



Chemistry Industry Association of Canada Association canadienne de l'industrie de la chimie

RESPONSIBLE CARE®

RE-VERIFICATION REPORT

PDI-POLYMER DISTRIBUTION INC.

June 13 & 14, 2013

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 commitments to the Responsible Care Model for Transportation Partners as a partner 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 partner 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 partners are expected to share the results of this guidance document with interested parties, the association, its partner 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.

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EXECUTIVE SUMMARY

This report documents the observations and conclusions of the independent verification team tasked with conducting a Responsible Care Re-verification of PDI-Polymer Distribution Inc. The re-verification was primarily undertaken on June 13 and 14, 2013 and included a team visit to the company's facilities in Guelph, Ontario. Selected members of the team also made short visits to facilities at Concord, Ontario and Calgary Alberta on June 21, 2013 and July 23, 2013 respectively. Short telephone discussions were conducted with some neighbours local to the Victoria Road and Elizabeth Street facilities in Guelph. This was the first Responsible Care Re-verification completed for PDI-Polymer Distribution Inc. The initial Practice-In-Place Verification was completed on November 16-18, 2009.

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:

- Risk assessment and communication
- Impacts to and from other parties on shared facilities
- Responsible Care integration into new business
- Gap Analysis of company programs Vs. Responsible Care Model

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:
Dave Mack
Verification Team Leader

Date: January 10, 2014

For more information on this or the previous Responsible Care Verification Report, please contact your local company site or the company's overall Responsible Care coordinator:

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Summary of Verification Team Observations

Findings Requiring Action

The following relate to instances where the current status is at variance with the requirements of the CIAC Responsible Care Model for Transportation Partners

- i. Establish a documented buffer zone policy that addresses means to maintain buffer zones around company property, including processes to collect information and intervene as appropriate where proposed commercial or residential developments may encroach.
- ii. Establish site specific emergency preparedness and response plans for all facilities. This should include integration with plans of other operations on shared facilities, potential impact from incident situations at neighbouring facilities, and integration with local municipal emergency plans.
- iii. Regarding community outreach and awareness:
 - o Implement a process to ensure that near residential and commercial neighbours at the Guelph Victoria Road facility are alerted in a timely manner, in the case of an emergency that could or does have an off-site impact;
 - o At the Calgary facility, engage in a two way dialogue with surrounding industrial neighbours regarding company operations, including sharing of risks and potential emergency scenarios that might have an impact either way; and
 - o Prepare a document that describes the company's processes for all aspects of community outreach and awareness at all facilities.

Works in Progress

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

Completion of the following works in progress are actions required to close gaps with respect to the requirements of CIAC Responsible Care Model for Transportation Partners:

- i. Regarding hazard and risk assessment:
 - o Implementation of the newly developed job hazard analysis process at all locations, as planned to be done within the next 12 months; and
 - o Carrying out hazard and risk assessments, including the identification of worst case incident scenarios and potential for offsite impact, and a review of current security risks, at all company locations that have yet to be done, as scheduled for completion with the next year.
- ii. The assessment as to an appropriate level of potential employee occupational health surveillance, commensurate with workplace exposures (e.g., noise, chemicals, etc.), due to be done within the next 12 months.
- iii. Address ongoing issues (e.g., noise, tank paintwork condition) with the Elizabeth Street neighbour who expressed concern during an interview with a verification team representative.
- iv. The gap analysis currently being prepared to cross reference the requirements of the CIAC Transportation Partners Responsible Care Model with related company programs, as planned for the end of 2013, including the addition of references to specific processes and procedures against each category of the model.

Completion of the following works in progress would enhance the effectiveness of current programs:

- i. Clearly identifying and isolating redundant equipment and piping at the Guelph liquids facility, to prevent inadvertent use and potential for environment, health or safety incidents.
- ii. Establishing specific waste reduction objectives for 2014.
- iii. The planned integrated emergency exercise with the municipal services and emergency response contractor at the Guelph liquids facility.

iv. Implementation of the newly enhanced audit program, as planned for the end of July 2013.

Improvement Opportunities

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

- i. Regarding occupational health:
 - Establish a documented process for the review of new material safety data sheets, including asking customers if they are aware of any emerging scientific exposure data not yet formally published; and
 - Review the Industrial Hygiene section of the company's Safety Manual with respect to what is actually being done versus what is defined therein.
- ii. In the current management of change procedure, add a section relating to changes of key personnel with respect to essential knowledge transfer.
- iii. Regarding other parties:
 - Add contractors to the environment, health and safety evaluation process for new service providers;
 - Implement a process to identify customer requests for transportation of chemicals that are explosives or drug precursors, as part of the new product approval process; and
 - Consider periodically repeating the environment, health and safety self assessments for suppliers, service providers and customers to confirm ongoing commitments.
- iv. Consider installing a duplicate information technology server at the Guelph head office to enhance business continuity assurance, in the event of the loss of the main server.
- v. Regarding emergency response:
 - In all emergency preparedness and response plans, include a defined process for debriefing actual emergencies or exercises to assess the effectiveness of the response, and add a reference to the company's policy for dislocated persons; and
 - Concurrent with facility head count drills, include incident scenario simulations as practical hands on exercises for company responders.
- vi. In the community awareness brochure, consider adding more details that specifically relate directly to the surrounding community in which the brochures are circulated. Also ensure that any technical terminology that is not common knowledge is explained, and avoid the use of acronyms.
- vii. Add a listing of all related processes and procedures to the plan-do-check-act sections of the Responsible Care Management System document (QOP014).
- viii. Regarding the promotion of Responsible Care:
 - Raise the profile of Responsible Care, by name, within the management system documentation. It is somewhat hidden at the "Procedure" level within the quality system; and
 - Establish a process to ensure that all employees retain an appropriate ongoing awareness of Responsible Care. A number of those who were interviewed in the workplace were not aware of company commitments in this regard.
- vii. Consolidate all key Responsible Care related performance indicators and results into a format (e.g., scorecard) to facilitate effective tracking and communication throughout the organization.

Successful Practices

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

- i. Regarding safety of operations:
 - The electronic on board system referred to as "Navago", which has the capacity to select and report on the least risk trucking routes for the delivery of customer products; and
 - The "Platinum" status awarded to the company by its insurer, which represents a high level of safety in trucking operations.

- ii. At the Concord facility, the customizing of company policies, procedures and work practices to the site, including adding photos to illustrate key machinery and operations, in order to improve clarity for site personnel.
- iii. The replacement of high noise rail to truck polyethylene pellet transfer pumps with a new significantly reduced noise alternative.
- iv. Support provided to the Guelph community by providing weekly bread deliveries to the local food bank.
- v. The level of commitment to Responsible Care within the organization, and the efforts being made to clearly define processes and procedures in support of the requirements as described in the CIAC Transportation Partners Responsible Care Model.

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 PDI-Polymer Distribution Inc. operations in Canada attests annually to CIAC and its peers that the company's operations conform to the expectations contained in the Responsible Care Model for Transportation Partners and are guided by the *Responsible Care Ethic and Principles for sustainability*.

The Responsible Care® Ethic and Principles for Sustainability

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

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

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

As an element of this commitment to Responsible Care, PDI-Polymer Distribution Inc. 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). PDI-Polymer Distribution Inc. is also expected to share the report with interested persons in its communities and other stakeholders as part of its ongoing dialogue processes.

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

1.2 About PDI-Polymer Distribution Inc.

PDI-Polymer Distribution Inc. was founded in 1987 and is a privately held company based in Guelph, Ontario. It is a full service dry and liquid bulk trucking company, with a North American delivery scope. Currently with 175 bulk tankers, 100 power units and 160 employees, the company operates terminal facilities across Canada, which include rail to truck trans-loading, packaging, warehousing, wash bay services, and container operations. Two of the facilities have full maintenance shops and two have partial maintenance shops to service the transportation fleet. There are 13 locations across Canada. Two of these locations have the rail yards at a separate location.

The majority of the facilities deal solely with plastic pellets and resins. The key location for liquid chemicals handling, storage and delivery is the Guelph – Victoria Road facility, where some hazardous liquids are handled. Liquids are also handled at the company's Montreal East facility. The company is a trans-loader and shipper of their customer products and at no time do they acquire ownership of the products that are handled. Carrier choices and delivery locations are provided by the customers and the company does not hire outside carriers. Additional information can be found on the company's website at <http://pdibulk.com/>.

1.3 About This Verification

The re-verification of PDI-Polymer Distribution Inc. was primarily undertaken on June 13 and 14, 2013 and included a team visit to the company's facilities in Guelph, Ontario. Selected members of the team also made short visits to facilities at Concord, Ontario and Calgary Alberta on June 21, 2013 and July 23, 2013 respectively. During the course of the re-verification, the team had the opportunity to interact with a wide range of company personnel, as well as some neighbours local to the Victoria Road and Elizabeth Street facilities in Guelph. Attachment 2 contains a list of those individuals interviewed and their affiliations. This is the first re-verification exercise completed for PDI-Polymer Distribution Inc. The initial Practice-In-Place Verification was completed on November 16-18, 2009.

The verification team was comprised of the following individuals.

Name	Affiliation	Representing
Dave Mack	Consultant	<i>Team Leader & Industry verifier</i>
David Powell	University of Toronto	<i>Public-At-Large Verifier</i>
Daniela Fera	Resident of Guelph	<i>Community Representative</i>

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

During the re-verification of PDI-Polymer Distribution Inc., 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:

- Risk assessment and communication
- Impacts to and from other parties on shared facilities
- Responsible Care integration into new business
- Gap Analysis of company programs Vs. Responsible Care 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 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

The Health and Safety Theme defines health and safety expectations regarding all company operational aspects including warehousing, transloading, packaging, en route transportation, etc.

2.1.1 Occupational Safety

There is a high level of commitment to minimizing risk to the health and safety of the company's employees, customers, and contractors and to exceeding the requirements of Responsible Care. This is defined in a documented health and safety policy supported by a number of specific procedures including a newly developed job hazard analysis process.

All employees are made aware of workplace hazards. Those who are to handle liquid chemicals are provided with detailed information in their specific hazards as well as training in transportation of dangerous goods. Contractors who come on site are required to read and sign off on contractor safety documentation.

There is no overall employee occupational health surveillance program in place, but all drivers are required to have a pre-employment medical examination which is repeated every five years. All terminals have either a health and safety committee or representative. Committees meet regularly and minutes are posted on health and safety notice boards.

Works in Progress

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

- i. Implementation of the newly developed job hazard analysis process at all locations, as planned to be done within the next 12 months.
- ii. The assessment as to an appropriate level of potential employee occupational health surveillance, commensurate with workplace exposures (e.g., noise, chemicals, etc.), due to be done within the next 12 months.

Improvement Opportunities

- i. Establish a documented process for the review of new material safety data sheets, including asking customers if they are aware of any emerging scientific exposure data not yet formally published.
- ii. Review the Industrial Hygiene section of the company's Safety Manual with respect to what is actually being done versus what is defined therein.

2.1.2 Operations Safety

There is a documented hazard and risk assessment process in place which is intended to review conditions within the terminals to identify hazards that may have an adverse effect on people, property and the environment. Worst case incident scenarios can also be identified through this process. Hazard and risk assessments have been done for some but not all facilities. There is also a documented process in place to assess the hazards of new customer products being accepted for handling and transportation.

Transportation en-route risks are managed through an electronic system referred to as "Navago" which has the capacity to select and report on the safest routes for customer product delivery. There are terminal facility operating procedures in place, as well as a drivers' manual for transportation operations.

All trucks are fitted with an electronic system referred to as "Peoplenet" which records and reports on safe vehicle operation (e.g., speeds, heavy braking, RPM, idle time). Outputs from this system input to the company's annual safe driver awards program.

There is a documented preventive maintenance program in place for all vehicles and equipment using an online management system referred to as "Shop Link".

The company had been awarded what is referred to as “Platinum” status by their insurer. This represents a high level of road safety, with only 1% of trucking companies in Canada having received this.

Finding Requiring Action

- i. Establish a documented buffer zone policy that addresses means to maintain buffer zones around company property, including processes to collect information and intervene as appropriate where proposed commercial or residential developments may encroach.

Work in Progress

Completion of the following work in progress is action required to close gaps with respect to related transportation partner model requirements:

- i. Carrying out hazard and risk assessments, including the identification of worst case incident scenarios and potential for offsite impact, at all company locations that have yet to be done, as scheduled for completion with the next year.

Completion of the following work in progress would enhance the effectiveness of current programs:

- i. Clearly identifying and isolating redundant equipment and piping at the Guelph liquids facility, to prevent inadvertent use and potential for environment, health or safety incidents.

Successful Practices

- i. The electronic on board system referred to as “Navago”, which has the capacity to select and report on the least risk trucking routes for the delivery of customer products.
- ii. The “Platinum” status awarded to the company by its insurer, which represents a high level of safety in trucking operations.
- iii. At the Concord facility, the customizing of company policies, procedures and work practices to the site, including adding photos to illustrate key machinery and operations, in order to improve clarity for site personnel.

Improvement Opportunity

- i. In the current management of change procedure, add a section relating to changes of key personnel with respect to essential knowledge transfer.

2.1.3 Supply Partner Assessments

There is a documented purchasing procedure in place which includes processes, including self assessments, for environment, health and safety evaluations on all new suppliers, service providers and customers. There is also a process for annual performance review.

For new customers a defined decision making flow chart is used which includes for specific product risk assessment.

An approved vendor list is also maintained.

Improvement Opportunities

- i. Add contractors to the environment, health and safety evaluation process for new service providers.
- ii. Consider periodically repeating the environment, health and safety self assessments for suppliers, service providers and customers to confirm ongoing commitments.

2.2 Team Observations Concerning Environment

The Environment Theme addresses the protection of the environment through the responsible management all company operations including warehousing, transloading, packaging, en route transportation, etc.

There is an Environmental Protection Policy in place which addresses key environmental aspects of company operations. This policy is supported by the company's terminal yard procedures.

There are very little emissions and wastes from the transloading operations. Wastes are primarily from tank washing operations. The most significant emission is noise from the polyethylene rail to truck transloading pumps. In recent years the pump manufacturer has redesigned the equipment which has resulted in significant noise reduction. The company has already purchased some of these new pumps and plans to replace all remaining higher noise units with the new design.

Material Safety Data Sheets are examined for all chemicals handled to understand any issues that could result from fugitive emissions or spills. Appropriate precautions are taken primarily through the use of engineered closed loop transloading systems.

Two terminals have legacy contaminated site issues. The organizations from whom these sites were purchased have accountably to deal with these issues. There are no such legacy issues on the other sites still owned or sold by the company.

The previously mentioned onboard system referred to "Peoplenet" offers complete reports on vehicle fuel consumption. Reports from this system go to the individual drivers so they can monitor fuel economy. The maintenance shop also has access to these reports for consultation during service checks.

Work in Progress

Completion of the following work in progress would enhance the effectiveness of current programs:

- i. Establishing specific waste reduction objectives for 2014.

Successful Practice

- i. The replacement of high noise rail to truck polyethylene pellet transfer pumps with a new significantly reduced noise alternative.

2.3 Team Observations Concerning Security

The Security Theme addresses the protection of people, property and information as they relate to all company operational aspects including warehousing, transloading, packaging, en route transportation, etc.

Initial risk assessments have been completed for all terminals. This was done on the basis of worst case scenarios and identifying compensating controls. These risk assessments were presented at the last verification. The company has instituted several security features including fencing, night lighting, alarms and patrols at all terminals, with security cameras at the liquids handling facilities.

Security during transportation operations is addressed through the USA government/business partnership referred to as Custom-Trade Partnership Against Terrorism and the Canadian equivalent referred to as Partners in Protection. All tankers are sealed and instruction on security is provided in the company's drivers' manual.

The company regularly reviews security risk information as published by CIAC and by various government bodies.

Work in Progress

Completion of the following work in progress is action required to close gaps with respect to related transportation partner model requirements:

- i. The review of current security risks as part of the overall operations hazard and risk assessment process, for all facilities that have yet to be done. Scheduled for completion with the next year

Improvement Opportunity

- i. Consider installing a duplicate information technology server at the Guelph head office to enhance business continuity assurance, in the event of the loss of the main server.
- ii. Implement a process to identify customer requests for transportation of chemicals that are explosives or drug precursors, as part of the new product approval process.

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, transloading, packaging, en route transportation, etc. This includes overall social responsibility and effective communication and two way dialogue with all stakeholders who may be affected by or have an interest in company operations.

2.3.1 Emergency Response

There is a documented emergency response plan in place for the Guelph liquids facility. It addresses procedures to be used in the event of fire, medical or environmental emergencies, with a view to minimizing impacts and co-ordinating response with outside agencies. The company management team has attended media training courses for emergency response, and the Guelph liquids facility team has taken first response training to be able to secure the situation until outside agency support is on scene. The local fire department holds all of their training at the Guelph liquids facility.

Instructions on emergency response actions to take are included in the company's drivers' manual, and the services of a suitably qualified outside emergency response contactor have been retained to respond to any transportation operation emergencies.

Finding Requiring Action

- i. Establish site specific emergency preparedness and response plans for all facilities. This should include integration with plans of other operations on shared facilities, potential impact from incident situations at neighbouring facilities, and integration with local municipal emergency plans.

Work in Progress

Completion of the following work in progress would enhance the effectiveness of current programs:

- i. The planned integrated emergency exercise with the municipal services and emergency response contractor at the Guelph liquids facility.

Improvement Opportunities

- i. In all emergency preparedness and response plans, include a defined process for debriefing actual emergencies or exercises to assess the effectiveness of the response, and add a reference to the company's policy for dislocated persons.
- ii. Concurrent with facility head count drills, include incident scenario simulations as practical hands on exercises for company responders.

2.3.2. TransCAER Outreach

The Guelph liquids facility maintains regular contact with the local community at large through management meetings with municipal officials and participation in the chamber of commerce.

There have been neighbourhood visits with concerned citizens regarding the company's trucking traffic, noise issues and dust problems, which were reported as having been suitably addressed for the most part. A neighbour who lives adjacent to the Elizabeth Street facility in Guelph, however, expressed ongoing concern, to a verification team representative, regarding noise during truck loading operations and displeasure with the condition of the paint finish on storage tanks placed next to their yard. There have been no concerns or complaints regarding anything to do with chemicals or chemical transportation.

Company phone numbers are available in the phone book and online. There is a company website with email contact, and a community awareness brochure is available that also includes contact information.

The company's Responsible Care Co-ordinator regularly attends regional TransCAER meetings and is currently on the steering committee.

Findings Requiring Action

- i. Implement a process to ensure that near residential and commercial neighbours at the Guelph Victoria Road facility are alerted in a timely manner, in the case of an emergency that could or does have an off-site impact.
- ii. At the Calgary facility, engage in a two way dialogue with surrounding industrial neighbours regarding company operations, including sharing of risks and potential emergency scenarios that might have an impact either way.
- iii. Prepare a document that describes the company's processes for all aspects of community outreach and awareness at all facilities.

Work in Progress

Completion of the following work in progress is action required to close gaps with respect to related transportation partner model requirements:

- i. Address ongoing issues (e.g., noise, tank paintwork condition) with the Elizabeth Street neighbour who expressed concern during an interview with a verification team representative.

Improvement Opportunity

- i. In the community awareness brochure, consider adding more details that specifically relate directly to the surrounding community in which the brochures are circulated. Also ensure that any technical terminology that is not common knowledge is explained, and avoid the use of acronyms.

2.3.3 Social Responsibility

The company supports community activities as appropriate. For example the company participates in the local Guelph Two Rivers Conservation Community Group, an organization which helps the community by providing food, cleaning up local rivers, etc. The company helps this group with community lunches, community parties, Christmas events and picnics. They also had an employee doing weekly bread runs to the local food bank.

When an employee loses a loved one the company makes a donation to a relevant charity (e.g., Heath and Stroke Foundation or Canadian Cancer Society) or a charity of the employee's choice.

Successful Practice

- i. Support provided to the Guelph community by providing weekly bread deliveries to the local food bank.

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

3.1 Observations on the PLAN Step

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

In reviewing the plan step, the following was noted:

Documented Responsible Care related policies are in place with specific goals and objectives being established by senior management, and communicated throughout the organization for understanding, acceptance and implementation. Data used to set those goals and objectives comes from management, employees, audit results, Responsible Care, laws and regulations, new business initiatives, and external resources with respect to best practices.

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:

Responsible Care requirements are integrated with the company's registered quality program, supported by an appropriate level of management and support staff.

There is a documented description of the company's overall Responsible Care management system in place, which addresses its plan-do-check-act continual performance improvement process.

There are documented Responsible Care related policies in place which are supported by defined processes and procedures. A gap analysis is currently being prepared to cross reference the requirements of the CIAC Transportation Partners Responsible Care Model with related company programs.

There is an employee training matrix in place which includes a Responsible Care presentation as part of new employee orientation. Some training courses include tests for comprehension with the results being documented and retained on file.

Works in Progress

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

- i. The gap analysis currently being prepared to cross reference the requirements of the CIAC Transportation Partners Responsible Care Model with related company programs, as planned for the end of 2013.
- ii. In the gap analysis currently being prepared to cross reference the requirements of the CIAC Transportation Partners Responsible Care Model with related company programs, the addition of references to specific processes and procedures against each category of the model.

Successful Practice

- i. The level of commitment to Responsible Care within the organization, and the efforts being made to clearly define processes and procedures in support of the requirements as described in the CIAC Transportation Partners Responsible Care Model.

Improvement Opportunities

- i. Add a listing of all related processes and procedures to the plan-do-check-act sections of the Responsible Care Management System document (QOP014).
- ii. Raise the profile of Responsible Care, by name, within the management system documentation. It is somewhat hidden at the "Procedure" level within the quality system.
- iii. Establish a process to ensure that all employees retain an appropriate ongoing awareness of Responsible Care. A number of those who were interviewed in the workplace were not aware of company commitments in this regard.

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:

A slate of specific indicators, including those defined in the CIAC Transportation Partners Responsible Care Model, is used to measure performance, with trending and analysis being done as appropriate.

An enhancement to the company's current audit program has recently been developed using documented protocols with defined reference criteria, intended to cover yard audits, loader audits, driver audits, packaging audits, drumming audits and terminal audits. Workplace and pre-trip inspections on vehicles are also done. External audits are carried out by the company's insurer.

There is an incident reporting and investigation process in place which is activated whenever an incident occurs that adversely affects people, property or the environment or is at variance company policy or procedure. The process includes for a root cause analysis to be done and corrective actions to be identified. A database of incidents is maintained and reports remain open in the data base until all corrective actions have been completed.

Works in Progress

Completion of the following works in progress would enhance the effectiveness of current programs:

- i. Implementation of the newly enhanced audit program, as planned for the end of July 2013.

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:

Performance is monitored at regular management and employee meetings through review of results versus defined goals, objectives and indicators. This includes audit findings and incident trends etc. Any data which suggests changes are needed to objectives, policies, or procedures etc. are dealt with accordingly.

Improvement Opportunity

- i. Consolidate all key Responsible Care related performance indicators and results into a format (e.g., scorecard) to facilitate effective tracking and communication throughout the organization.

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 PDI-Polymer Distribution Inc. decision making processes and actions and compared and contrasted the attributes of those with the attributes of a company guided by the Responsible Care Ethic and Principles For Sustainability. The verification team’s related observations on the company’s application of the *Responsible Care Ethic and Principles for Sustainability* are as follows:

The company 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.*
The company is aware of the economical benefit it brings to the local communities where it operates, and through its commitment to Responsible Care strives to do business in a safe and environmentally responsible manner. A recent example was the purchase and set up of a new dedicated rail to truck transloading facility in Guelph, to replace another shared location which was not up to the company’s standards for health, safety and security.
- *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.*
Employees live in the communities where the company operates and hence have a keen interest in the public safety aspects of the organization. There is an open door policy and questions, concerns and opinions are welcomed from the communities. Other than the liquids facilities, the terminals have very limited potential impact on their surroundings. Transportation operations which include the carriage of some hazardous materials generally have a higher risk potential. The company places a high emphasis on employing safe and courteous drivers. The previously mentioned Platinum standing with the company’s insurance company is an indicator of the level of safety demonstrated in transportation operations.
- *Take preventive action to protect health and the environment.*
The company’s commitment to Responsible Care supported by its related comprehensive policies, processes and procedures together with internal audits and a rigorous incident reporting and investigation program demonstrates the preventive mindset throughout the organization. Implementation of up to date technology also contributes. For example the procurement of new quieter and more efficient rail to truck polyethylene transfer pumps. Truck maintenance standards to optimize fuel efficiency, and in general terms the business model facilitates more energy efficient delivery of goods.
- *Innovate for safer products and processes that conserve resources and provide enhanced value.*
The previously mentioned electronic processes that are installed in all trucks to monitor for safe and environmentally responsible driving and advise on appropriate routing for hazardous materials delivery, are examples of state of the art processes for optimum transportation operations.
- *Engage with our business partners to ensure the stewardship and security of our products, services and raw materials throughout their life cycles.*

The company does not own any product. It is strictly a third party logistics company. They do not hire any outside carriers, but their customers do. All customers go through a screening which includes a product risk assessment prior to engagement.

- *Understand and meet expectations for social responsibility.*
Aspects of social responsibility are understood and demonstrated by the company's support to local community organizations and charities.
- *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.*
As a partner in Responsible Care, company representatives participate in the CIAC Leadership Group, Transportation Community Awareness and Emergency Response and Safety committees local to their head office location.
- *Promote awareness of Responsible Care, and inspire others to commit to the principles.*
There is a Responsible Care orientation presentation in place for new hires. The logo is evident on company letterhead and business cards as well as on all company trucks. Community Awareness and Transportation Community Awareness and Emergency Response brochures are available, and Responsible Care is addressed in a company liquids operations information presentation put together for general use.

Some weakness was observed in the following with respect to *Responsible Care Ethic and Principles for Sustainability*:

- *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.*
There is some work to be done in ensuring that the neighbours adjacent to the Guelph liquids facility are kept aware of the site risk scenario and know what to do in emergency that may impact them.
- *Promote awareness of Responsible Care, and inspire others to commit to the principles.*
There is limited awareness among employees regarding Responsible Care by name.

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 PDI-Polymer Distribution Inc., I have reviewed this verification report. The observations and conclusions contained in the report have been discussed with the verification team.

We will communicate the results of the verification exercise with our 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 action is 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.

Richard I Standish
President
January 10, 2014

Attachment 2

Interview List

Company Personnel

Name	Position	Location
Harold Bezemer	Driver Trainer	Guelph
Angela Ryder	Customer Service Representative	Guelph
Cathie Collins	Quality Co-ordinator & Purchasing	Guelph
Larry Forbes	Liquid Site Supervisor	Guelph
Mike Allen	Quality and Compliance Manager	Guelph
Mike Kelly	Liquid Wash Bay	Guelph
Paul Cabral	Business Systems Analyst	Guelph
Richard I Standish	President	Guelph
Rick J Standish	General Manager Liquid	Guelph
Rose Dunn-Kehl	Human Resources and Health & Safety	Guelph
Tim Boose	Environmental Consultant	Guelph
Cary Southwell	Ontario Operations Manager	Concord
Daryl Brightwell	Senior Driver	Calgary