

Audit Report

American Chemistry Council – Chemistry Industry Association of Canada
Responsible Care® Certification/Verification Report on
“Other Responsible Care® Commitments”

Submitted by Bruce Godshall to CIAC as part of the RC14001 RCMS - CIAC
COMMITMENTS Verification Audit audit of GATX Corporation

Client Representative: Jeff Nee

1718180-02

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CAN, H1E 1M7

Start Date: May 13, 2022 End Date: May 13, 2022

Issue Date: May 31, 2022

Revision Level: Final

BACKGROUND INFORMATION

SAI Global conducted an audit of GATX Corporation beginning on May 13, 2022 to RC14001 RCMS - CIAC COMMITMENTS. This audit report addresses the CIAC Other Responsible Care® Commitments portion of the audit. Full audit results are contained in the RC14001 RCMS - CIAC COMMITMENTS report held by GATX Corporation and SAI Global.

The purpose of this audit report is to summarise the degree of compliance with relevant criteria, as defined on the cover page of this report, based on the evidence obtained during the audit of your organization. This audit report considers your organization's policies, objectives, and continual improvement processes. Comments may include how suitable the objectives selected by your organization appear to be in regard to maintaining customer satisfaction levels and providing other benefits with respect to policy and other external and internal needs. We may also comment regarding the measurable progress you have made in reaching these targets for improvement.

SAI Global audits are carried out within the requirements of SAI Global procedures that also reflect the requirements and guidance provided in the international standards relating to audit practice such as ISO/IEC 17021-1, ISO 19011 and other normative criteria. SAI Global Auditors are assigned to audits according to industry, standard or technical competencies appropriate to the organization being audited. Details of such experience and competency are maintained in our records.

This report has been prepared by SAI Global Limited (SAI Global) in respect of a Client's application for assessment by SAI Global. The purpose of the report is to comment upon evidence of the Client's compliance with the standards or other criteria specified. The content of this report applies only to matters, which were evident to SAI Global at the time of the audit, based on sampling of evidence provided and within the audit scope. SAI Global does not warrant or otherwise comment upon the suitability of the contents of the report or the certificate for any particular purpose or use. SAI Global accepts no liability whatsoever for consequences to, or actions taken by, third parties as a result of or in reliance upon information contained in this report or certificate.

Please note that this report is subject to independent review and approval. Should changes to the outcomes of this report be necessary as a result of the review, a revised report will be issued and will supersede this report.

Definitions and action required with respect to audit findings

Opportunity for Improvement:

A documented statement, which may identify areas for improvement however shall not make specific recommendation(s).

Action required: Client may develop and implement solutions in order to add value to operations and management systems. SAI Global is not required to follow-up on this category of audit finding.

Non-conformance:

Major Non-conformance:

Based on objective evidence, the absence of, or a significant failure to implement and/or maintain conformance to requirements of the applicable standard. Such issues may raise significant doubt as to the capability of the management system to achieve its intended outputs (i.e. the absence of or failure to implement a complete Management System clause of the standard); or

A situation which would on the basis of available objective evidence, raise significant doubt as to the capability of the Management System to achieve the stated policy and objectives of the customer.

NOTE: The "applicable Standard" is the Standard which SAI Global are issuing certification against, and may be a Product Standard, a management system Standard, a food safety Standard or another set of documented criteria.

Action required: This category of findings requires SAI Global to issue a formal NCR; to receive and approve client's proposed correction and corrective action plans; and formally verify the effective implementation of planned activities. Correction and corrective action plan should be submitted to SAI Global prior to commencement of follow-up activities as required. Follow-up action by SAI Global must 'close out' the NCR or reduce it to a lesser category within 90 days for initial certification and 60 days for surveillance or recertification audits.

If significant risk issues (e.g. safety, environmental, food safety, product legality/quality, etc.) are detected during an audit these shall be reported immediately to the Client and more immediate or instant correction shall be requested. If this is not agreed and cannot be resolved to the satisfaction of SAI Global, immediate suspension shall be recommended.

In the case of initial certification, failure to close out NCR within the time limits means that the Certification Audit Stage 2 may be repeated.

In the case of an already certified client, failure to close out NCR within the time limits means that suspension proceedings may be instituted by SAI Global.

Minor Non-conformance:

Represents either a management system weakness or minor issue that could lead to a major nonconformance if not addressed. Each minor NC should be considered for potential improvement and to further investigate any system weaknesses for possible inclusion in the corrective action program

Action required: This category of findings requires SAI Global to issue a formal NCR; to receive and approve client's root cause analysis, proposed correction and corrective action taken or planned to be taken; and formally verify the effective implementation of planned activities at the next scheduled audit. Follow-up activities incur additional charges.

Scope of audit

Scope: Providing lease financing and related services to customers operating rail assets. All sites are dependent on Chicago, IL HQ File No 1058468 for management and legal services and activities design and planning.

Site Specific Scope, if applicable: Repair, refurbish, clean and maintain rail tank cars.

Team observations concerning the company’s CIAC Responsible Care commitments

Element #1 - TransCAER®;

Evidence of participation in TransCAER® activities by the company where it has operations

Auditor Notes:

CIAC Commitment # 1 – TRANSCAER

Evidence of participation may include, but is not limited to:

- Attendance or presentation at a scheduled TransCAER event
- Participation in national or regional TransCAER meeting, call, webinar
- Review and comment of TransCAER document(s), email(s), etc.,
- Distribution of TransCAER documentation to key stakeholders
- Other actions identified by the company

GATX is actively involved in RC activities, particularly with Regional Leadership committees with meet 3x/year. Meeting agenda includes topics such as roundtable topic discussion, incident review, general education topic, etc. Meetings held Ontario East, Ontario West and West. Vice President, Operations, GATX Corporation, Rail North America, attends a meeting of each area per year. EHS leaders/managers in other GATX sites also attend regional meetings. EHS from Red Deer and Moose Jaw attended meetings on (Prairie Region TRANSCAER® Committee Meeting) December 15, 2021, May 21, 2021 and March 20, 2022. Leadership also participated in the SHARE Network meetings (generally held 5 times/year), last 4/21/2022. CIAC does not have any issues with GATX as noted in their communication with CIAC.

Two or more X require your attention --- Deux X ou plus nécessite votre attention

		1	2	3	4	5	6	7	8	9			
Leadership Group Groupe de leadership	Members Membres	LG Meeting Réunion leadership	TRANSCAER		NERM PDR1	Supplement Supplément	SHARE		PSM - GSP		Verification Vérification	Annual Commitment Engagement Annuel	Committee Contacts Personnes resource
			Meeting Réunion	Regional Events Événements régionaux			Meeting Réunion	Data Donnée	Meeting Réunion	Data Donnée			
QC	GATX Rail										RCMS		

Element #2 - Community

Evidence of the development and communication of a worst-case scenario and other community engagement requirements

Auditor Notes:

CIAC Commitment # 2 – Community

RESPONSIBLE CARE HAZARD ASSESSMENT - MONTREAL SERVICE CENTER, GATX RAIL,

Prepared by: Air Quality Consulting, Arvada, Colorado

November 2005 - Updated: 2022. Two different release scenarios were studied:

- A “worst case” release which represents a total and rapid loss of the entire contents of a full tank car. Although potentially catastrophic in nature, the likelihood that this scenario could occur is

extremely improbable since company procedures specify that fully loaded cars are not to be directed to the facility. In the event that such a car arrived as a result of a delivery error, it would be immediately removed from the facility and placed back in the domain of the delivering railroad.

- An “alternative release”, which represents a total release of a relatively small amount of residual commodity. This represents the most credible release scenario, as propane tank cars typically contain less than three atmospheres of residual pressure. On this basis, a release of 1000 pounds of propane was used to represent the most credible “alternative release” scenarios.

Summary of Results

The methodology and procedure for determining the flammable end point of propane, and the resulting impact on the community, is described in the following sections.

For the most credible release scenario (alternative release), the results show that a release of a flammable commodity in an amount that is typically received at the facility will have minimal, if any, impact to the surrounding community. There is one business directly southwest of the facility that is approximately 500 meters from the cleaning rack, and which falls outside of the end point. There are no residences, schools, hospitals, parks or recreational areas that fall within the endpoint.

As stated previously, the likelihood that a “worst case release” would occur at the Montreal Service Center is highly improbable since a number of errors would have to occur for a fully loaded car to arrive at the facility and then catastrophically fail. In the unlikely event that a worst-case release occurred, impacts to the community could be significant as a relatively large population falls within the flammable endpoint.

Element #3 - Participation

Evidence of participation by company leadership in CIAC Responsible Care activities, committees and submission of an annual Responsible Care recommitment letter

Auditor Notes:

CIAC Commitment # 3 – Participation

Evidence of participation by leadership in CIAC Responsible Care activities, committees and annual RC recommitment letter

- Active participation is expected, appropriate to each company’s circumstances, in CIAC committee work, meetings and outreach activities of the association in support of advancing, managing and continually improving Responsible Care across the industry. CIAC does not prescribe how such participation is to take place.
- CIAC Committees include:
 - SHARE Network*, Process Safety Network, Product Stewardship Network
 - Technical Management, Public Affairs and Business and Economics Committees
 - TransCAER®, TEAP III and Transport Committees
 - Responsible Care Leadership Groups

Two or more X require your attention --- Deux X ou plus nécessite votre attention

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			Meeting Réunion	Regional Events Événements régionaux			Meeting Réunion	Data Donnée	Meeting Réunion	Data Donnée			
QC	GATX Rail										RCMS		

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leaders/managers in other GATX sites also attend regional meetings. EHS from Red Deer and Moose Jaw attended meetings on (Prairie Region TRANSCAER® Committee Meeting) May 21, 2021, December 15, 2021, and March 20, 2022. Leadership also participated in the SHARE Network meetings (generally held 5 times/year), last 4/21/2022. CIAC does not have any issues with GATX as noted in their communication with CIAC.

Reviewed letter dates 2/1/2022 signed by Brian Kenny 2/1/22 CEO. Posted in facility. Reviewed management review meeting minutes, CIAC requirements are reviewed as part of the meeting, last conducted in the 12/17/21.

Element #4 - Performance

Evidence the company has provided CIAC with benchmarking data and other required data submissions including subcontractor evaluation requirements

Auditor Notes:

CIAC Commitment # 4 – Performance

Evidence the company has provided CIAC with benchmarking data and other reporting and subcontractor evaluation requirements, these include:

- Annual NERM Data survey (emissions, releases, etc..) – N/A, members only
- Annual CIAC Supplemental survey (injuries, fatalities, energy use, water use, process safety incidents, transport incidents) – N/A, members only
- Annual TEAP III survey – N/A, members only
- Road Carrier Assessment tool (once/year) – N/A, members only
- Rail Carrier Assessment tool (once/year) – N/A, members only
- Marine Carrier Assessment tool (once/year) – N/A, members only
- Other data collection efforts as directed by CIAC, ACC, ICCA (irregular)
- SHARE data – collected for all Canadian sites – Montreal, Moose Jaw, Red Deer. VP Operations collects and submits data by the designated due date. Confirmed submission of SHARE data as noted by CIAC

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QC	GATX Rail										RCMS		

Element #5 - Commitments

Evidence the company has reviewed its activities against CIAC’s Responsible Care Principles and Ethics and its position on sustainability and corporate responsibility

Auditor Notes:

CIAC Commitment # 5 – Commitments

Evidence the company has conducted a Review of Responsible Care Principles and Ethics and its position on sustainability and corporate responsibility.

- The review is confirmed by the company’s CIAC leadership representative in a required, annual recommitment letter.
- Refer to the revised 2018 version of the CIAC Responsible Care Ethics and Principles
- Reviewed letter dates 2/1/2022 signed by Brian Kenny 2/1/22 CEO. Posted in facility. Reviewed management review meeting minutes, CIAC requirements are reviewed as part of the meeting, last conducted in the 12/17/21.

Element #6 - Dialogue

Evidence of stakeholder/community dialogue, including interviews by auditors with local community representatives

Auditor Notes:

CIAC Commitment # 6 Dialogue (as applicable)

EHS Manager on numerous occasions tried to make contact with neighbouring companies to inform them of GATX and its activities as well as trying to get a dialogue started pertaining to emergency response and any other pertinent topics. Although a number of contacts were made and informational fliers handed out, the site did not have very much success in terms of further discussions with neighbors.

We were able to have a meeting with Canadian National on Wed 5 /11/22. Discussion involved GATX as a neighbor – no concerns or complaints, collective emergency response – depending on the situation Canadian National and GATX would be able to working together and handle the response. Location would also dictate the course of action and who the responsible party would be. Canadian National and GATX are in open communication on a frequent basis due to CN's required activities in moving railcars in and out of the GATX facility. CN and GATX both indicated that there was not a local Advisory Panel involving other companies and/or neighbors or residents that they were aware of.

Other GATX activities and efforts to reach out to neighbors and interested stakeholders

5/03/2021 – Site safety update and follow-up

9/21/21 – CNRDP – RC information and fence access

11/19/21 – Fire station master #14 - GATX offered site visit, no further response

12/15/21 – Atelier Primcar – reached out with RC information, no further response

4/25/22 – plemieux@keca.ca – reached out with RC information, no further response

4/25/22 – marc.hillman@cn.ca – reached out with RC information, meeting set up with rail master as noted above

Element #7 – Indigenous Communities

Evidence of engagement with indigenous communities near production facility with respect for their unique history, culture and rights

Auditor Notes:

CIAC Element #7 – Indigenous Communities

GATX has researched the site location and immediate surrounding area with no evidence of indigenous communities near the production facility with respect to history, culture or rights. If evidence of such a community would be uncovered in the future, GATX would, as appropriate

- Identify and seek to pro-actively engage with such indigenous communities.
- Seek to develop and maintain a working relationship to enable effective communications.
- Provide support to allow communities the capacity to engage with the company.
- Review the effectiveness of the outreach, communications and engagement process.
- Provide community members equitable access to employment and contracting opportunities.

Element #8 – Promotion/Awareness

Evidence that the company promotes Responsible Care by name and employees are aware of the term.

Auditor Notes:

CIAC Commitment # 8 (as applicable) – RC

1. During an audit, employees must be able to demonstrate awareness of term “Responsible Care”
2. Company can demonstrate promotion of Responsible Care through various mechanisms, such as:
 - References on company website
 - Logo on trucks, facilities, letterhead, promotional documents, business cards

During audit, number of employees, e.g. Blasting, Finishing, Coating, etc were asked about Responsible Care and “what the term and program meant to them”. All employees were able to clearly articulate in their own words what RC was and what it meant to them. GATX has the logo noted on its website as well as all employees are given refresher training 2 times/year. Responsible Care is also part of DSBO safety observations and SQDC meetings.

Successful (“excellent”/ “best”) practices identified on the audit

- Site uses the SDQC methodology covering Safety, Environmental, Delivery, Quality and Cost. Communication boards are located in each department with up-dated communications, performance data, etc. Meetings are held frequently thru-out the week with all department EEs for communication, feedback and discussion.
- DSBO - Daily Safe Start Behavior Observations are conducted on a Daily – Supervisor, Weekly – Safety Supervisor and Monthly – Plant Manager are tracked with nonconformances charted on Pareto Diagrams. Weekly meetings are conducted by management with the site employees. Discussions are around issues concerning health safety, security and working conditions. Suggestions are encouraged and examples were provided of suggestions made and improvements made. Issues found are also raised to maintenance. Nonconformances are tracked and pareto charted. Reviewed and discussed April 2022 DSBO report and result

Non-conformities related to “Other Responsible Care® Commitments”

- None identified

Opportunities for improvement

- None identified

Observations concerning the presence of a “Self-Healing” (effective) management system

- Improvement include improved security with new access gates, PPE improvement – new gloves, new jack standards for improved stability.
- Safety culture – “good catch” program – employees are encouraged to report / note any safety issue observed thru out the day. Issue is assigned to maintenance or noted in ETQ as potential continual improvement. Corporate sets goals and tracks results on EHS Scorecard with monthly summary communicated to all facilities.

Observations Concerning the Role of the Responsible Care Ethic and Principles for Sustainability

- Performing activities safely is obvious in day-to-day activities, e.g. conducting confined space activities, implementation of “Good Catch” and DSBO programs for issue and improvement identification by all employees.

Audit Team Conclusions

The audit team conclusions related to the full management system audit are available upon request from GATX Corporation.

Audit team's conclusions about the effectiveness of the CIAC Other Responsible Care® Requirements and commitment to Responsible Care® Ethic and Principles:	
<input checked="" type="checkbox"/>	Based on the results of the audit, the audit team determined that the CIAC Other Responsible Care Requirements and commitment to Responsible Care Ethic and Principles were effectively implemented and maintained per defined requirements and is deemed capable to achieve expected outputs.
<input type="checkbox"/>	Based on the results of the audit, the audit team determined that the CIAC Other Responsible Care Requirements and commitment to Responsible Care Ethic and Principles were effectively implemented and maintained per defined requirements and is deemed capable to achieve expected outputs, except as noted in the minor nonconformity report(s).
<input type="checkbox"/>	Based on the results of the audit, the audit team determined that the CIAC Other Responsible Care Requirements and commitment to Responsible Care Ethic and Principles were not effectively implemented and maintained per defined requirements nor deemed capable to achieve expected outputs, as noted in the major nonconformity report(s).

Audit recommendations are always subject to ratification by SAI Global certification authority.

Lead Auditor: Bruce Godshall

Date: May 31, 2022