provider. Responsible care information had been provided and discussed several times during the course of business. Procedures were in place and site visits had been conducted. The customer stated “we select our suppliers very carefully, always looking for the best service provider”. The customer confirmed that they were paying a premium for the level of expertise and the equipment provided for their business.

A significant percentage of company drivers are contracted owner operators. These owner/operators are subject to the same equipment and maintenance standards, and environment, health and safety expectations, training requirements and performance standards as company employees/drivers. The team is of the opinion that the code expectations in this area are being appropriately addressed with the exceptions listed below in section 4.2 - the DO Step.

Improvement Opportunity

- Update supplier self-assessment to include compliance with regulations, i.e. WHMIS requirements to label waste or tanker residue. Include a requirement to conduct follow-up site visits to confirm compliance to federal and provincial regulations.
- Consider expanding across the company the issuing of gift certificate to drivers when they report potential unsafe conditions at shippers and receivers as was done in Calgary for a driver.
- Include in current customer appreciation letter Responsible Care info.
- Consider providing Responsible Care training for all maintenance and tanker interior wash facilities.

3.3 Environmental Protection & Resource Conservation

The team looked at the company's plans for reducing emissions from the operation of transportation equipment.

The company has made a commitment to reducing emissions and wastes through its policy of procuring only the most environmentally efficient vehicles available, and maintaining them to the highest standards.

Recycling of tires, oil, lubricants is included as part of their supplier expectation. Recycling occurs across the company from paper to tankers. Tire suppliers/tire selection and use are an important consideration for Northwest Tank Lines as this affects fuel consumption and efficiency.

There is no tanker residue return program to customers. Company policy is to deliver complete loads to its customers and minimize the residue that remains when tankers go for washing and cleaning.

Emissions which may impact the environment are primarily related to the operation of diesel powered tractor/trailer units (e.g., fuel, lubricants, exhaust gases/particulates, etc.). Industry wide studies by the National Tank Truck Carriers Association are regularly monitored for the latest information on emissions. The manufacturers/suppliers of these tractors are continually working to increase efficiencies and reduce emissions.

The fleet operates at a reduce speed of 105 km per hour – to increase efficiency and reduce emissions. New satellite capability will allow for the collection of improper speed and cornering performance. All tractor/tankers carry complete spills kits for use in the event of a release of liquids into the environment.

Other than used lubricants and oils, that are recycled, the company's primary waste stream is related to the cleaning of the interior of tankers. A majority of tankers are in dedicated service and only require periodic cleaning for maintenance/service or product change.

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

3.4 Security

The team looked at how the company assesses and manages potential security threats to personnel, facilities, equipment, etc. throughout its entire transportation system (e.g., yards, terminals, routes, storage locations, etc.)

The company's security risks are primarily related to the potential for loss of control of cargos while in transit or while vehicles are located at parking facilities.

The company has a detailed security plan and has completed its annual review. Training for drivers, office and IT staff has been provided and recorded.

Customs-Trade Partnership Against Terrorism (C-TPAT), Partners in Border Protection (PIP) requirements are regularly reviewed and updated. Drivers travelling to/from the USA have photo identification. Specific routes have been developed to ensure correct movement in and out of shippers and receivers location.

Yards are fully fenced, locked and have remote video monitoring.

Tankers have security seals on discharge valves. Drivers on a trip requiring breaks must do so at well-lit truck stops with full view of their units. Driver panic buttons are in each tractor sending the signal to dispatch.

The company's incident investigation process addresses security incidents, where root cause and action required preventing recurrence is addressed. All security incidents are required to be reported. Northwest Tank Lines' IT service provider reviews computer systems annually to identify potential security issues and have implemented security controls to protect information systems. This outsourced IT management group does a computer information systems back-up daily.

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

3.5 Emergency Management & Response/TransCAER Outreach

The team looked at the company's management system for ensuring appropriate preparedness and response to emergencies throughout the entire transportation system (e.g., yards, terminals, routes, storage locations, etc.), including involvement with local emergency services and other mutual aid processes.

Northwest Tank Lines' environmental policy commits the company to the preservation and protection of the environment. They have been involved in TransCAER activity since 1988.

The company transports products under emergency response approved plans (ERAP) and has contracts with Quantum Murray and Zurich Spill Center to respond to emergencies. Northwest Tank Lines was a long term service provider for emergency response but has since decided to leave this service sector and concentrate on their core expertise. Drivers have been trained on specific ERAP products and have signed off on this training.

Northwest Tank Lines participates in Hazmat and BC TransCAER regional committees meetings in British Columbia. They attend TransCAER events as both a presenter and a participant throughout the western Provinces. These regions cover the routes along which company vehicles operate. Northwest Tank Lines has participated in 11 TransCAER activities since the last verification until present and are reviewing a list of six potential activities for participation in 2013. The 2012 participation was a four days 1st responder exercise.

Northwest Tank Lines has donated a tanker to the Justice Institute for emergency response training purposes.

Route risk identification includes driving and videotaping the complete route.

Participation in public events organized by the above committees provides an opportunity for the company to identify public interests and how the public is represented throughout its area of operations. Through its participation in public TransCAER events the company takes the opportunity to interface with those representatives of the public who are in attendance.

The team is of the opinion that the code expectations in this area are being appropriately addressed with the exceptions listed below in section 4.3 – the CHECK Step.

3.6 Promotion of Responsible Care by Name

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

The company uses internal and external communication tools to promote Responsible care (e.g., company website, company information compact disc, the Spirit newsletter, driver meetings process, TransCAER/Responsible Care brochure, magazine ads mentioning Responsible Care commitments, promotional material, business cards with Responsible Care logo.

During the driver Interview it was evident that drivers viewed Responsible Care as a program that guides continuous improvements, helps to promote safer conduct of drivers and support company rules. It helped to change the company for the better, i.e. "to be the best they can be". Responsible Care is understood to the drivers as going "above and beyond". The CIAC Executive Contact(s), CEO and President are well versed in Responsible Care, and actively promote the ethic and principles throughout the company.

Job descriptions that include Responsible Care and performance expectations are in place. It was evident that there is a desire to operate the company in a safe, environmentally sound manner, with all activities done in the spirit of Responsible Care.

The company is small and the organization structure is flat allowing the executive contact to be very involved, day-to-day, in all aspects of this transportation business. There are weekly meetings to review performance indicators.

A Responsible Care orientation package is part of the training for all employees.

Responsible Care refresher training is done through quarterly safety meetings

The executive(s) contact fully participates in CIAC's Responsible Care Leadership Group meetings as well as regular contact with CIAC executives

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

Improvement Opportunity

- Consider adding additional content to the Responsible Care component of job descriptions.
- Consider renaming to Responsible Care a specific area in the Spirit newsletter for regular and recurring Responsible Care communications.
- Consider discussing with CIAC how to get more peer integration between Partner members in the west as there are few Partners peers in the west.

4. TEAM OBSERVATIONS ON THE COMPANY MANAGEMENT SYSTEM

It is a requirement of Responsible Care that companies have a documented, self-healing management system or systems capable of identifying and responding to deficiencies and otherwise supporting continual improvement across all company business units, functions, and sites and as a framework for implementing the Responsible Care Commitments.

The verification team reviewed Northwest Tank Lines Plan, Do, Check, Act of their management System to those of a self-healing overall management system as discussed in the CIAC Management System Guide. The verification team's related observations to the company management system are as follows: The company developed their management system using CIAC's management system recommendation. It has a documented series of requirements, policies and procedures, compliance and reporting activities in place, which are clearly cross-referenced to the elements of the CIAC Transportation Partners Responsible Care Model.

Northwest Tank Lines' Policy Statement commits its employees to providing customers with safe service and to protect employees, the public and the environment.

The executive committee has identified and set company objective and goals. Job descriptions have fully detailed roles and responsibilities. Individual goals are developed and reviewed with each employee. There is a comprehensive driver safety bonus program that rewards drivers quarterly for safe driving performance.

Many of the company's customers are committed to Responsible Care, and by having a network of such customers provides an opportunity to benchmark regarding Responsible Care direction and implementation.

The entire Plan, Do Check and Act management system is very comprehensive and embraces all aspects of their ongoing operations, including Health, Safety, Environmental, Security and Responsible Care. The verification team was impressed by the continued improvements to the overall management system since the previous verification, and the focused effort to achieve this level of improvement.

The team is of the opinion that the code expectations in this area are being appropriately addressed with the exceptions listed below in section 4.2 and 4.3.

4.1 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 Northwest Tank Lines' management system, the verification team observed the following:

CIAC's specific Transportation Partner code elements have been cross-referenced to the Northwest Tank Lines management system.

To ensure personnel are current on environmental, health and safety regulations and standard a listing/check sheet is maintained to guide appropriate staff to the relevant sites and information. The company policies and procedures include strong reference to Responsible Care and the organizational structure around Responsible Care is strong, with a dedicated resource to ensure that the Responsible Care ethic, principles and codes of practice are consistent across the organization.

Northwest Tank lines is a member of the Chemistry Industry Association of Canada (CIAC), National Tank Truck Carriers, Liquid Petroleum Emergency Response Corporation, Customs-Trade Partnership Against Terrorism (C-TPAT), Partners in Border Protection (PIP).

The team is of the opinion that CIAC's Responsible Care management system expectations in this area are being met.

4.2 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 Northwest Tank Lines' management system, the verification team observed the following:

Once Northwest Tank Lines' annual goals and objectives are developed, including those that support Responsible Care® and Health, Safety, Environmental and Security, they are cascaded throughout the company. Key personnel have detailed annual key activities and goals aligned with those of the overall organization. Quarterly HSE planning sessions are held with clearly defined actions and responsibilities. Quarterly safety meetings are held with drivers. Weekly meetings/teleconferences are held to monitor ongoing performance and address issues as need. New customer profiles are developed with the participation of all departments for new business opportunities. Job task analysis is completed for each customer and product. Route risk is developed for each product and route.

The team is of the opinion that CIAC's Responsible Care management system expectations in this area are being appropriately addressed with the exception listed below.

Finding Requiring Action

It is a Finding Requiring Action to document in the Northwest Tank Lines' Health Safety and Environmental management system (i.e. in elements 2.1 and 4.3) the requirement to undertake the existing processes for assessment of suppliers and customers.

Improvement Opportunity

- Consider implementing a formal annual Responsible Care refresher to supplement safety meeting RC discussions.
- Consider including a reference to Responsible Care in the text of the Policy Statement, Safety Policy, Security Policy and Environmental Policy (beyond the Responsible Care logo).

- Consider adding debriefing in the corporate ER plan as a component of all emergency response plan exercises and incidents including actual incidents and test conducted by contracted ER service providers.

4.3 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 Northwest Tank Lines' management system, the verification team observed the following:

Northwest Tank Lines' management system includes a comprehensive audit process with defined protocols to verify compliance with Northwest Tank Lines' Health, Safety, Environmental and Security management system including policies, procedures, programs, instructions and Responsible Care requirements. The system is properly documented to allow verification and provide structure. Health, Safety, Environmental and Security compliance activities including permit reviews/renewals, reporting requirements, inspections and checklists. The program includes annual audits of the management system.

An annual employee survey is also in place.

Each incident/accident is tracked to completion and signed off by senior management.

The team is of the opinion that CIAC's Responsible Care management system expectations in this area are being appropriately addressed with the exceptions listed below.

Finding Requiring Action

- It is a Finding Requiring Action to have a documented process to communicate risk to immediate neighbours at company-operated facilities (even if there is no off-site risk), and to ensure that risk communication to immediate neighbours is done at third party service providers, where it is determined that there is off-site risk. This will require that risk assessments are carried out in order to determine what needs to be communicated at company-operated facilities, and if risk communication is necessary at third party service providers. These requirements are based on TransCAER elements 1.3 and 1.4 of the Responsible Care Partners Model.
- It is a Finding Requiring Action to document and implement in the management system a formal internal assessment or audit process that confirms Responsible Care is in place. This requirement is included in element 6.2 of the company Management System. This assessment along with a continually maintain Partner's model cross reference would provide support for the signing of the annual attestation.

Successful Practices

- Senior executive sign off on each incident/accident investigation.

4.4 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 required for the company's stated goals or action plans, policies and procedures for achieving those goals. Considerations when examining the Act Step include whether and how: audit and review findings are responded to; performance is communicated internally and externally; employee and contractor performance is rewarded and corrected, etc.

In considering the Act Step of Northwest Tank Lines' management system, the verification team observed the following:

The team is of the opinion that CIAC's Responsible Care management system expectations in this area are being addressed.

Improvement Opportunity

- Ensure that the annual Responsible Care attestation is signed by the most senior company executive.

5. 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, is expected to guide the company’s decision making and practices. In conducting the verification, the team is looking to understand how well the ethic is understood and adopted within the company, the degree to which the principles drives the manner in which the company does its business and on how the company sees and fulfills its role in areas of social responsibility.

The verification team observed Northwest Tank Lines’ 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:

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

Northwest Tank Lines have a comprehensive HS&E management program, the effectiveness of which is evidenced by continuously improving results having being achieved since the last verification. Including top quartile compensation, excellent health benefits and work life balance events. Drivers are empowered regarding safety. They have state of the art equipment and on-board technology. They view the CIAC re-verifications process as a tool to understand issues and make improvements. They want to be transparent with society about what they do. Complying with hours of service requirements is important for the well-being of both drivers and communities and are improving on this with new electronic tracking.

- **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.**

Northwest Tank Lines’ 25 years of participation in TransCAER activities is their main link to the communities they operate in.

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

Northwest Tank Lines’ continues to invest in state of the art equipment with speed limiters, rollover stabilizers, on-board communications and Elogs. They consult with other responsible customers, service providers and equipment manufacturers. They have an incident/accident investigation process that thoroughly investigates and takes corrective actions.

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

Northwest Tank Lines is a member of advocacy organizations NTTC and BCTA. They Interacts with tractor and tanker manufacturers to influence continuously improve in designs to obtain a high level of safety and efficiency.

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

The theme of all Northwest Tank Lines’ corporate donations is to support organizations which work to improve lives of children. Below are examples of some of these:

- Big Brothers and Big Sisters
- Ross Lumb Memorial Fund
- Haywood Securities Children’s Charity

- University and College employee children scholarship
- The hiring of summer students (employees' children)

A code of ethics is in place for all employees.

- **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.**

Northwest Tank Lines' membership in CIAC, NTTC and BC TransCAER associations provides a conduit to promote change.

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

The team is of the opinion that the Responsible Care ethic underpins the company's actions and decision making processes, that they promote the awareness of Responsible Care as detailed in section 3.6 of this report and are committed to the principles as evidenced by the various initiatives and continuously improving results documented throughout this report.

6. VERIFICATION TEAM CONCLUSION

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

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 members. Plans will be developed and implemented to respond to the Findings Requiring Action identified by the verification team. Our progress in implementing those plans will be discussed when preparing our Annual Statement of Re-Commitment to Responsible Care, and communicated to the verification team at the time of our next verification.

Trula Normandeau
Coordinator - Health, Safety and Environment
Northwest Tank Lines Inc.
January 30, 2013

INTERVIEW LIST

A: Company Personnel Contacted During Verification Process

Name	Position	Location
Michael Perry	President	Langley, British Columbia
Tim Johnson	Director – Health, Safety and Environment	Langley, British Columbia
Trula Normandeau	Coordinator - Health, Safety and Environment	Langley, British Columbia
Bryan Sharpe	Maintenance manager	Calgary, Alberta
Kent Kononoff	Vice-President Sales	Calgary, Alberta
David Comly	Health, Safety and Environment Manager	Calgary, Alberta
Tony Cook	Driver	Langley, British Columbia
Rachel Blaney	Administration	Langley, British Columbia