



## Environmental Incident Management and Government Inspections Policy

---

### Policy

An environmental incident is an unexpected situation that could have a negative environmental impact or could result in non-compliance with environmental legislation and potentially, under the law, require official reporting to government authorities.

It is Company policy that environmental incidents be reported immediately in accordance with the environmental reporting procedures as outlined in this policy.

It is Company policy that spills be managed in accordance with the spill procedures as outlined in this policy.

It is Company policy that government inspections and investigations be handled in accordance with the procedures as outlined in this policy.

### Policy Application

This policy applies to any *unexpected* situation that requires immediate attention in order to limit or prevent damage to the environment, protect the Company's image, reduce financial risks, and ensure legal compliance.

A given situation becomes an environmental incident (see Table 1) if it meets one of the following criteria:

- an unexpected release of a contaminant to the environment that may have been caused by a spill, fire or explosion;
- a public complaint concerning contamination that results in or may result in poor media coverage impacting the Company's image; or
- an infraction that may result in a fine or lawsuit pursuant to environmental laws and regulations.

The Company has entered into an agreement with Quantum Murray LP ("**QM**") to provide assistance in responding to environmental incidents. QM has personnel trained in various applicable environmental disciplines, spill response equipment, experience in handling hazardous materials and

contaminated sites, and a widespread network of resources available for emergency responses.

## Environmental Incident Management

Table 1 immediately below lists typical environmental incidents.

Table 1

<b>Environmental emergencies</b>	<b>Small spills or gas releases</b>
Spills, fires or explosions	Small spills or releases that did not reach a sensitive element
<p>Company examples:</p> <p>Diesel or gasoline leak that reaches a sewer.</p> <p>Hydraulic oil spill from equipment or a corporate vehicle.</p> <p>Glycol spill from an emergency power backup generator.</p> <p>Battery explosion, thermal runaway or acid spill from a battery that reached the drain.</p> <p>Fire/burning of hazardous material.</p>	<p>Company examples:</p> <p>Small diesel leak on the asphalt of a company property.</p> <p>Glycol or hydraulic oil spill from a vehicle after an accident.</p> <p>Acid spill from a battery contained on concrete floor.</p> <p>Halon or accidental refrigerant releases.</p>

<b>Infractions</b>	<b>Public complaints</b>
Federal, provincial or municipal environmental legal infraction	Customer complaint, group complaint or poor press coverage
<p>Company examples:</p> <p>Work conducted without proper government approval.</p> <p>Non respect of a Certificate of Approval.</p> <p>Damage to fauna habitat or flora.</p> <p>Inappropriate disposal of hazardous material.</p> <p>Inappropriate shipping document for hazardous material transportation.</p> <p>Production of noise above municipal bylaw.</p> <p>Ministry Orders are also assimilated to this category, and so are notices of "unacceptable conditions" for petroleum product equipment.</p>	<p>Company examples:</p> <p>Waste left on customer property.</p> <p>Property contamination.</p> <p>Noise from outside equipment such as HVAC units or power generators.</p>

It is important to note that the categories "Environmental Emergencies" and "Small Spills or Gas Releases" include environmental incidents caused by outside parties that have a negative impact on one of the Company's properties or network assets.

## **Levels of Environmental Incidents**

Before looking in more detail at the various types of environmental incidents, it is important to note that there are different levels of environmental incidents. The environmental incident level is determined by different criteria and toxicity of the product in question, the fragility of the affected area, operational and legal considerations, corporate reputation and financial impact. Regardless of the type or level of environmental incident, if a situation falls under the definition of an environmental incident, the employee aware of the situation must report the environmental incident in accordance with the reporting procedures contained within this policy.

Level 1. This type of environmental incident is or can be controlled by the person directly involved and poses little risk to the environment. Examples include the accidental spill of a small amount of oil, a customer complaint or the release of halons.

Level 2. More serious than a level 1 environmental incident, a level 2 environmental incident calls for a greater degree of intervention and may require the assistance of outside resources. Such environmental incidents include a spill in a sensitive area, a complaint from a group of citizens, notices of infraction, ministry orders, and notices of unacceptable conditions for petroleum equipment. The response to this level of environmental incident can be coordinated by the Company with the assistance of QM. There are not likely to be safety concerns in a Level 2 environmental incident.

Level 3. This type of environmental incident may exceed the Company's and QM's ability to immediately respond and may require the involvement of outside parties, such as governments, specialized firms, fire fighters, police or hospitals in order to gain control of the situation as a result of contamination or legal action. This level of environmental incident includes, among others, the uncontrolled emission of hazardous contaminants into the environment, which could pose an immediate risk to the health of employees or the public at large.

### **Small Spills or Ozone Depleting Substances (ODS) Releases**

Environmental incidents are not necessarily events that have resulted in significant environmental impacts. They may be smaller environmental incidents which occur on a more regular basis. These situations can generally be handled by the employee on site because they require minimal cleaning equipment, or can not be rectified as is the case in a release of ODS. Spill kits are maintained in all required areas at all Company sites to help contain and cleanup any small spill that has occurred. Spill kit utilization procedures are

maintained with all spill kits (see below for Management of Spills). That being said, these events must still be properly addressed and reported as required by Company policy.

Managers that are responsible for areas where a spill may occur shall post in a visible area the procedures set out in the Environmental Spill Procedure. In the event of a spill or the unexpected release of a contaminant to the environment, these procedures shall be complied with regardless of the size of the spill.

## **Environmental Emergency**

An environmental emergency is considered to be any situation requiring an immediate response, beyond normal procedures, to prevent or limit damage to the environment. These situations will be managed by the Company with the assistance of QM and other third parties as required.

## **Infractions**

Even though we cannot consider the receipt of a notice of infraction to be an emergency, this type of situation needs to be addressed with a high priority in order to resolve the problem and avoid potential fines and lawsuits. All environmental infractions are considered to be environmental incidents and must be immediately communicated in accordance with the reporting procedures. In turn, the Company, with the assistance of QM, will address and manage the issue with the appropriate governmental authority.

## **Public Complaints**

Public complaints with regards to an environmental matter must be dealt with very carefully and communicated in accordance with the reporting procedures.

## **Reporting**

Any employee aware of an environmental incident must immediately contact:

1. The Company's Environmental Coordinator (Stephen Andrews at (519) 371-7490 ext. 6216 OR Cell (519) 375-1655); and
2. His/her management up to and including the Vice President, Network Operations.

If required, contact QM through the Enviro-line (available 24 hours a day, 7 days a week) at **1-877 ERT-SPILL (1-877-378-7745)**;

Once the environmental incident has been reported and appropriately dealt with, the employee is required to complete an Environmental Incident Report and forward the completed report to the Company's Environmental Coordinator for review.

All reported environmental incidents are logged in an incident report and kept in a database maintained internally by the Company's Environmental Coordinator.

### **Government Inspections**

A checklist of instructions to follow in the event an employee receives an environmental related inquiry by phone or email or an inspection or investigation demand from a government official can be found in the Environmental Inspection Procedures.