



FERTILIZER CANADA

FERTILISANTS CANADA

Agricultural Calcium Ammonium Nitrate

SECURITY CODE OF PRACTICE

JANUARY 2019

A circular graphic with a green gradient background, overlaid on a faded industrial plant image. The text 'Where Stewardship Grows' is written in white, bold, sans-serif font.

**Where
Stewardship
Grows**

AGRICULTURAL CALCIUM AMMONIUM NITRATE SECURITY CODE OF PRACTICE JANUARY 2019

DISCLAIMER

The Agricultural Calcium Ammonium Nitrate Security Code of Practice and the Implementation Guide (the “Code of Practice”) which follow are intended to be used by Fertilizer Canada for the purposes of the issuance of Certificates of Compliance and conducting Compliance Audits. The Code of Practice is not in any way intended to supersede or derogate from any requirements contained in municipal, provincial or federal by-laws, regulations or legislation (“Governing Legislation”). While every effort is made to provide accurate and complete information, none of Fertilizer Canada or any project manager designated by Fertilizer Canada or their respective directors, officers, employees, committee members, members or agents (together, “Fertilizer Canada”) have made or purport to make any representations, warranties, or covenants, express or implied, with respect to the accuracy, completeness or adequacy of the specifications or information contained in the Code of Practice, or the results generated by its use.

By agreeing to be bound by the Code of Practice, it is acknowledged that Fertilizer Canada is not liable for any damage, injury, loss or claims, direct or indirect, including those of an incidental or consequential nature, arising from or in relation to your reliance upon the Code of Practice or any Compliance Audit conducted by Fertilizer Canada, the issuance or non-issuance of a Certificate of Compliance, any statement by a Fertilizer Canada Party regarding the obligations of any person under the Governing Legislation, or the acts or omissions of any person or entity with respect to the handling, storage, use or misuse of calcium ammonium nitrate.

HOW TO USE THIS GUIDE

The focus of this guide is on best practices to ensure a high level of security for calcium ammonium nitrate. It has been written in three sections. The first section contains the protocols with which calcium ammonium nitrate handlers must comply and against which auditors will be verifying compliance.

The second half contains the Implementation Guide and the third, the Appendices. These sections, indexed to correspond with the applicable protocols of the Code of Practice, are designed to assist with interpreting these protocols and to provide examples. Please consult the Implementation Guide when reviewing the protocols.

TECHNICAL QUESTIONS

Technical questions or questions about interpretation of the Agricultural Calcium Ammonium Nitrate Security Code of Practice should be addressed to Fertilizer Canada at (613) 230-2600 or by email at Codes@fertilizercanada.ca.

**AGRICULTURAL CALCIUM AMMONIUM NITRATE
SECURITY CODE OF PRACTICE
&
IMPLEMENTATION GUIDE**

Company Name: _____

Primary Location Contact: _____

Name of Auditor: _____

Phone Number: _____

Audit Date: _____

Compliance Requirement Date: January 1, 2019

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AGRICULTURAL CALCIUM AMMONIUM NITRATE SECURITY CODE OF PRACTICE

PREFACE

Fertilizer Canada created the Agricultural Calcium Ammonium Nitrate Security Code of Practice (the CAN Code) to provide uniform security practices for the handling and storage of calcium ammonium nitrate (CAN) used in Canada. The CAN Code was developed by fertilizer manufacturers, distributors and agri-retailers, with input from relevant government agencies.

The intention of the CAN Code is to assist shippers, sellers, handlers, customers and end-users of CAN to become aware of and to assist in the implementation of best practices for CAN security. These protocols and subsequent operational procedures are derived from industry best practices and security-focused legislation such as the *Explosives Regulations* of the *Explosives Act* (under Natural Resources Canada) which are applicable to ammonium nitrate.

However, the CAN Code is not designed to be a complete compilation of all relevant regulations. The CAN Code refers to certain best practices where they have been identified as a suitable means for managing an identified security risk. The owner/operator of each CAN operation is ultimately responsible for compliance with all applicable regulatory requirements.

The CAN Code applies to all CAN products meeting the following criteria:

- Mixtures of dry, solid ammonium nitrate and carbonaceous material (e.g. calcium carbonate/limestone and/or calcium magnesium carbonate/dolomite) containing greater than 60% but less than 80% ammonium nitrate and a minimum 20% carbonaceous material¹.

The CAN Code applies to all facilities and operations directly involved with the use, transport, storage, handling, and selling of CAN. Specifically, the CAN Code applies both to bulk and bagged sales, distribution, and purchases of CAN. The CAN Code has been developed to assist storage and handling operations to assess their security risks and consider appropriate action to mitigate them. Agricultural end-users and manufacturers are exempt from the audit requirement.

The CAN Code does not apply to CAN outside of agriculture (i.e. industrial end-use).

The CAN Code has been designed to be used in conjunction with the Implementation Guide and Appendices. These supplementary documents will provide more definition on the requirements in the CAN Code, plus a description of identified best practices to improve risk management processes at the operation.

¹ There are a number of products on the market that are not CAN but are very similar. Please consult the product Safety Data Sheet (SDS) and/or the product information sheet to determine if a particular product meets the definition of CAN under this Code of Practice.

The on-going auditing and re-auditing process is intended to provide the CAN distribution chain with a framework for the secure storage and handling of CAN that can be verified on a continuous basis.

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CODE AUDITING PROCESS

As of January 1, 2019 facilities, sites or retail operations of Fertilizer Canada Members who sell, distribute or store CAN must, as a condition of Fertilizer Canada membership, be certified as compliant with the Agricultural Calcium Ammonium Nitrate Security Code of Practice (CAN Code). Fertilizer Canada Members are required to maintain their facilities in compliance with the CAN Code at all times. Failure to maintain compliance with the CAN Code could result in a review of Fertilizer Canada membership status.

AUDITING PROCESS & CYCLE

- The frequency for auditing is every two years. For example, if a facility was audited any time during 2018, it is required to be re-audited before December 31, 2020 and each successive two year period.
- If a facility chooses to advance its re-audit date to an earlier year, the re-audit cycle will correspond to the new re-audit date. For example: If a facility was first audited on October 1, 2018, it is due for a re-audit any time during the calendar year 2020, with a deadline of December 31, 2020. If the facility chooses to have a re-audit completed in an earlier year, for example on October 1, 2017, then the next re-audit will be due prior to December 31, 2019.
- The timing of the audit or re-audit will be at the discretion of each facility operator or company owner, provided that the facility is re-audited within the specified two year time frame.
- It is up to the facility's management to co-ordinate the audit or re-audit.
- Please note that for facilities whose certification has lapsed, the original re-audit cycle will remain. For example: If a facility was first audited on October 1, 2018, its re-audit is due by each successive second year (i.e. 2020, 2022, 2024, etc.). If the facility lapses certification in 2018 and then has a re-audit completed on February 1, 2019 – their next re-audit is still required by December 31, 2020. By reverting a facility back to its original re-audit cycle, the incentive for allowing certification to lapse is expected to be removed.

AUDIT PREPARATION

To assist the auditor in conducting an effective and efficient audit of your CAN site, the following are suggestions that will save time prior to and during the day of the audit.

BOOKING YOUR AUDIT

The Owner/Manager can select an auditor from the approved list of auditors to conduct an audit. Audits should be scheduled before the end of the third quarter to avoid a shortage of auditing services. Booking the audit with the auditor is the Owner/Manager's responsibility. Each company/location will be invoiced for the audit directly by the auditor.

PRIOR TO THE AUDIT

1. Ensure that the site, the Owner/Manager, and the people involved in storing and handling of CAN have read the CAN Code and Implementation Guide and understand the audit protocols and the objective of the audit.
2. Have your facility supervisor/operator conduct a self-audit using this audit protocol prior to the third party audit to ensure that the facility meet the CAN Code's standards.
3. Consider a pre-audit by one of the trained certified auditors if this is a first time audit.
4. Advise the employees when the actual audit will be conducted in advance of the audit.

DAY OF AUDIT

1. Ensure that the site Owner/Manager will have time to discuss the audit process and the results with the auditor.
2. Allocate the time for the applicable facility personnel to accompany the auditor.
3. Allocate a location for the auditor to examine documents and prepare the audit report.
4. Encourage all employees handling CAN to communicate with the auditor in a candid manner as part of the audit process.
5. Ensure that relevant documentation is readily available for review by the auditor (i.e. operating procedures, check lists, security plan, training files, etc.).

The auditor may want to observe some activity at the facility to verify the written operating procedures.

AGRICULTURAL CALCIUM AMMONIUM NITRATE SECURITY CODE COMPLIANCE AND ENFORCEMENT PROCESS

As of January 1, 2019 all retail and distribution facilities that handle, store, transport and sell CAN must comply with the requirements of the CAN Code. Certified facilities under the CAN Code are required to maintain their operations in compliance with the CAN Code at all times. If situations exist where uncertified facilities are handling product or facilities are not in compliance with the CAN Code, a confidential third party complaint process exists to report, investigate and take remedial action.

1. Complaint Procedure:

Written or faxed complaints are to be sent to the Agricultural Calcium Ammonium Nitrate Security Code Project Manager at fax 1-416-968-6818 or via e-mail at awsa@funnel.ca. The complainant is to outline details of the alleged non-compliance with the CAN Code. The CAN Code Project Manager will respect the confidentiality of the complainant.

2. Qualification Process:

- The CAN Code Project Manager will send an auditor to site to check all details.
- The CAN Code Project Manager will make an immediate initial report to Fertilizer Canada.
- Fertilizer Canada will review the Project Manager's report(s), and will direct the Project Manager on an appropriate response.
- On or before the fourth business day (as a working goal) following receipt of the complaint, the CAN Code Project Manager will notify the location and/or company on the status of the complaint.

3. Enforcement Procedure:

This process applies to instances of non-compliance which are identified as a result of complaints **or** through the certification audit process.

First Instance of Non-Compliance

- The Facility will be advised in writing and will be given a prescribed number of working days to undertake and complete corrective action, dependent upon the type of non-compliance.
- The Facility operator will confirm in writing that the non-compliant situation has been corrected.
- The report documenting the non-compliance will remain on file for two years from date of the report.

- If the situation is not corrected within prescribed timeframe, the facility's CAN Code certification is withdrawn. To obtain re-certification, a complete re-audit is required at the facility operator's expense. Recertification is issued following a successful audit.
- Fertilizer Canada has the option for a second auditor visit to confirm compliance.
- Unannounced audits may be performed at the expense of Fertilizer Canada within a two-year period (730 days) following the instance of non-compliance.

Subsequent Instances of Non-Compliance

Second and following instance(s) of non-compliance (same facility, same area of non-compliance as a previous instance, within a two-year period (730 days) from previous instance):

- Upon validation, the facility will be notified in writing that it has three (3) working days to undertake and complete corrective action.
- The facility operator will confirm issue corrected in writing.
- A report documenting the non-compliance will remain on file for two years (730 days) from date of second infraction.
- If the situation is not corrected within prescribed timeframe, the facility's certification will be withdrawn. A complete re-audit is required at the facility operator's expense. Recertification is issued following a successful audit. A record of recorded infractions will remain on file for two years (730 days) from date of second infraction.
- Fertilizer Canada has the option to request a second visit to confirm compliance. Follow up visits will be unannounced.
- Unannounced audits may be performed at the election of Fertilizer Canada, but at the expense of the facility the following year.

SAMPLE APPLICATION FOR AUDIT FORM

A separate application must be completed for each facility. Compliance Certificate No: _____

Agricultural Calcium Ammonium Nitrate Security Code of Practice Application for Compliance Certificate

Name of Applicant: _____ (“Operator”)

Address of Facility: _____ (“Site”)

The Operator hereby applies to Fertilizer Canada for a Compliance Certificate in respect of the Site. In making this application, the Operator acknowledges and agrees to the following:

- (a) The Operator accepts the Agricultural Calcium Ammonium Nitrate Security Code of Practice (CAN Code) established by Fertilizer Canada from time to time and agrees to the appeal process established by Fertilizer Canada for the resolution of disputes arising with respect to the Site’s compliance with the CAN Code;
- (b) The Operator understands and agrees that in order to obtain a Compliance Certificate for the Site, the Operator must obtain independent certification by an independent auditor (Auditor) on the list approved by Fertilizer Canada, confirming that the Site is in compliance with the CAN Code. The Operator is solely responsible for compliance with the CAN Code;
- (c) The Operator will permit access to the Site at all reasonable times for the purposes of the audit of the Site in connection with this application, and for any re-inspection of the Site in accordance with Fertilizer Canada’s quality control, compliance, and any other policies then in effect. The Operator agrees that the results of any audit may be disclosed to Fertilizer Canada, the Agrichemical Warehousing Standards Association (AWSA), CropLife Canada, Funnel Communications Inc., or to such other project manager as Fertilizer Canada may designate from time to time;
- (d) Subject to the appeal process established by Fertilizer Canada from time to time, the Operator agrees to be bound by the Auditor’s findings with respect to the Site;
- (e) The Operator agrees that any costs or expenses arising in connection with the certification of the Site shall be the responsibility of the Operator;
- (f) The Operator agrees to pay the fees and expenses of the Auditor as determined prior to the audit;
- (g) The Operator releases any and all claims it has or may in future have against Fertilizer Canada, the AWSA, CropLife Canada, Funnel Communications or such other project manager as Fertilizer Canada may designate from time to time and their respective members, directors, officers and employees and any auditor or senior auditor in connection with this application, any audits conducted at the Site and any failure by the Operator to obtain a Compliance Certificate;
- (h) If the Operator obtains a Compliance Certificate in respect of the Site, the Operator understands that the obligation to maintain the Site according to the CAN Code is mandatory and the Operator must continue to comply with the CAN Code in order to maintain its Compliance Certificate.
- (i) The Operator understands and agrees that the CAN Code requirements stem from current best practices to mitigate security risks and that non-compliance(s) with the CAN Code that are not corrected within a reasonable timeframe, may result in the withdrawal of that Site’s certification and if applicable, a review of that Site’s membership with Fertilizer Canada.

By signing below, the Operator hereby releases any and all claims (including without limitation claims resulting from any damage, injury, loss or other claims) it has or may in future have against Fertilizer Canada or such other project manager as Fertilizer Canada may designate from time to time or their directors, officers, employees, committee members, members or agents including any auditor or senior auditor, arising from or in relation to this application, any audits conducted at the Site, any failure by the Operator to obtain a Compliance Certificate, or the acts or omissions of any person or entity with respect to the handling, storage, use or misuse of calcium ammonium nitrate. Without limitation to the foregoing, the Operator hereby agrees to the terms of the “Disclaimer” set out in the Agricultural Calcium Ammonium Nitrate Security Code of Practice.

Signature of Applicant

Title (if Corporation)

Date

Name (Please Print)

AUDITING LOGISTICS

OFF-SEASON AUDITS

The nature of the audit process requires accessibility to all equipment used for the storage, transport and handling of CAN. Consequently, clear, un-impeded access to all equipment is necessary. Facilities undertaking audits when snow is on the ground will need to have snow sufficiently cleared to allow access to storage and transport equipment. If equipment has been removed for the season, clear documentation will be required to ensure compliance with all mandatory protocols. Insufficient documentation or impeded access to storage and transport equipment will result in a failed audit. Any equipment removed from service during the off season must be available for inspection during an audit. **All facilities are strongly encouraged not to book audits during the off-season winter months.**

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POLICY ON LAPSED CERTIFICATION

Lapsed certification is defined as a withdrawal of certification resulting from:

- Voluntary decertification;
- Failure to successfully re-audit before the expiry date; or
- Withdrawal of certification by program management.

All facilities require a full re-audit every two years to maintain certification status. Details on the re-audit process and frequency can be found in the AUDITING PROCESS & CYCLE section.

An administration fee of \$500 will be required to re-activate certification status upon the completion of a successful re-audit after the expiry date. Delaying re-certification to the following year will not extend the normal re-audit period. For example, locations due for re-certification in 2017 will have to be re-certified again in 2019. If the facility lapses on their certification and has their re-audit completed in 2018, this facility will still be due for a re-audit in the year 2019. It will not jump a cycle.

POLICY STATEMENT – RENOVATION OF CERTIFIED FACILITIES

Periodically a site certified under the Agricultural Calcium Ammonium Nitrate Security Code of Practice may make changes to their facility. Any renovations made to a site must comply with the CAN Code and sites must be compliant with the CAN Code at all times. If significant renovations are performed, these renovations must be re-audited for compliance with the CAN Code before use. The full site will still be subject to a complete re-audit by their next scheduled re-audit date.

POLICY STATEMENT–CHANGE IN OWNERSHIP

If a storage facility changes ownership:

- The facility operator is to notify program management of ownership change upon closing of purchase agreement.
- Upon receipt of ownership change notification, the program manager will forward an “Application to Audit” form to be signed and returned within 30 days of the transfer to new ownership.
- The facility must be re-audited within 90 days of the transfer to new ownership, regardless of the date of the last audit. The new audit date would set the audit timelines thereafter.
- If the ownership change does not involve a change of personnel, the facility owner or manager may apply for a waiver from these changes of ownership requirements.

AGRICULTURAL CALCIUM AMMONIUM NITRATE SECURITY CODE OF PRACTICE AUDITS APPEAL PROCESS

1. During the audit process, the Audited Facility is first encouraged to resolve any uncertainties or disagreements with their CAN Code Auditor. Questions and inquiries may also be directed to the CAN Code Project Manager. Fertilizer Canada's Fertilizer Safety and Security Council (FSSC) and Ammonium Nitrate Working Group may be consulted for assistance in the interpretation and application of the CAN Code.
2. Following the initial and any subsequent audits, the Audited Facility will be provided a reasonable period of time to correct identified area(s) of non-compliance before certification is declined or withdrawn based on the Auditor's assessment of the time required to correct the deficiency and with regard to public safety.
3. The Audited Facility may request a review by the Senior CAN Code Auditor, who may amend the audit decision should it be warranted. This review is a prerequisite to filing an appeal to the CAN Code Appeals Committee.
4. If a post-audit non-compliance occurrence is not corrected within a reasonable period of time, the Audited Facility will be notified that certification will be withdrawn immediately.
5. In the event of outright failure to be audited within the time specified (every subsequent two years following initial audit), certification will be withdrawn automatically upon notification of the termination of the certification.
6. In the event of an appeal of the Senior CAN Code Auditor's decision, the withdrawal of certification will not proceed until the appeal has been determined.
7. Once the Senior CAN Code Auditor has issued notification that certification will be withdrawn, the Audited Facility ("Appellant") may appeal by submitting a written statement to the Executive Director explaining the circumstances and grounds for the appeal. This request shall be sent by registered mail or via e-mail to Codes@fertilizercanada.ca. It will be deemed received when acknowledgement of its receipt is given. An appeal fee of two thousand dollars (\$2,000 CAD) payable via credit card or wire transfer to Fertilizer Canada must be paid to initiate the appeal. If the appeal is upheld, this fee will be refunded. If the appeal fails, the CAN Code Appeals Committee at their discretion may reimburse the fee where the appellant has raised a significant issue having industry wide significance, for example one which results in clarification of the CAN Code.
8. The Executive Director, in his/her capacity as Secretary to the CAN Code Appeals Committee, shall require a written report concerning the matter(s) under appeal from the appropriate Senior CAN Code Auditor. The Executive Director shall then

forward this information and the Appellant's written statement to the CAN Code Appeals Committee.

9. The Hearing Panel of the CAN Code Appeals Committee:

- a. Shall provide a copy of the report of the Senior CAN Code Auditor to the Appellant;
- b. Shall invite the Senior CAN Code Auditor and the Appellant to submit any further information within five (5) business days of receiving the invitation;
- c. May review any relevant matter with the CAN Code Senior Auditor and the Appellant either in person, via telephone or in writing;
- d. Shall render a written decision on the appeal as expeditiously as possible while respecting the principles of procedural fairness and public safety; and
- e. Shall report back in writing no later than fifteen (15) business days following receipt of the appeal, providing a copy of its decision, to the CAN Code Appeals Committee, the Audited Facility, the Senior CAN Code Auditor and to the Executive Director.

10. In the event that withdrawal of certification is confirmed upon appeal, the withdrawal of certification will be in effect until such time as the Audited Facility completes a subsequent audit confirming compliance with the CAN Code.

SECTION A INBOUND SHIPMENTS

A1 SECURITY OF INBOUND CALCIUM AMMONIUM NITRATE CARGO

This section contains the standards for managing security risks for the inbound shipping of CAN to distribution and/or import storage sites.

A1.1 BY MARINE

NO.		Y/N
A1.1	The distribution and/or retail facility has undertaken measures to ensure the security of inbound CAN cargo aboard import vessels.	

IMPORT CARGO SECURITY – SPECIFIC REQUIREMENTS:

Vessel operators will:

- a. Comply with the *Cargo, Fumigation and Tackle Regulations*
- b. Comply with the *Canada Marine Act, Port Authorities Operations Regulations, Practices and Procedures for Public Ports; Public Ports and Public Port Facilities Regulations.*

The importer/receiver will:

- a. Assure a responsible representative (or terminal agent) oversees handling of the shipment.
- b. Provide security to prevent unauthorized access to cargo while vessel is loading and discharging.
- c. Be prepared to present and make available for inspection a statement of fact.
- d. Notify the Marine Safety Office of Transport Canada nearest to the location of unloading; as well as the harbour master at least 24 hours before 150 tonnes or more of AN-based fertilizer is to be unloaded.
- e. Retain records.
- f. If product is stored at a port facility for furtherance, refer to SECTION B STORAGE OF CALCIUM AMMONIUM NITRATE.

NOTE: CAN is not considered a dangerous good under the UN Model Regulations and the associated *Transportation and Dangerous Goods Regulations*. Recognizing this,

compliance with applicable security provisions is expected in the supply chain from discharge forward.

Compliance with this section will be indicated through a signed and dated letter from the receiving facility manager indicating that all of these requirements have been reviewed and actions have been completed to bring the receiving facility into compliance. The letter should be current and renewed every two years within the facility audit schedule.

A1.2 BY RAIL / TRUCKS

NO.		Y/N
A1.2	The distribution and/or retail facility has undertaken measures to ensure the security of inbound CAN cargo aboard railcars/trucks.	

IMPORT CARGO SECURITY – SPECIFIC REQUIREMENTS:

The carrier will:

- a. Immediately notify the importer/receiver of any theft or tampering.

The importer/receiver will:

- a. Retain records.
- b. For unloading, retain and make available for inspection a statement of fact (Bill of Lading)
- c. Attend to the unloading of the shipment at all times.
- d. Notify local police and shipper in the event of any theft or tampering.
- e. If product is stored for furtherance, refer to SECTION B STORAGE OF CALCIUM AMMONIUM NITRATE.

Compliance with this section will be indicated through a signed and dated letter from the receiving facility manager indicating that all of these requirements have been reviewed and actions have been completed to bring the receiving facility into compliance. The letter should be current and renewed every two years within the facility audit schedule.

A2 PROVIDING TRANSPORT FROM SOURCE VIA RAIL/TRUCK

This section contains the standards for managing security risks for the inbound shipping of CAN to distribution, storage and/or retail storage sites, security around the company and the individuals responsible for providing transportation.

NO.		Y/N
A2	The distribution and/or retail facility has undertaken measures to ensure all companies providing transportation services for CAN have appropriate security measures and clearances.	

TRANSPORTATION COMPANY SECURITY – SPECIFIC REQUIREMENTS:

The transportation company will:

- a. Be bonded or pre-approved.
- b. Provide written proof of automotive liability insurance covering bodily injury or property damage to third party interests in the minimum of \$5 million per loss occurrence.
- c. Provide training to the drivers providing transportation services on Fertilizer Canada's e-Learning course "Secure Transportation of Nitrate Fertilizers". *Transportation of Dangerous Goods* training performed for ammonium nitrate will be considered equivalent.
- d. Have developed a security plan for shipments or agree in writing to operate under the provisions of Section A3 ACCESS TO PRODUCT DURING SHIPMENT.
- e. Check that the cargo is secured.
- f. Retain records for a minimum 2 years.

Compliance with this section will be indicated through a signed and dated letter from the receiving facility manager indicating that all of these requirements have been reviewed and actions have been completed to bring the receiving facility into compliance. The letter should be current and renewed every two years within the facility audit schedule.

A3 ACCESS TO PRODUCT DURING SHIPMENT

NO.		Y/N
A3	The distribution and/or retailer facility has undertaken measures to prevent unauthorized access to CAN during shipment.	

ACCESS TO SHIPMENTS – SPECIFIC REQUIREMENTS:

The facility has provided written notice to all drivers that:

- a. Truck shipments of CAN cannot be left unattended by driver at any time unless the load is parked in a secured area or the unit/load is properly locked down (i.e. high security padlocks, fifth wheel locks, etc.).
- b. Hatches on trucks and railcars must be secured and sealed with security cables.
- c. Seals are to be inspected and validated after each stop and upon arrival at the destination. All tampering of seals must be investigated, documented and any losses reported.

Compliance with this section will be indicated through the presence of a written policy and procedure signed by the facility manager or designate that contains steps to comply with the listed requirements in this section. The auditor will spot check documentation to ensure the policies are being followed.

A4 LOSS OR TAMPERING OF PRODUCT DURING SHIPMENT

NO.		Y/N
A4	The distribution and/or retail facility has undertaken measures to assess, investigate and report shortages in shipments of CAN.	

SHIPMENT SHORTAGES – SPECIFIC REQUIREMENTS:

The facility has a written procedure for inspecting a load upon arrival to the facility in order to:

- a. Verify quantities for all shipments of bulk CAN against shipped quantities where possible. Shortages in excess of historical norms should be investigated, documented and reported.
- b. Identify any signs of tampering on the rail car or truck.
- c. Document and report any shortages in excess of historical norms and/or signs of tampering.

NOTE: The nature of the manufacturing and handling process for CAN predicates that there will be a minor loss of product mass through the supply chain due to moisture loss, mechanical abrasion, settling and residues. In the fertilizer industry, an industry tolerance for this loss up to 1% is considered an acceptable norm.

Compliance with this section will be indicated through the presence of a written policy and procedure signed by the facility manager or designate that contains steps to comply with the listed requirements in this section. The auditor will spot check documentation to ensure the policies are being followed.

A5 DELIVERY OF CALCIUM AMMONIUM NITRATE

This section applies to all deliveries of CAN regardless of whether the receiver is responsible for shipping or not.

NO.		Y/N
A6	The distribution and/or retail facility has undertaken measures to ensure proper documentation and authorization of all incoming deliveries of CAN.	

DELIVERY AUTHORIZATION – SPECIFIC REQUIREMENTS:

- a. The carrier shall have authorization for unloading a shipment.
- b. The receiving facility must ensure documentation is accurate and complete prior to authorizing unloading.
- c. There must be a process in place to verify arrival of shipment at destination.

Compliance with this section will be indicated through the presence of a written policy and procedure signed by the facility manager or designate that contains steps to comply with the listed requirements in this section. The auditor will spot check documentation to ensure the policies are being followed.

SECTION B STORAGE OF CALCIUM AMMONIUM NITRATE

This section contains the standards for managing security risks at the distribution and/or retail storage facility.

B1 PRODUCT STORAGE SECURITY

NO.		Y/N
B1	The distribution and/or retail facility has undertaken measures to ensure the security of CAN storage.	

SPECIFIC REQUIREMENTS:

The CAN storage facility has provided all of the following security measures:

- a. All bin gates providing access to storage bins containing CAN are locked and secured. Where possible, it is a recommended best practice to provide perimeter security. This may include fencing with lockable gates or other means of perimeter security around bins and/or buildings storing CAN.
- b. All doors, windows and other points of access to buildings storing bagged or bulk CAN are secured with a high security lock.
- c. A documented key control system is in place for all locks at the facility that provide access to CAN.
- d. A system is in place to inform local law enforcement of all CAN storage locations.
- e. After hours security lighting has been provided to illuminate main points of access to storage buildings or bins.
- f. All storage buildings are equipped with a monitored security system.
- g. The storage facility is equipped with signage indicating no unauthorized access, or “No Trespassing, Violators Will Be Prosecuted”.
- h. Controls are in place to ensure that access to CAN is restricted only to individuals (including contractors) who the seller has authorized.
- i. A system is in place to ensure that all guests and visitors to a facility report to management or security personnel prior to access.

The listed requirements must be implemented in order to comply with this section. Weekly inspections must be conducted in order to verify adherence to these requirements. Records of all inspections must be kept. The Auditor spot checks records and does a visual inspection to ensure security features are in place.

B2 SECURITY PLAN

NO.		Y/N
B2	The distribution and/or retail facility has a written, up-to-date security plan that has been disclosed to local authorities on an annual basis.	

SPECIFIC REQUIREMENTS:

The CAN storage facility has:

- a. A written security plan that identifies the emergency procedures and the person responsible for carrying out the procedures for all security related incidents and events.
- b. A description of measures taken to control access to the CAN, stock management system, validation of customers and other security procedures.
- c. Ensured the security plan has been reviewed and updated *annually* within the previous 12 months.
- d. Ensured that their staff / employees have received the appropriate training in relation to their safety and security roles and responsibilities.
- e. Communicated in writing to local law enforcement and first responder agencies informing them of the presence of CAN at the storage facility.

NOTE: Please consult the *CAN Code Implementation Guide* for further guidance on preparing a security plan.

Compliance with this section will be indicated through the presence of a completed security plan signed by the facility manager that contains the requirements listed in this section. A copy of the documentation inviting local authorities to review the plan on an annual basis is also required to comply with this section.

B3 ACCESS BY ONSITE PERSONNEL

NO.		Y/N
B3	The distribution and/or retail facility has procedures in place to ensure proper security clearance and authorization for employees handling CAN.	

SPECIFIC REQUIREMENTS:

The facility has a written policy requiring:

- a. All employees working at the CAN storage facility for a period of 5 years or less to provide valid past work references.
- b. All new hires to provide valid past work references and disclose any previous criminal charges.
- c. All contractors to provide documentation indicating past work history.
- d. Written authorization and validation of contractors working at the CAN storage facility.
- e. All contractors to have supervised access to CAN storage facilities.
- f. The policy to be reviewed and updated *annually* (within the previous 12 months).

CAUTION: Refusal to hire a person based on a disclosure of pardoned or provincial offences may constitute illegal discrimination. Employers are cautioned to ensure that their hiring practices comply with their obligations under human rights and employment law in their region.

Compliance with this section will be indicated through the presence of a written policy and procedure signed by the facility manager or designate that contains steps to comply with the listed requirements in this section.

B4 LOSS OF PRODUCT DURING STORAGE

NO.		Y/N
B4	The distribution and/or retail facility has developed and implemented a process to assess, investigate and report shortages in the storage of CAN.	

SPECIFIC REQUIREMENTS:

The facility has a written policy and procedure detailing:

- a. Annual inventory audit verifications for all bagged and bulk CAN storage facilities.
- b. The reporting process for any shortages in excess of historical norms.
- c. Weekly inspection requirements to identify any tampering or loss of product volume.
- d. A documented process for investigating and reporting discrepancies.

Compliance with this section will be indicated through the presence of a written policy and procedure signed by the facility manager or designate that contains steps to comply with the listed requirements in this section. The Auditor will spot check records and perform a visual inspection to ensure procedures are being followed.

SECTION C OUTBOUND SHIPMENTS/PRODUCT SALES

This section contains the standards for managing security risks on outbound shipments from the distribution, and/or retail storage facility.

C1 SECURITY AROUND INDIVIDUALS OR COMPANY RESPONSIBLE FOR PROVIDING TRANSPORTATION

NO.		Y/N
C1.1	The distribution and/or retail facility has undertaken measures to ensure that all companies providing transportation services for CAN have implemented appropriate security clearances.	

C1.1 TRANSPORTATION COMPANY SECURITY

SPECIFIC REQUIREMENTS:

Prior to shipping, the shipper will verify that the transportation has:

- a. Proof of bond or pre-approval.
- b. Automotive liability insurance covering bodily injury or property damage to third party interests in the minimum amount of \$5 million per loss occurrence.
- c. Records of driver training on Fertilizer Canada's e-Learning course "Secure Transportation of Nitrate Fertilizers". *Transportation of Dangerous Goods* training performed for ammonium nitrate will be considered equivalent.
- d. Government issued photo identification of the drivers to provide transportation services.
- e. An up-to-date security plan for shipments or has agreed in writing to operate under the requirements of Section C2 ACCESS TO PRODUCT DURING SHIPMENT.
- f. A record retention system which retains shipment records for a period of 2 years.

Compliance with this section will be indicated through the presence of a written policy and procedure signed by the facility manager or designate that contains steps to comply with the listed requirements in this section.

C1.2 DELIVERY RECEIPT ACKNOWLEDGEMENT

NO.		Y/N
C1.2	The distribution and/or retail facility has implemented measures to ensure proper receipt acknowledgement by the retailer/ end-user upon arrival of the shipment at destination.	

SPECIFIC REQUIREMENTS:

A facility has a written procedure in place to confirm, manually or electronically, that the product has been delivered, in fully quantity, to the shipment destination and the receiver acknowledges receipt of and responsibility for product.

Compliance with this section will be indicated through the presence of a written policy and procedure signed by the facility manager or designate that contains steps to comply with the listed requirements in this section. The auditor will spot check shipping records to verify policies are being implemented.

C2 ACCESS TO PRODUCT DURING SHIPMENT

NO.		Y/N
C2	The distribution and/or retailer facility has undertaken measures to prevent unauthorized access to CAN during shipment.	

SPECIFIC REQUIREMENTS:

NOTE: It is the seller's responsibility to confirm that all protocols in place and have been implemented by their facility. The seller using third-party transportation services must verify the third-party transportation company has in place a protocol that includes the elements of this section.

The facility has provided written notice to all drivers that:

- a. A process must be in place to verify arrival of a shipment at the intended destination.
- b. Truck shipments of CAN cannot be left unattended by the driver at any time unless the load is parked in a secured area or the unit/load is properly locked down (e.g. high security padlocks, fifth wheel locks).
- c. Hatches on trucks and railcars must be secured and sealed with security cables.
- d. Seals are to be inspected and validated after each stop and upon arrival at the destination.
- e. All tampering of seals must be investigated and documented, and any losses reported to the appropriate authorities
- f. If the vehicle used to transport the CAN from the retail facility to the end-use point includes dispensing equipment (i.e. spreader with auger), all dispensing parts must be secured in the closed position to ensure total product containment during transport.
- g. The driver must notify the seller in the event of a spill or other incident which could impact the total quantity delivered to the receiver.
- h. If a driver discovers that any CAN has been stolen or tampered with, or that there has been an attempt to steal or tamper with it, the driver must immediately notify the seller, who in turn must immediately inform the local police.

Compliance with this section will be indicated through the presence of a written policy and procedure signed by the facility manager or designate that contains steps to comply with the listed requirements in this section.

C3 VALIDATION OF CUSTOMERS

NO.		Y/N
C3	The distribution and/or retail storage facility has undertaken measures to ensure all CAN customers have been validated.	

SPECIFIC REQUIREMENTS:

The distribution and/or retail storage facility has a written policy to validate customers prior to allowing a sale of CAN. A policy for validating customers must have procedures in place to allow for:

- a. Customer identification such as validation of a customer purchasing CAN through the provision of one of the following pieces of proper identification:
 - i. Pesticide licence
 - ii. Government-issued photo identification
 - iii. Two pieces of identification; both with buyer's name, at least one government-issued and at least one with the buyer's address
 - iv. Producteur Agricole number
 - v. Ontario Federation of Agriculture number
 - vi. Canadian Wheat Board identification number
 - vii. Proof of registration under the *Controlled Goods Regulations*.
 - viii. Proof of the purchaser's enrolment on the component sellers list (if the purchaser is a re-seller)
- b. Validation that the size of the order of CAN is in accordance with the end-user's reasonable agronomic needs.
- c. A defined location for the delivery of the CAN including contact numbers (i.e. address and/or legal land location) to be provided.

NOTE: For custom application of CAN, the legal land description for the area of application must be included on the sales receipt.

If the retailer is not satisfied that a purchaser satisfies their verification requirements, purchaser must be referred to the local police detachment for an ID check prior to any sale. Retailer should ensure in such cases that it has retained a thorough description of the purchaser.

For customers purchasing quantities below 500 kg, retailers must provide and document proof of customer review of Fertilizer Canada's Calcium Ammonium Nitrate Safety and Security Information* prior to the sale. See subsection C6.3 below for record-keeping requirements.

* The Calcium Ammonium Nitrate Safety and Security Information provided by Fertilizer Canada must be reviewed prior to purchase by customers that purchase less than 500kg of product within one growing season. Customers that require less than 500kg in one transaction but have purchased a minimum of 500kg of product within the same growing season do not fall under this requirement.

All suspicious incidents or questionable purchase attempts must be reported immediately to the local police detachment and to the RCMP National Security Hot-line at 1-800-420-5805. Refer to Fertilizer Canada's OnGuard Program for additional details.

Compliance with this section will be indicated through the presence of a written policy and procedure signed by the facility manager or designate that contains steps to comply with the listed requirements in this section. The auditor will spot check records to verify policies are being implemented.

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C4 TRACEABILITY OF SALES RECORDS

NO.		Y/N
C4	The distribution and/or retail facility has documentation to track sales of CAN for the past 24 months.	

SPECIFIC REQUIREMENTS:

Purchase records of all sales of CAN must be kept for a period of two years. At a minimum, this should include:

- a. Customer's name
- b. Customer's address or legal land description
- c. Customer's telephone number
- d. Identification: type of document verified (if applicable)
- e. Quantity of CAN (bulk or bagged)
- f. Trade name, quantity and package size of CAN (bagged) sold
- g. Description of how the CAN will be used
- h. Carrier and operator details
- i. Dates of delivery (estimated and actual)
- j. Location of delivery
- k. If delivery is made at the time of purchase, a receipt signed by the purchaser containing the information contained in the above

NOTE: All information collected respecting the sale of CAN must be kept under lock and key or password protection in the case of electronic records, and may be accessed only by persons who require such access in the course of their employment. The collection, use and protection of the information above must also comply with the obligations under the *Personal Information Protection and Electronic Documents Act (PIPEDA)*.

Compliance with this section will be indicated through the presence of a written policy and procedure signed by the facility manager or designate that contains steps to comply with the listed requirements in this section. The auditor will spot check records to verify policies are being implemented.

C5 CRITERIA SPECIFIC TO END-USERS

In addition to the requirements found in Section C, the following requirements apply to the sale of product to the end-user. This sale could be direct from the Manufacturer/Distributor and/or the Retail facility.

C5.1 POST SEASON STORAGE OF CALCIUM AMMONIUM NITRATE

NO.		Y/N
C5.1	The retail storage facility has provided communication to the end-use customer that post-season storage of CAN should be avoided if possible by matching purchase quantity with agronomic need.	

Recommended Controls:

In order to avoid post season storage of CAN, it is recommended that an order should generally not be filled beyond the size of a farmer's seasonal requirement. The order generally should be matched to the farmer's actual needs and purchasing patterns and not estimates.

If possible, it is preferred that unused/unopened product be returned to the dealer.

C5.2 COMMUNICATION OF END-USERS STORAGE SAFETY AND SECURITY

NO.		Y/N
C5.2	The retail storage facility has provided guidance and recommendation to the end-use customer for enhancing the safety and security of CAN storage on their farm.	

SPECIFIC REQUIREMENTS:

The retail storage facility has provided the following written guideline recommendations to all customers storing CAN on farm:

- a. All bin gates providing access to storage bins containing CAN should be locked and secured. Where possible, it is a recommended best practice to provide perimeter security. This may include fencing with lockable gates or other means of perimeter security around bins and/or buildings storing CAN.
- b. All doors, windows and other points of access to buildings storing bagged or bulk CAN should be secured with a high quality lock.
- c. Signs of theft, attempted theft, tampering, or loss not attributable to normal operations must be immediately reported to the local police.

- d. After hours security lighting should be provided to illuminate main points of access to storage buildings or bins.
- e. It is recommended that all storage buildings be equipped with a monitored security system.
- f. CAN remaining in an applicator should be secured or the applicator should be parked in a secured location. Any unused bagged product should be secured as well.
- g. CAN must not be stored near any combustible material including internal combustion equipment.
- h. A fire suppression system containing sufficient amounts of water must be available.

Compliance with this section will be indicated through the presence of written guidelines and procedures for customer communication. The auditor will spot check records to verify procedures are being implemented.

C5.3 USAGE DOCUMENTATION AND RECORD KEEPING

NO.		Y/N
C5.3	The distribution and/or retail storage facility has provided instructions to all end-user customers of CAN to maintain consumption and post season storage information for a period of 24 months.	

SPECIFIC REQUIREMENTS:

The retail storage facility has advised all CAN customers that:

- a. It is a best practice to retain records of all CAN purchases, in season usage and post season storage for two years.
- b. Re-selling of CAN should be avoided.

Compliance with this section will be indicated through the presence of a written handout provided to all end-users describing the steps necessary to comply with the listed requirements in this section. The auditor will spot check customer communication records.

C5.4 SMALL QUANTITY PURCHASERS INFORMATION

NO.		Y/N
C5.4	The distribution and/or retail storage facility has provided information to and has documentation to demonstrate that all small quantity customers of CAN have reviewed and understood the Fertilizer Canada Calcium Ammonium Nitrate Safety and Security Information brochure prior to sale.	

SPECIFIC REQUIREMENTS:

The retail storage facility has provided and documented that small quantity customers have reviewed information tailored to the safety and security concerns of the product:

- a. Properties of CAN
- b. Safe storage practices
- c. Secure storage practices
- d. Re-selling of CAN should be avoided

Retailers will demonstrate compliance with this section by retaining copies of acknowledgement forms signed by customers and confirming the customer has reviewed and understood the information provided, along with copies of the respective sales receipt or purchase order associated with the small-quantity sale.

SECTION E TRAINING

This section contains the standards for providing training for all sellers, handlers and end-users of CAN.

E1 FERTILIZER CANADA E-LEARNING

NO.		Y/N
E1	All distribution and/or retail facilities involved in the storage, handling and/or selling of CAN should ensure employees have received training on the Fertilizer Canada e-Learning Ammonium Nitrate Security Course. At a minimum Site and/or Operation Managers are required to have successfully completed the course, renewed annually.	

The e-Learning courses were developed by Fertilizer Canada to provide online, continuing education to fertilizer industry workers. One e-Learning course offered addresses safe and secure transportation, storage and handling of ammonium nitrate which is the basis for the best practices seen in the CAN Security Code. The goal of the e-Learning courses is to provide formal training, and to be seen as a guide, an information source and a reference. The courses are free to take, however, for some there may be a charge to take the quiz and obtain a certificate.

Compliance with this section will be indicated through the presence of a valid course certificate with expiration date.

SECTION F INSURANCE

This section outlines minimum insurance requirement for facilities that store and handle CAN.

NO.		Y/N
F	The distribution and/or retail facility has documentation that gives evidence of current policies of insurance covering all risks of exposure.	

SPECIFIC REQUIREMENTS:

- a. Environmental impairment liability (EIL) in the minimum amount of \$2 million covering third party bodily injury and property damage and off premises clean up expenses with \$2 million policy aggregate for all occurrences and \$2 million covering on-premises clean up with \$2 million policy aggregate for all occurrences **or**; a minimum of \$2 million combined policy covering on/off-premises clean up expenses inclusively and third party bodily injury and property damage with \$2 million policy aggregate.
- b. Owned automobile liability, (applicable to any and all vehicles that are owned, or leased or operated by the facility in connection with the facility's business), covering bodily injury or property damage to third party interests in the minimum amount of \$5 million per loss occurrence.
- c. Non-owned automobile liability in the minimum amount of \$5 million per loss occurrence.
- d. Comprehensive General Liability and Product Liability in the minimum amount of \$5 million per loss occurrence.

NOTE:

- (i) Any endorsement or other policy wording that directly or indirectly selects fertilizers as specifically excluded from coverage, or that selects fertilizers for diminished coverage, is NOT acceptable.
- (ii) Each of the coverage amounts stated above is a **minimum** requirement and may not be sufficient for the risks of exposure present at every operation. Fertilizer Canada expects that in many cases it will be necessary or prudent for a site operator to obtain coverage amounts greater than the minimums stated here. It is the sole responsibility of every site operator, in consultation with its insurers, to diligently and regularly assess the risks posed by its operations and to determine the appropriate coverage level and policy terms necessary to protect itself and the public from such risks. Fertilizer Canada recommends that such assessment be ongoing, but in any event be formally conducted upon any significant change to on-site or off-site operations and at each annual policy renewal. Fertilizer Canada

shall review these minimum requirements from time to time and may make further amendments in response to a review.

Compliance will be indicated through examination of the confirmation of coverage form.

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