

CODE OF PRACTICE FOR RESPONSIBLE DISTRIBUTION

As a condition of membership, the member companies of the Responsible Distribution Canada are committed to Responsible Distribution®¹. This Code of Practice governs the Organization’s actions to meet the guiding principles as they relate to all aspects of the distribution of chemicals, chemical products, and chemical services.

<p>Purpose</p>	<p>PRACTICE OF THIS CODE IS INTENDED TO RESULT IN:</p> <ul style="list-style-type: none"> • Continual reduction of incidents that may result in or threaten injury to people, influence security, or cause damage to the environment • Ongoing cooperation with users, manufacturers, distributors, importers, operators of warehouses and/or terminals, carriers, and government agencies to reduce risks • Effective emergency response to distribution incidents to minimize injury to people and damage to the environment • Continued assurance that the policies, standards, and procedures for Responsible Distribution are in place and functioning effectively • Enhanced confidence in the distribution of chemicals, chemical products, and chemical services • Sustainability is implicit in the <i>Code of Practice</i> represented through commitment to product stewardship, health & safety, regulatory compliance, interaction with stakeholders, management of suppliers and security.
<p>Application</p> <p>Transportation is always a part of distribution.</p>	<p>This Code applies to all activities related to the distribution of chemicals, chemical products, and chemical services.</p> <p>Distribution is defined as all activities in which member organizations are involved, in relation to the transfer of chemicals, chemical products and chemical services from their source through to their end-use, in all geographic jurisdictions.</p> <p>This Code applies to premises owned and contracted by the member organization.</p>

¹ Responsible Distribution® is an industry-wide program designed to further improve the performance of the Canadian Responsible Distribution industry in the fields of health, safety, security, the environment, and in all communication interfaces with its publics. It is a registered trademark of the Responsible Distribution Canada.

GUIDING PRINCIPLES

The following guiding principles are committed to as a condition of membership by all member organizations of The Responsible Distribution Canada. Sustainability is implicit in the Code of Practice. It is the ethic that embodies the responsible planning and effective management of our resources. By doing so, the chemistry industry will continue to meet the needs of the present, preserve the environment, and ensure the long-term ability of future generations to meet their own needs.

THE ORGANIZATION SHALL:

- i) Distribute chemicals, chemical products, and provide services in a safe and secure manner which protects people and the environment
- ii) Provide information about the hazards and associated risks of chemicals, chemical products and services distributed to customers, enabling them to use and dispose of these chemicals and chemical products in a responsible manner
- iii) Provide information about the hazards and associated risk of distribution activities to employees, contractors, transporters, visitors, sub-distributors and resellers, interested members of the community and emergency first responders
- iv) Make Responsible Distribution an early and integral part of the planning process leading to the introduction of new products
- v) Apply this code to existing, modified and new chemicals, chemical products, services and facilities
- vi) Comply with all legal requirements, which affect its operations and products
- vii) Be responsive and sensitive to community concerns
- viii) Require, with due diligence, that sub-distributors meet the standards of this *Code of Practice*

CODE OF PRACTICE

The Organization shall have an active and effective program to govern all aspects of the Responsible Distribution of chemicals, chemical products, and chemical services. The program will address how RDC's organizations manage risk, communicate information, comply with legal requirements, interact with selected organizations, governments and communities, manage sub-distributors, and manage suppliers, as they relate to distribution activities.

1. General **The Organization shall have written policies, standards and procedures to govern all aspects of the responsible distribution of chemicals, chemical products, and chemical services.**

1.1 The program, which includes these policies, standards and procedures, shall meet all applicable laws and regulations in letter and in spirit. Responsibility for generating, implementing, assessing, and updating the program, and for taking corrective action when necessary, shall be clearly defined. Member organizations shall assess and update the components of this program on a planned interval basis.

Chemicals, chemical products, and chemical services will not be offered unless it can be done in accordance with this *Code of Practice*.

1.2 Document control is required to ensure that the organization create and maintain documents in a manner sufficient to implement the Responsible Distribution program.

The organization's system shall provide a clear and precise control of procedures and responsibilities for approval, issue, version identification, distribution, and administration of internal and external documentation, including the removal or identification of obsolete documents (to prevent misuse). Applicable documents must be accessible in the relevant places of work.

The organization shall determine suitable frequency for document review and perform reviews at planned intervals to ensure its continuing suitability, adequacy and overall effectiveness.

1.3 Records are a special type of document and shall be established and controlled accordingly to provide objective evidence of conformity to requirements, and of the effective operation of the Responsible Distribution program.

2. Manage Risk

The protection of people and the environment is accomplished through risk analysis, hazard reduction, facility inspection, education, training, and the use of personal protective equipment.

The Organization shall have an active program to continually improve safety and environmental performance. The Organization shall:

- 2.1** Identify and evaluate, on a planned interval basis, hazards and associated risks related to the storage and handling of chemicals and chemical products both at owned and contracted premises.
- 2.2** Measure and record safety and health performance with the objective to identify and minimize actual or potential occupational safety and health problems.
- 2.3** Establish written standards and procedures that control activities and operations for bulk and packaged storage and handling, including, but not limited to, the following:
 - Containment and mitigation of spills
 - Segregation of products
 - Operation, maintenance and training in the use of distributor's vehicles and moving equipment
 - Selection, labelling and management of containers and shipping vehicles
 - Packaging and labelling of chemicals and chemical products in liquid, solid, or gaseous form
- 2.4** Ensure employees and contractors are provided with suitable information pertaining to the hazards and risk associated with distribution activities, including:
 - Handling of chemicals and chemical products
 - Cleaning of tanks and drums
 - Managing self-generated waste and empty containers
 - Transferring goods from one container to another, including bulk to smaller containers
 - Maintaining of facilities, infrastructure, and equipment (including hoses, etc.)
- 2.5** Maintain an emergency preparedness and response program. This program is to include adequate emergency response planning, response capability and provide support to incidents involving its chemical, chemical products, and chemical services. The organization shall share response learnings and post event analysis when applicable for the purpose of continual improvement and awareness to strengthen Responsible Distribution.
 - Response capabilities must be practiced and tested at an effective planned interval in order to prove adequacy and to meet regulatory requirements

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Continued, Manage Risk

- If response capabilities are provided by a third party, a suitable means must exist to ensure the effectiveness of the capabilities for response to distributor's products, processes and distribution chain

2.6 Demonstrate a written risk management process which includes customers and suppliers.

2.7 The organization shall establish, implement and maintain procedures for dealing with actual and potential nonconformity(ies) or identified improvements and for taking corrective action and preventive action appropriate to the magnitude of the problems and to the risks encountered; including:

- Accident and incident investigations that identify the root cause(s) of the occurrence;
- Identifying and correcting nonconformity(ies) or identified improvements and taking action(s) to mitigate their safety, environmental, security, and process impacts and;
- Review of the effectiveness of recommendations and implementation of the corrective and preventive action to prevent recurrence.

2.8 The organization shall plan, establish, implement and maintain internal assessments of the Responsible Distribution program, which are conducted at an effective planned interval in order to:

- Determine whether the Responsible Distribution program conforms to planned arrangements for safety, environmental, and security requirements, including the requirements of the *Code of Practice*
- Considers the importance of the operation(s) concerned and the results of previous assessments, including results of previous verification(s)
- Has been properly implemented and is maintained; and
- Outcomes are documented and information on the results of assessments is provided to management.

2.8.1 Management shall ensure that any necessary corrections and corrective actions are taken without undue delay to eliminate detected nonconformities and their causes.

3. Communicate Information

The Organization shall have a program to communicate information to employees, customers, contractors, sub-distributors and suppliers. The Organization shall:

- 3.1 Obtain, understand and provide appropriate documents to communicate the potential risks and hazards to the customer's designated representative before or accompanying the initial shipment of all chemicals and chemical products, including samples.
- 3.2 Provide pertinent information on the management of waste and empty containers to interested parties.
- 3.3 Provide any supplementary information to the customer and/or supplier that the organization believes to be vital to the health and safety of the end-user and the environment, and with due diligence, require communication of this information to the end-user as a condition of sale.
- 3.4 Communicate the principles of Responsible Distribution to company employees, customers, contractors, sub-distributors, and suppliers.
- 3.5 Top management shall review the organization's Responsible Distribution program performance, at planned intervals, to ensure its continuing suitability, adequacy and overall effectiveness.
 - 3.5.1 Reviews shall include assessing opportunities for improvement and the need for changes to the Responsible Distribution program, including the policy, objectives and targets, and other elements of the program, consistent with the commitment to continual improvement. Records of the management reviews shall be retained, including the documentation of any decisions and actions related to possible changes to the program.
- 3.6 The organization shall implement a program to assist and work with interested parties (employees, organizations, governmental and community bodies) to identify issues and set standards for the continual improvement of Responsible Distribution. The organization shall:
 - Interact to promote and educate them on existing practices and planned improvements, and respond to concerns as they relate to Responsible Distribution,
 - Inform, educate, and continually update employees on applicable Responsible Distribution practices and standards with the goal of improving the understanding and perception of the Responsible Distribution industry, and, Influence Responsible Distribution public policies, standards and legislation that reflect changing environmental, community, government, industry, and distribution activities.

**4. Comply with
Legal
Requirements**

The Organization shall have a program to comply with legal requirements and to ensure employees work in accordance with the law. The Organization shall:

- 4.1** Identify all legal requirements related to the distribution of chemicals, chemical products, and services, including the operation of distribution facilities.
- 4.2** Ensure actions demonstrably meet the legal requirements. The following approaches may be effective:
 - Establish procedures that control activities and operations that may cause identifiable safety, environmental or security impacts and will ensure legal compliance when followed,
 - Train employees so they have a working knowledge of the applicable laws and ensure they understand what action they personally should take to comply, and ensure consequences of departing from specified procedures is made known, and/or,
 - Develop and implement other methods as defined by the organization.
- 4.3** Establish a process to review changes to legislation for applicability to the business, and to train employees and/or update procedures as appropriate, including:
 - Packaging and labelling of chemicals and chemical products in liquid, solid or gaseous form, and
 - Providing up-to-date safety data sheets to affected parties.
- 4.4** Evaluate compliance with relevant legal requirements at planned intervals. Frequency is to be established, defined, and documented based on the organization's level of risk. Results of compliance evaluations shall be recorded, and corrective actions are to be taken on nonconformity(ies) and identified improvements.

5. Manage Sub-Distributors

The Organization shall have an agreement outlining the terms and conditions for the distribution of the product where there is no change to the product, package and / or labelling as originally supplied by the Organization. The Organization shall implement a program to educate, assist, and assess all sub-distributors. The Organization shall:

- 5.1 Identify the standards of this *Distribution Code of Practice* that apply to the sub-distributor.
- 5.2 Assist in educating the sub-distributor on the applicable standards.
- 5.3 Define criteria against which the sub-distributor will be measured to ensure compliance with the applicable standards.
- 5.4 Identify deficiencies in the sub-distributor's ability to meet the applicable standards, and communicate these to the sub-distributor for corrective action.
- 5.5 Define the action to be taken should the sub-distributor fail to comply with the applicable standards within an allotted time frame, including but not limited to suspension and/or termination of the sub-distribution agreement.

6. Manage Suppliers

The Organization shall implement a program to educate, assist, assess, and approve suppliers of chemicals, chemical products and chemical or transportation services to ensure compliance with the *Code of Practice*. The Organization shall:

- 6.1 Identify the standards of the *Distribution Code of Practice* that apply to suppliers of chemicals and chemical-related products and services.
- 6.2 Define criteria to assess and select suppliers that takes into account their capability to meet the applicable standards.
- 6.3 Assess the supplier's performance against the criteria on planned intervals and re-evaluate the supplier as required.
- 6.4 Define the corrective action(s) to be taken should the supplier fail to comply with the applicable standards within an allotted time frame, including but not limited to suspension and/or termination of the supply agreement.

7. Manage Security

The Organization shall determine the security risks, develop a security plan commensurate with the identified risks and identify the company's critical infrastructure. Security objectives shall be established and defined based on the risks and controls identified within the security plan.

7.1 The organization shall create a security committee and nominate a security coordinator, as needed to:

- Conduct the security risk assessments
- Develop and implement the security plan
- Provide employee training
- Conduct reviews, and
- Complete assessments of the security plan on planned intervals.

7.2 The organization shall develop and implement physical access controls to secure physical, intellectual property, and infrastructure, as well as ensure protection of personnel, product, and assets from identified risk. The organization shall identify risks and develop procedures for:

7.2.1 Protection of product, and

7.2.2 Implement physical access controls to secure infrastructure.

7.3 The security plan shall identify key security roles and responsibilities and assign them to specific positions. It should be noted that in the case of smaller organizations, one person may have multiple roles. It is every employee's responsibility to become familiar with all security and emergency procedures for the assigned work activity.

7.4 The organization shall conduct pre-employment background checks for candidates. Additional background checks on specified personnel are conducted where special access / responsibilities are required.

7.5 The organization shall have a security plan that identifies a system of alert levels within the organization in order to identify the enhanced security measures to be implemented at each level, corresponding to more serious threat conditions.

7.6 The organization shall have an awareness and training program to ensure employees, and those working on behalf of the organization, understand the potential threats and vulnerabilities within the system, and what actions can be taken to eliminate, control, prepare for, or respond to those threats and vulnerabilities. The organization shall:

- Provide training which includes simulations or exercises, conducted on planned intervals in order to evaluate its security plan for effectiveness,
- Report and investigate security incidents and where necessary, implement corrective measures to address identified deficiencies, and
- Promptly identify deficiencies following a security incident.

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Manage
Security

- 7.7 The organization shall develop and implement security procedures, based on identified risks associated with cargo handling, storing, and shipping, including reporting anomalies or suspicious cargo activity. This plan applies to all types of transportation as related to containers, trailers and rail cars, including services provided by a contracted third party.
- 7.8 The organization shall have a documented security policy and procedures to control access to technology, electronic assets, and the misuse of information.

MILESTONES & COMMITMENT

*Organizations of the Responsible Distribution Canada are "...committed to taking every practical precaution towards ensuring that products and services do not present an unacceptable level of risk to its employees, customers, the public or the environment."*²

Schedule of Commitment to Milestones

MILESTONE 1: 60 days after signature date

- Distributor Code of Practice Coordinator has been designated

MILESTONE 2: 180 days after signature date or first available course thereafter

- Designated coordinator has attended a distributor code (orientation) training workshop

MILESTONE 3: Three years after signature date

- Requirements of the code have been reviewed with management
- Plan of action to meet the code has been developed and implemented
- Successfully complete Manual Verification (Phase 1 of the Responsible Distribution Process) evidenced by an independent third party assessment firm approved by RDC
- Successfully completed On-Site Verification (Phase 2 of Responsible Distribution Process) evidenced by an independent third party assessment firm approved by RDC

RESPONSIBLE DISTRIBUTION COMMITMENT

I have reviewed the Responsible Distribution Canada Code of Practice for Responsible Distribution dated January 1, 2016. The signature below attests to corporate support for the guiding principles as embodied in the accompanying Distribution Code of Practice within the target dates specified on this signed document.

Signed on behalf of: _____

SEND TO: RDC President

Address: 1160 Blair Road,
Unit #1

Burlington, ON L7M1K9

Fax: 905-332.0777

Email:

ccampbell@rdcanada.ca

Signature: _____

Name: _____

Date: dd/mm/yyyy

Position: _____

² Excerpted from the Responsible Distribution Canada "Code of Practice for Responsible Distribution", 2016