



RESPONSIBLE CARE® Verification Report

Procor Limited

October 7-8, 2015



Chemistry Industry
Association of Canada



Responsible Care®
Our commitment to sustainability.

Disclaimer

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

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EXECUTIVE SUMMARY

This report documents the observations and conclusions of the independent verification team tasked with conducting a Responsible Care Verification of Procor Limited. The verification was undertaken on October 7th & 8th, 2015 and included team visits to Sarnia Service Centre and the shops and headquarters in Oakville Ontario. The verification team also conducted conference call interviews with other company personnel at the Service Centers in Edmonton and Regina and with the Supervisor of Mobile Operations during the verification meetings at the headquarters in Oakville. This was the fourth Responsible Care verification for Procor Limited. The last Responsible care verification was completed on September 11-12, 2012.

While considering all aspects of the Responsible Care Commitments during this verification the team placed an emphasis on conducting an in-depth examination of company aspects related to:

- Providing opportunities for improvement of their management system, as everything they do is under the Responsible Care Umbrella
- Focus on Occupational Health and Safety
- Conservation of water and electrical energy

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: 
Archie Kerr
Verification Team Leader

Date: November 13, 2015

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:

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SUMMARY OF VERIFICATION TEAM OBSERVATIONS

Findings Requiring Action

1. That the company implements a tracking system for ensuring all training is completed within the appropriate time frames. (e.g. if employee misses a critical training component, there needs to be a method for tracking to ensure completion.) H&S Occupational 1
2. That the company needs to establish and meet emission and waste reduction objectives for hazardous and non-hazardous wastes. Environment 5
3. That the company needs to comply with their standard for Waste Management PSP-R-11, particularly as it relates to waste management audits of waste disposal sites. Environment 5
4. That Procor needs to have a documented process in the management system ensuring changes to equipment, control systems, procedures, etc, do not downgrade their integrity. Health and Safety Operations 10

Works in Progress

1. Procor accumulates material from railcars brought in for service during the repair process. This material is ultimately transported to waste disposal facilities. The team recommends that the company continue to assess waste haulers and waste disposal sites or other second party service providers to ensure consistency with Responsible Care requirements (Operations 14). This includes reviewing (audit) hazardous waste management and environmental services contractors in order to establish benchmarks with a goal of reduction and minimization. Environment 4.1 and 4.2
2. Several Procor sites are located in vicinity to neighboring operations with significant risk profile. The team recommends that Procor continue to take steps to ensure it has a sound understanding of the hazards originating from external sites that have the potential to impact Procor's own operations. Procor then needs to ensure that appropriate actions are included in their own operational processes for all sites e.g. updated contact information. TRANSCAER Public Awareness 1
3. The company should review and update as necessary worst-case and worst credible case scenarios for all facilities. TRANSCAER Emergency Response 2.1
4. The company should share the company emergency preparedness and response plans with that of their local emergency services in Oakville. TRANSCAER 2.3

Improvement Opportunities

1. The company should work in conjunction with the other company partners to increase and reinvigorate the community membership in the Sarnia Transportation Community Advisory Panel TRANSCAER 1.2
2. The company should investigate incorporating Responsible Care and Principle of Sustainability into customer contract language.
3. The company should review the CIAC Business Continuity Plan guideline in conjunction with their Business Continuity document to ensure completeness of risk assessments and responses.

Successful Practices

1. Changing to water based paint eliminates the volatile hydrocarbons to the environment and the need for a vapour collection system that would use additional electrical energy. Environment 2
2. Stretching program includes supervision and all employees on the shop floor at their Service Center facilities in an effort to reduce sprains and strains Health and Safety Occupational 3
3. All blueprints have been scanned and located on the intranet and include maintenance and building blueprints for all facilities.

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 Procor Limited operations in Canada attests annually to CIAC and its peers that the company's operations conform to the expectations contained in the Responsible Care Commitments and are guided by *Responsible Care Ethic and Principles for Sustainability*.

The Responsible Care® Ethic and Principles for Sustainability

We 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, Procor Limited 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:

- 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). Procor Limited 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 Procor Limited

Procor Limited is a member of The Marmon Group, a Berkshire Hathaway company. The Marmon Group is a global, diversified industrial organization, comprised of three autonomous companies consisting of 13 diverse, stand-alone business sectors, and about 185 independent manufacturing and service businesses. Procor's head office is located in Oakville, Ontario, Canada, and they are the Canadian affiliate of Union Tank Car Company, headquartered in Chicago, Illinois.

Procor's organizational structure consists of a rail car leasing business unit and a rail car repair business unit. Procor is a full service lessor, managing the largest tank car fleet in Canada. The total fleet includes more than 31,000 tank and hopper cars. Procor's repair business unit provides inspection, regulatory testing, interior tank lining, exterior painting, and maintenance and repair services.

Procor's leasing business unit serves customers in the petroleum, renewable fuels, LPG, petrochemicals, plastics, chemicals, and food and agriculture industries. The repair business unit operates service centers in Oakville and Sarnia, Ontario as well as in Regina, Saskatchewan and Edmonton, Alberta. Additionally, Procor's service infrastructure includes 18 customer on-site repair locations in Canada.

Procor Limited has over 400 employees in Canada, of which approximately one-half are based at the four service centres: 41 in Oakville, 55 in Sarnia, 25 in Regina and 83 in Edmonton repair facilities. The balance of employees is located at the Oakville corporate office and sales office, the Calgary sales office, mobile repair operations or at customer on-site repair facilities.

Procor is a member of the Association of American Railroads (AAR), The Chlorine Institute (CI), and the Canadian Fertilizer Institute (CFI). Procor's active regulatory involvement includes participation on the Transport Canada Committee on the Canadian Tank Car Standard, the AAR Tank Car Committee and the Non-Accident Release Reductions Task Force (reporting to the AAR), and The Chlorine Institute's Transportation Issue Team.

For additional information visit the Procor Limited website at: www.procor.com.

All aspects of the Responsible Care for Transportation Partners were reviewed when completing the fourth verification at Procor Limited.

1.3 About This Verification

The verification of Procor Limited was conducted on October 7-8, 2015 and included team visits to Sarnia Service Center and Headquarters and Service Center in Oakville. The verification team also conducted conference call interviews during the verification meetings with the managers in Sarnia, Regina and Edmonton facilities as well as the manager of the mobile repair units. 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 is the fourth verification exercise completed for Procor Limited. The last verification was completed on September 11-12, 2012.

The verification team was comprised of the following individuals.

Name	Affiliation	Representing
Archie Kerr	Consultant to CIAC	Team Leader
Debbie Krukowski	Consultant to CIAC	Public-At-Large Verifier
Stan Ouellette	Transportation Community Advisory Panel Sarnia	Community Representative

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

During the verification of Procor Limited, the verification team looked for evidence that the company was addressing the expectations documented in the Responsible Care Commitments for Transportation Partners (41 code elements), plus Responsible Care management system, commitment to sustainability and collective expectations. While considering all aspects of the Responsible Care Commitments, 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:

- Providing opportunities for improvement of their management system as everything they do is under the Responsible Care Umbrella
- Company focus on Occupational Health and Safety
- Resource conservation - water and electrical energy.

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 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 membership.
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 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:

- **Follow up of Findings in Last Verification Report**

The team reviewed how the company addressed the findings requiring action and improvement opportunities cited by the previous verification team in their report to the company. The last report was shared within the company via email summaries, "The Rail Care Review" newsletter articles and discussions by supervisors during employee "toolbox" meetings. The report was also shared with the Sarnia Transportation CAP.

All Findings Requiring Action were implemented.

- [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. Procor has established a process for the investigation of incidents which, depending on severity, calls for varying management levels during investigative response. During their investigative process, they utilize a Risk Assessment Tool to identify which level of management needs to be involved. All injuries are recorded in detail, including reporting, root cause analysis and communication of results as training/alerting opportunities back to the workforce. Incidents are communicated to employees via the “tool box” discussions. Near misses are currently being reviewed and incorporated into the overall incident reporting. Procor has an aging workforce resulting in increased muscle and joint sprains and strains. As a result, Procor has initiated a stretching program (warm-up) incorporated at the end of the “toolbox” meeting held at the beginning of each shift. Workers and management team members complete this program. **See Successful Practices no. 2**

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

- [Performance Measures](#)

Procor checks, as its indicator of performance, such items as injuries, train accidents, energy efficiency, non-accident releases and TRANSCAER events – CIAC specifies measures for reporting under Responsible Care. Most other areas are left to the discretion of each transportation partner.

The company participates in CIAC’s SHARE reporting but does not participate in CIAC’s NERM reporting. There is currently no measurement of waste as a performance issue and hence, no waste reduction targets are set. There is no industry benchmark due to their unique operational activities but they do benchmarking with their sister company, Union Tank Car in the U.S on total reportable incidents.

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

[2.1 Team Observations Concerning Operations](#)

[2.1.1 Design and Construction of Facilities and Equipment](#)

Not applicable for Procor Operations as a Partner member

[2.1.2 Operations Activities](#)

Scheduling for service of the leased railcars is accomplished using Procor’s Linknet customer interface. This system allows for the identification of the commodities or residue the railcar would contain and the service that is required. This computer system ensures that the car is routed to a facility capable of performing all work and handling potential problems. Employees have been WHMIS trained and can retrieve the commodity MSDS for review.

Residuals from tank cars must be drained, vapours sent to a flare and the tanks cleaned by steaming or water washing depending on the materials that the tank cars contained. The residuals, steam condensate or water washing must be disposed of as hazardous waste. All four fixed facilities use licensed waste haulers approved by Purchasing. Procor is currently in the process of completing a detailed review of either their hazardous or non hazardous waste haulers or waste disposal sites. **See Work in Progress No. 1**

[a. Emergency Response](#)

The team looked at the company’s management system for ensuring appropriate preparedness and response to emergencies at their four Service Centers, including involvement with local emergency services and other mutual

aid processes. How the company is fulfilling its commitments for ensuring that the potentially affected public understands and is prepared for the risks presented by adjacent operations, including outreach and two way dialogue initiatives, was also reviewed.

The two Procor western repair facilities are located in vicinity to neighboring operations with significant risk profile. In past verifications, it has been recommended that Procor look to external operations which might pose a risk to them. This has been completed for some sites, while others are still outstanding. **See Work in Progress no. 2.**

Every Service Center has a current site-specific Emergency Response Plan. The plans cover confined space rescue, spills, fire and explosions and power outage shutdowns. The emergency procedures are detailed and include emergency contact numbers for adjacent industries and emergency service providers. An excellent displacement policy has been built into all emergency management plans. Three of the four facilities have had the local municipal emergency services representative in for a layout review. Oakville needs to have an onsite meeting with the local emergency services representative and share their emergency response plan with the Oakville Fire Department. **See Work in Progress no. 4**

The team reviewed the worst-case and worst credible case scenarios for all four fixed facilities. While there has been some plant reconfiguration completed in Sarnia and ongoing reconfiguration in Oakville, there has not been any updated review of the worst-case and worst credible case scenarios. The team recommends this be completed as soon as practicable. **See Work in Progress no. 3**

b. Public Awareness

Procor have had only three minor general public odour complaints for all four facilities over the last three years. The company responded to the complaints with information after reviewing their operations.

Sarnia is the only facility that has any nearby residences and has not had any public enquiries about their facility. Procor Sarnia participates in the Transportation Community Advisory Panel (CAP) with other transportation partner companies. The CAP is struggling and looking for new public members. The team recommends that the company work with other member companies associated with the CAP to create meaningful two-way dialogue with the community if this is their chosen method. **See Improvement Opportunities no. 1**

2.1.3 Safety and Security

a. Occupational Health and 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. This includes personal occupational health and safety as well as operational safety.

There are four full service facilities in Canada. The railcar testing, inspection and maintenance protocols are regulated by Transport Canada and the AAR (Association of American Railroads) – with these requirements also being accepted in Canada. In addition to tank inspections, service work includes the flaring of residual gases, cleaning of residuals, interior coatings, rebuilding of pressure release valves on pressurized tank cars, repair of dents or punctures, repair of wheels and suspensions, tank painting and stenciling. This work involving frequent confined space tank entries, personal protective equipment and man down radios which, indicates good safety work management processes are in place.

All employees interviewed showed considerable concern for working safely and that the company spares no effort to provide a safe working environment.

New employees and existing employees have a standardized corporate wide training matrix. All employees must have completed level one (out of a total of three levels of training) before working in the Service Centre facilities. Employees must complete a written quiz to ensure they understand the operations and safety procedures. Operational and safety procedures are reinforced by daily structured “toolbox” talks and monthly safety meetings. The safety meeting topics are standardized across the corporation and review of work procedures are completed every two years. There is currently no electronic tracking system to ensure that every employee has received all of the necessary training. **See Findings Requiring Action no.1**

Supervisors are using Task Observations to ensure that employees are following safe work practices and operational procedures. Correctional coaching is immediate and sub-standard procedures are put into a follow-up corrective action process to track revisions of the corporate wide procedures.

The stretching program is done at the beginning of each shift and appears to be as a direct result of their recognition of their aging workforce. There is a corporate office and four service center JHSCs. Topics of common interest are shared through teleconference meetings. There are two (2) National JHSCs facilitated by corporate Health & Safety. The on-sites and mobiles have representation to discuss H&S matters in the absence of local JHSC. The main service centers JHSCs meet in a National format as well as their regularly scheduled local meetings. JHSCs are completing safety inspections and are satisfied that management is responding with corrective action in a timely manner.

Health and Safety audits are completed by looking to see if procedures require updating or if equipment changes are required and if equipment meets current engineering specifications. All blueprints for the Service Centers and related equipment have been scanned and are available on their computer intranet servers. **See Successful Practices no. 3**

If equipment change is required an outside consulting engineering firm is contracted. The AFE system in place reviews the occupational health and safety requirements and is appropriate for ordering new equipment that is exactly the same as the equipment being replaced. Procor needs to have a documented process in the management system ensuring changes to equipment, control systems, procedures etc do not downgrade their integrity. **See Findings Requiring Action no. 4**

b. Security

The team looked at how the company assesses and manages potential security threats to personnel, facilities, equipment. All four Service Centers are fenced and gates are electronically keyed and can be remotely operated for within the plant offices. Each of their facilities has a third party, monitoring motion detection alarm system for both the four Service Centers, maintenance shops as well as the offices. Procor has not had any security breaches over the last number of years. All mobile repair trucks are locked in one of the service facilities or kept within a secured area if they are working in another company’s facility.

c. Business Continuity

While not part of the core requirements for Responsible Care for Transportation Partners the team felt that it was important to focus on business continuity as the chemical manufacturing members of CIAC feel it is a critical issue that needs to be addressed and documented. Procor is a leasing and full service maintenance rail car facility. They have identified that their computer/internet system is critical for their business. They have regular daily back up of their system and have an identical computer system in Chicago ready to run if their current operating system is corrupted or goes down. Procor also employs a third party IT company to try and hack into their computer system once per year. The business continuity reports on the security of their IT system are sent to the VP & General Manager of Service Repairs for review at the Management meetings. The company should review the CIAC Business Continuity Plan guideline in conjunction with their Business Continuity document to ensure completeness of risk assessments and responses. **See Opportunities for Improvement no. 3**

The Service Centers and Mobile units could continue to operate for up to two weeks and therefore are not considered in the Procor Business Continuity Plan.

2.1.4 Environment

Procor has a high regard for the environment. All their airborne emissions in Ontario, Alberta and Saskatchewan are regulated under current Environmental Compliance Approval system for their respective Provinces. Environmental consultants are retained to do the required monitoring, modeling and government reporting. Procor has converted to water based paints for the exterior of all their railcar fleet, eliminating emissions of volatile hydrocarbons from oil based paints. **See Successful Practices no. 1**

Groundwater monitoring is completed at Regina, Edmonton and Sarnia even though it is not required. Procor produces both hazardous and non-hazardous wastes and have developed a Standard for Waste Management (RSP-R-11). Their standard requires a process to reduce, reuse or recycle wastes. However the Service Centers are currently not measuring their volume of wastes. The company needs to set waste reduction goals once they have an accurate measurement of the volume produced. **See Findings Requiring Action no. 2**

The Company has not completed annual waste management audits as outline in their standard for Waste Management. **See Findings Requiring Action no. 3**

2.1.5 Resource Conservation

A recently hired Plant Engineer is focusing on sustainability issues and is currently working on energy conservation. He has developed an energy scorecard for the fixed facilities and initiated a LED retrofit lighting program, getting input from the employees in the plant before settling on a specific brand. Other conservation initiatives include variable frequency drive compressors saving electricity and reducing energy greenhouse gas emissions.

Procor is very conscious of water consumption and is working towards reducing and/or processing wastewater to minimize or reuse in their processes. They are currently working with other CIAC member companies in an attempt to address this matter.

2.1.6 Promotion of Responsible Care by Name

Throughout the verification, the team checked for evidence of Responsible Care promotion. The RC logo has high visibility throughout the two locations visited – Sarnia (offices and facility) and Oakville (offices, facility and Corporate headquarters).

Responsible Care logo is on most of the Procor tank cars. Their customer communication and internal employee newsletters frequently have articles on various Responsible Care initiatives. The Leasing group produces an annual individualized report card for their top 20 lessees and each of these customer report cards have a short paragraph on Procor's commitment to Responsible Care.

A Responsible Care orientation is a mandated part of the training for all employees with an annual refresher course. Employees interviewed during the verification process in Sarnia and Oakville linked Responsible Care with safety and all mentioned episodes where they had incorporated it into their "home" life.

The Vice President and General Manager, David Thorpe, considers Responsible Care as the umbrella over environmental health and safety programs within the company. Management annual employee performance review has a Responsible Care component. 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.

To further promote Responsible Care Procor should consider introducing the Responsible Care language into their customer contract leases. **See Improvement Opportunities no. 3**

3. Team Observations on the Company Management System

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

The verification team studied Procor Limited 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 CIAC Responsible Care Commitments and supporting tools; and other industry benchmarks. In considering the PLAN Step of Procor Limited management system, the verification team observed the following:

The company developed their management system using CIAC's management system recommendation. It utilizes a business steering committee to identify and set company objective and goals. Best practices are identified from networking with CIAC, various provincial safety associations, the American Association of Railroads and the Chlorine and Anhydrous Ammonia Institutes. The company has a documented series of Responsible Care related standard procedures in place, which are clearly cross-referenced to the elements of the CIAC Transportation Partners Responsible Care Model. The entire Procor Plan, Do Check and Act management system is very comprehensive and embraces all aspects of their ongoing operations, including Environmental, Health, Safety, Security and Responsible Care Policies and Procedures.

3.2 Observations on the DO Step

During the Do Step in the management system, the company converts the decisions of the PLAN Step into action and ensures awareness and understanding by all involved. It is expected that the company will implement an organizational structure, assign responsibilities to appropriate personnel, supply sufficient training and resources to execute planned actions and develop and document standards, procedures and programs, as applicable.

In considering the DO Step of Procor Limited management system, the verification team observed the following:

- The company periodically reviews their standard procedures and any changes are communicated to supervisors/managers to be disseminated either at monthly safety meeting or via the daily "toolbox" talks to all employees
- The company has developed an employee training matrix for all new employees and retraining existing employees. Delivery is through regular safety meeting followed by a knowledge quiz. However they do not have a tracking system for training to ensure that everyone's training is complete and up to date.
- Management recently hired a Corporate Engineer to work on sustainability projects and is currently focusing on energy conservation those results in greenhouse gas reduction. A new Trainer has also been hired for the Edmonton facility.

3.3 Observations on the CHECK Step

During the CHECK Step in the management system, actions carried out in the DO Step are assessed to determine if they are actually being carried out according to plan, and whether they are achieving the desired outcomes and

delivering continual improvement. Here, the overall management system and components will be reviewed along with employee competences for assigned responsibilities, internal and external audits will be undertaken, incidents will be assessed to identify root causes, and performance measurement will be conducted and reviewed.

In considering the Check Step of Procor Limited management system, the verification team observed the following:

Procor Limited has an extensive Responsible Care Management Feedback System. The program includes annual audits at all Service Centers by both senior management and monthly JHSC Inspections. Shop floor supervisors are completing Job Task Observations while people are at work. This provides an instant feedback system congratulating the employee for a job well done or correcting any minor deficiencies that may have occurred. In 2015 year to date 723 Job Observations have been completed.

All the above information/reports are reviewed by the management steering committee and short term solutions are tracked until closure by the Manager of the Service Center. Long term solutions are tracked using a compliance tracking program by Corporate Quality & Regulatory Compliance Department. The software also allows senior facility and corporate managers to check-on the compliance status of facilities on an ongoing basis.

All occupational Health, Safety and Environmental incidents are investigated by a small knowledgeable team using root cause analysis and recommends changes so the incident will not occur again. This information is shared with the other service centers and mobile units.

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 need 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 considering the Act Step of Procor's management system, the verification team observed the following:

- The effectiveness of corrective and preventive actions is reviewed during routine facility Safety Committee meetings, monthly EH&S Staff teleconferences, monthly Safety Council meetings, and also during facility visits by Responsible Care EH&S staff.
- Upgraded cleaning station at the Sarnia facility
- Re-lamping of facilities to efficient fluorescent or led lighting and the replacement of more efficient compressors to conserve energy and reduce energy greenhouse gas emissions
- Hiring a plant engineering supervisor to work on energy conservation, process safety and sustainability initiatives.
- Reducing volatile hydrocarbon in paint by converting to water based paints
- Locating a facility that can use the sulphuric acid rinse water form acid tank car cleaning

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

4. TEAM OBSERVATIONS ON THE RESPONSIBLE CARE ETHIC AND PRINCIPLES FOR SUSTAINABILITY

Each CIAC member company is formally committed to the ethic of "*Doing the right thing, and being seen to do the right thing.*" This ethic, along with the principles for sustainability 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 Procor Limited decision making processes and actions and compared and contrasted the attributes of those with the attributes of a company guided by the Responsible care Ethic and Principles For Sustainability as discussed in the Responsible Care Commitments (Appendix E). The verification team's related observations on the company's application of the *Responsible Care Ethic and Principles for Sustainability* are as follows:

- [work for the improvement of people's lives and the environment, while striving to do no harm](#); *Procor is internally focusing on their Employee Financial Plan initiating health and wellness programs such as smoking cessation; weight loss and assisting employees and their families with any mental health issues. They have hosted seminars for their employees to assist in completing wills and Power of Attorney documents.*
- [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](#); *Procor is an active participant in the Sarnia Transportation Community Advisory Panel as well as additional community initiatives such as the Oakville BIA and service groups*
- [take preventative action to protect health and the environment](#); *Procor has a policy to require baseline health testing at the start of employment along with intermittent testing in certain job categories.*
- [innovate for safer products and processes that conserve resources and provide enhanced value](#); *Procor has moved to water based paints for their tank cars.*
- [engage with our business partners to ensure the stewardship and security of our products, services and raw materials throughout their life-cycles](#); *Procor routinely has additional discussion with their customers to ensure the customers' needs are being met and that those needs will meet or exceed regulations.*
- [understand and meet expectations for social responsibility](#); *Procor contribution program provides financial support to improve the quality of life in the communities in which their employees live and work. With input from the employees, they fund a wide range of non-profit, tax-exempt organization in the areas of culture, health, education and social services. Procor offers six (6) scholarship awards in the pursuit of higher education each year to the children of their employees.*
- [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](#); *Procor works actively with appropriate stakeholders through their membership in the USDOT Tank Car committee, The Chlorine Institute, the Fertilizer Institute , CIAC and TRANSCAER.*
- [promote awareness of Responsible Care, and inspire others to commit to these principles](#); *The company has a corporate policy signed by senior management titled; "Responsible Care Ethic and Principle for Sustainability". There is also a Responsible Care Standard for leadership that has responsibilities for each level of management, employee and the Joint Health and Safety Committees to guide company and promote Responsible Care. Procor promotes the awareness of Responsible Care as detailed in section 2.1.6 of this report and are committed to the principles as evidenced by the various initiatives and continuously improving results documented throughout this report.*

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

This was Procor's fourth experience with Responsible Care Verification. We are proud to be a partner company and hold the highest regard for the ethics and principles on which Responsible Care is founded. We have struggled to perfectly fit into the transportation model as we are not directly shipping products but rather providing the means for product transportation. With a high level of cooperation and a very open minded approach from the verification team we feel this verification in particular most closely mirrors Procor's implementation of the ethics and principles of Responsible Care.

Procor 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.

Michael Milford
Manager of Quality, Environmental & Regulatory Compliance
Procor Limited
2015-November-19th

INTERVIEW LISTS

Company Personnel

Name	Position	Location
David Thorpe	VP & General Manager Repair Services	Oakville
Michael Milford,	Manager of Quality, Environmental & Regulatory Compliance (Responsible Care coordinator)	Oakville
Daniel Rooney	Plant Engineering Supervisor	Oakville
Bill Tzrok	IT Operations Supervisor	Oakville
Art Mior	Manager Oakville Service Centre	Oakville
Randy Pocrnick	VP & General Manager Rail Leasing	Oakville
John VanderMeulen,	Health and Safety Supervisor	Edmonton Conference Call
John Coates	Supervisor, Technical Training	Edmonton Conference Call
Rob Smith,	Area Manager Field Services	Edmonton Conference Call
David Miltenberger	Manager Service Centre Regina	Regina Conference Call
Ron Christianson,	Manager of Edmonton Service Centre	Edmonton Conference Call
Craig Rioux,	Manager Service Centre Sarnia	Sarnia Conference Call and Planning Meeting in Sarnia
Tom Griffiths	Health and Safety Coordinator/On-site Operations	



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