



2014

**SUSTAINABILITY REPORT**



**Quadra**

Specialized. Effective. Trusted.



“ To Our Valued Stakeholders,  
I am pleased to present Quadra’s third annual sustainability report. The year 2014 marked, yet again, the ongoing progress of our sustainability initiatives.

As a founding member of the Canadian Association of Chemical Distributors (CACD), and a major contributor to the development of the Responsible Distribution® Code of Practice, Quadra continues on the path taken 25 years ago towards a more responsible and sustainable business.

As of 2014, 6 of our facilities have been verified by a third-party auditor and were found to be in full compliance with the Responsible Distribution® Code of Practice.

We developed a sustainability policy to frame our vision and objectives, and illustrate how Quadra will address environmental and economic challenges while contributing to a more responsible chemical industry.

Health and safety remains our top priority, and I am very pleased to report that there were no lost time incidents recorded for the third year in a row. This is a testament to the great work done by the Operations staff and the Health and Safety committees across the country.

We continued the growth of our green chemistry portfolio of ‘Green’ and ‘Better Choice’ products.

Moving forward, Quadra will continue to promote corporate responsibility and remains committed to continuously drive responsible practices in our industry, for the benefit of our stakeholders.

Tony Infilise  
Chief Executive Officer

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## ICON LEGEND



### ENERGY/CARBON FOOTPRINT

Reduce the carbon footprint of our operations through energy reduction initiatives.



### MATERIALS STEWARDSHIP

Continue to develop a more sustainable supply chain: expand Green and Better Choice product lines, choose supplier and carrier partners who have established sustainability procedures.



### ENVIRONMENT

Minimize the environmental footprint of our activities through sustainable and responsible actions.



### ETHICS

Conduct business responsibly with integrity, honesty and in accordance with all applicable and legal standards.



### RECYCLING

Practice the principles of the 3 R's (Reduce, Reuse, Recycle) for waste reduction initiatives.



### HEALTH & SAFETY

Quadra is committed to the safe, secure and efficient operation of our facilities and the health and safety of our employees.



### COMMUNITY

Each Quadra site is committed to strong relationships with neighbouring facilities, fire departments and local Community Awareness and Emergency Response (CAER) groups. Our employees continue to be deeply involved in local charitable initiatives.



### OUR PEOPLE

Quadra enables and encourages employees to practice a healthy lifestyle through its comprehensive Wellness Plan. Employees have the opportunity to provide feedback and suggestions through various and regular engagement exercises.

## OUR COMPANY

Established in 1976, Quadra is a leading provider of specialty and commodity chemicals, ingredients, and distribution services across Canada. Quadra offers coast-to-coast Canadian market coverage with 6 distribution facilities and over 40 additional stocking locations. We are proud to be ranked 7th on the Top 100 Chemicals Distributors in North America. We are also very pleased to retain our Platinum Status as one of Canada's 50 Best Managed Companies, as well as again being recognized as one of Canada's Best Small and Medium Employers.



# OVERVIEW OF THE REPORT

This report is an overview of Quadra's sustainability performance for the calendar year 2014. Quadra uses the Global Reporting Initiative (GRI) framework to report on its annual sustainability initiatives and actions throughout the year. The GRI provides our organization with structure which is beneficial in managing and evaluating Quadra's sustainability performance.

This report contains five sections: Health & Safety, Product Responsibility, Environment, Labour Practices and the Standard Disclosures, as required by the GRI framework. Quadra self-declares this report to meet Global Reporting Initiative G3.1 Guidelines, Application Level C. Quadra will continue to issue a sustainability report on an annual basis. All interested stakeholders are invited to provide their input by email to [sustainability@quadra.ca](mailto:sustainability@quadra.ca).

The following stakeholders have been engaged in the preparation of this report:

- Owner
- Employees
- Suppliers
- Customers
- Industry Associations

### Mission

To be the leading provider of chemical and ingredient distribution services, bringing the world's best suppliers to the Canadian marketplace.

### Vision

To be the best distributor in our industry in Canada, leading the market in innovative business solutions which improve the profitability of our customers and key suppliers.

### Values

- Integrity
- Connected
- Caring
- Innovative
- Entrepreneurial
- Quick on our feet
- Having Fun

# SUSTAINABILITY POLICY

Quadra aims to achieve the highest possible standards of sustainability through our operational activities and outreach to the broader community. To reach this objective, Quadra will continue to assess and improve the environmental impact of our operations, as well as our supply chain, social and employment practices. Quadra will maintain a sustainability Task Force to address these matters.

## ENVIRONMENTAL IMPACT

Quadra strives to reduce the operational environmental footprint using the following measures:

- Continuous compliance with all applicable environmental regulations
- Reducing energy consumption by increasing efficiency of energy use
- Lowering waste generation by introducing recycling and waste reduction initiatives
- Decreasing greenhouse gas footprint through different carbon reduction initiatives
- Continuing to improve on green purchasing practices

## SUPPLY CHAIN

Quadra will continue to develop a more sustainable supply chain through the following actions:

- Updating and expanding Green Products and Better Choice lists to promote sustainable chemistry
- Assessment and ranking of carriers based on established sustainability criteria; choosing greener carriers whenever possible
- Making sustainability programs an important part of our supplier assessment

## SOCIAL RESPONSIBILITY

Quadra will continue to be involved with community, industry organizations and charitable projects. This involvement may include, but is not limited to:

- Ongoing support for charitable organizations
- Maintaining an active and participatory role in the Canadian Association of Chemical Distributors; following the principles of Responsible Distribution®
- Building strong relationships with other individuals, organizations and communities that share our values

## EMPLOYMENT PRACTICES

Fully engaged employees are very important to implementation of sustainability initiatives. Quadra will continue to create an atmosphere conducive to an open dialogue about environment, health and safety using the below means:

- Regular publication of company sustainability newsletter and/or blog
- Recognition of use of sustainable means of transportation, such as cycling, public transit, carpooling, etc.
- Reimbursing employees enrolled in fitness and weight management programs through the Wellness Plan

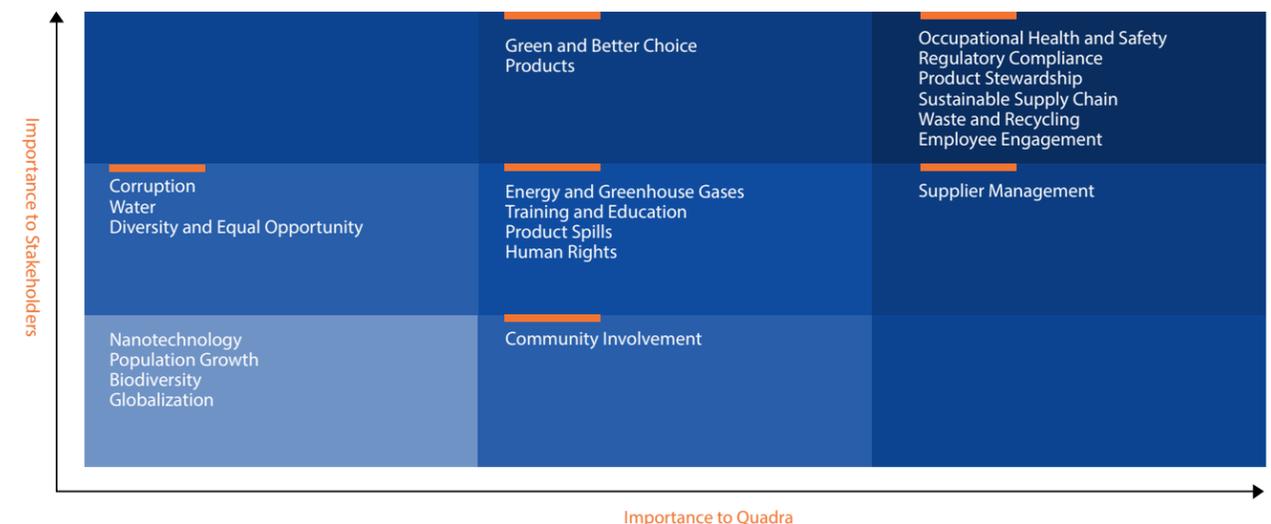


## MATERIALITY ANALYSIS

To identify the sustainability priorities most relevant and important to Quadra and our stakeholders, a materiality analysis was conducted. This enabled us to make an informed selection by priority of parameters on which to report. As depicted in the chart below, Quadra's priorities and the stakeholder's priorities are similarly aligned.

It should be noted that all parameters listed in the table are analyzed and discussed, not only the ones deemed high priority.

\*Topics highlighted with an orange accent are addressed in this report.





# HEALTH & SAFETY

## QUADRA'S NUMBER ONE PRIORITY

### Health and Safety (LA6, LA7)

In 2014, for the third consecutive year, Quadra achieved zero loss time incidents. The 'near miss' numbers reported have almost doubled which is extremely positive and proactive. This is a result of employees reporting unsafe conditions or acts, enabling Quadra to take corrective action before the issues escalate to incidents or accidents.

**Occupational health and safety is consistently identified by all of Quadra's stakeholders as the single most important priority for the organization.**

Quadra has an active Joint Health and Safety Committee at every facility, as well as a National Health and Safety Committee.



**A series of activities have been organized to inform employees of health and safety topics specific to the Quadra workplace. Examples include presentations on ergonomics, stress management, safe driving, identifying near misses in the workplace and safe use of fire extinguishers. Quadra also celebrates an Annual National Safety Day to recognize and celebrate safety excellence.**

Local committees meet each month after conducting monthly workplace inspections, the national committee meets quarterly. At Quadra approximately 1 in 5 employees currently participate in either the local Joint Health and Safety Committees or the National Safety Steering Committee. These employees are directly involved in determining the safety procedures and policies in the company. The Joint Health and Safety Committee at each branch regularly organize Safety 'Lunch and Learns' for staff. Employees receive external safety training and are encouraged

to attend safety conferences and tradeshows. Employees have access to online safety webinars and online training. This training is readily accessible to all staff based on interest and their role in the safety management within the company. Quadra's safety culture encourages all employees to actively participate in the company's safety effort.

Safety messages and reminders are regularly communicated with employees. The Regional Operations Managers at each Quadra facility sends emails concerning specific safety topics to all employees on a regular basis. In addition, the operations staff participate in a "Toolbox Talks" series that aims to discuss and resolve operational safety issues affecting each branch. There is an annual safety incentive available to all operations staff, which is presented during our National Safety Day.

Safety performance is directly linked to the employee's annual goals. Furthermore, employees are sent a summary of Quadra Environmental Health and Safety stats for each facility on a quarterly basis by the Regulatory Affairs Manager. Each Leadership Team Update,



Regional Update, and National Sales Meeting presentation opens with communicating Quadra's safety statistics and emphasizes Quadra's safety core values. Safety is the number one topic discussed in presentations with Quadra customers and suppliers.

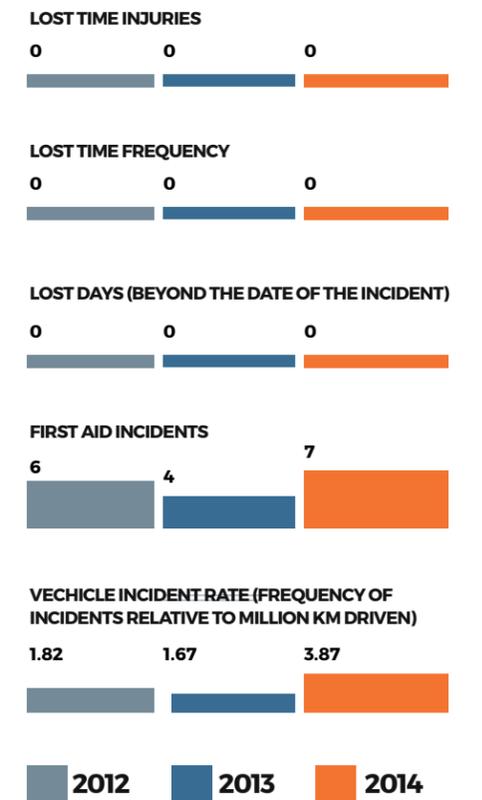
Quadra's Leadership Team (LT) gives very high priority to ensuring safety standards are measured, met, reported on, and maintained. LT Members sponsor the National Health and Safety Committee and play a key role in designing the overall safety strategy. The Leadership Team is made aware of all incidents and accidents which occur at each Quadra branch immediately via our Service Level Improvement program system database

Senior management ensures each incident is effectively resolved and measures are taken to prevent similar

incidents in the future. We have achieved significant progress in learning by sharing best practices and incident details nationally. Senior leaders comprise the majority of the positions on the Risk Management Committee.

The Leadership team at Quadra directly participates in various Health and Safety inspections and procedures. Quadra's safety culture adopts the principal "Safety is Everyone's Responsibility". Upper management is directly involved in championing the National Safety Steering Committee programs. Either the CEO or President (or both) annually conduct a visit to each of the Quadra sites. The Leadership Team regularly reviews the company safety incident reports. This includes a quarterly review of the total incident/accidents and for each facility which is shared nationally via Leadership Team Updates.

### OVERVIEW OF INCIDENTS AND ACCIDENT





# HEALTH & SAFETY

## TRAINING AND PROCEDURES

Quadra has established a detailed training matrix in order to ensure each employee receives adequate training to work safely. Employees are trained in their core competencies and receive mentoring and support to ensure they are capable of carrying out their role. The competency of each employee is regularly monitored through Quadra's job competency procedure, in addition to numerous third-party audits.

A detailed job description created by the Human Resources, Operations, and Risk Management Teams ensures the activities and responsibilities of each candidate are properly outlined. This serves as a guideline for the training required for each employee and their role. An initial orientation plan introduces each employee to the overall safety policies of the company. During this orientation process, employees are made aware of Quadra's in-depth safety policies and procedures. This helps communicate

to new candidates the importance and the role of Health and Safety within the organization. In addition all employees receive WHMIS and TDG awareness training or full WHMIS and TDG training program depending on their role and compliance requirements.

Initially, an employee is provided training based on their specific job requirements. For instance, an operational team member would receive training on the Transportation of Dangerous Goods (TDG), Workplace Hazardous Materials Information System (WHMIS), and forklift operation and safety. As the responsibilities in a particular position change, training is provided accordingly. All training is initially determined by the Risk Management Team along with the employee's supervisor. The training received by an employee is documented and updated according to Quadra and government regulations. The training



of each employee is reviewed regularly as part of their performance planning by managers within each department. Due to the serious nature of some products handled, employees are required to review all the procedures related to their specific role as well as review the corporate governance suite of

procedures and policies. When the procedure has been reviewed an electronic signature is provided by the employee and a training record entered in the database. There are approximately 300 specific procedures at Quadra, with a significant portion related to effective training and safety in the workplace.



### Fact

Quadra's safety culture encourages all employees to participate in the company's safety initiatives. Approximately 1 in 5 employees are members of Quadra's Safety Committee.



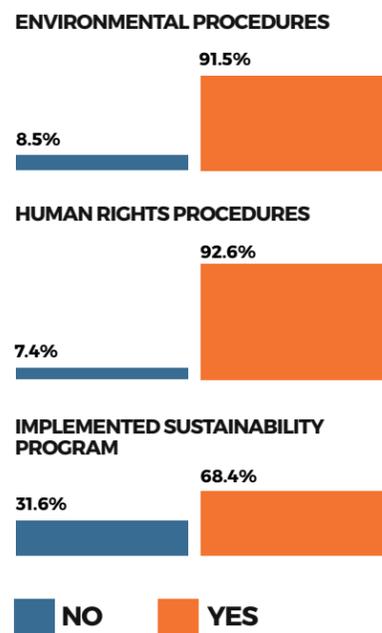
# PRODUCT RESPONSIBILITY

## SUPPLIER MANAGEMENT

(HR2, PR5)

In 2012 Quadra implemented a formal assessment process to evaluate all new product and service suppliers. Part of the audit includes completing a form which involves a sustainability section for the environmental practices and human rights protocols in place. This assessment is done for all new suppliers, and our goal is to have all existing suppliers complete the assessment, a project currently in progress.

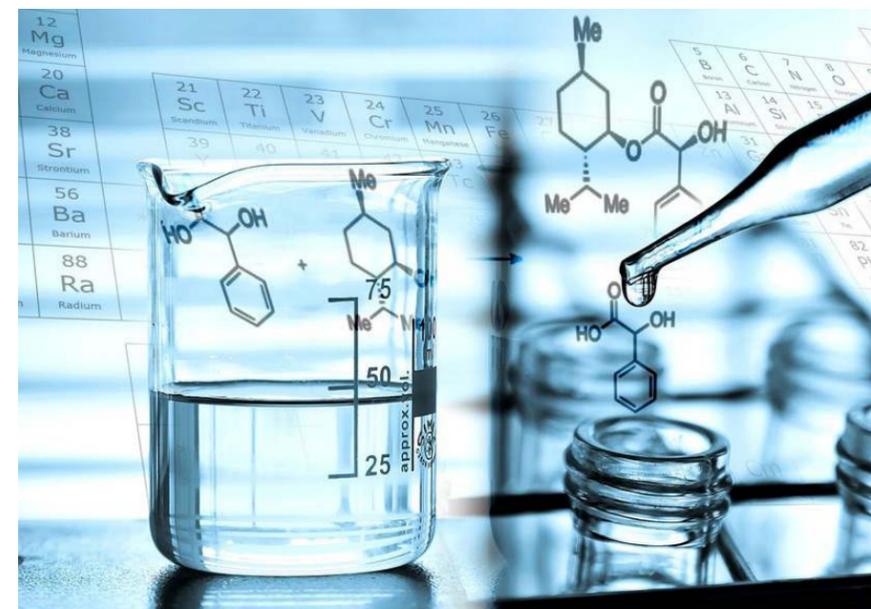
The table below demonstrates the percentage of suppliers evaluated between 2012-2014 who have established sustainability procedures:



### Assessment Criteria:

- 1 Referring to corporate policies and procedures in place to identify and control chemical releases to the environment.
- 2 Referring to a process in place to ensure that the company is meeting or exceeding the requirements of local laws and "best practice" standards concerning labour rights, health, safety and basic human rights of all employees.
- 3 Referring to a formal corporate sustainability program implemented within the company.

In addition, we assess the performance of all our product suppliers and carriers in the given calendar year. This evaluation is incident driven and depends on the frequency and the severity of nonconformance, if any. This assessment, carried out by the Total Quality Management team is based on the trend analysis of each global supplier's performance, and appropriate actions may be required to improve inefficiencies. For example, actions may be necessary if a trend analysis reveals that there are more than 4 incidents per year that require reporting into the Service Level Improvement Program (SLIP), Quadra's quality program to track customer issues.



# PRODUCTS AND SERVICES

## SUSTAINABLE PRODUCTS & SERVICES

(EN26, EN6)



Quadra's green chemistry portfolio consists of two product categories: Green Products and Better Choice Products. Both Green Products and Better Choice lists were updated and expanded in 2014, in keeping with Quadra's commitment to green chemistry and increasing the number of sustainable options available to our customers. Our goal for 2020 is to have 15% of Quadra's total product sales consisting of Green and Better Choice products.

A substance qualifies for the Green Products list when it is certified by an industry-recognized third party organization that specializes in environmental certification, such as Ecocert.

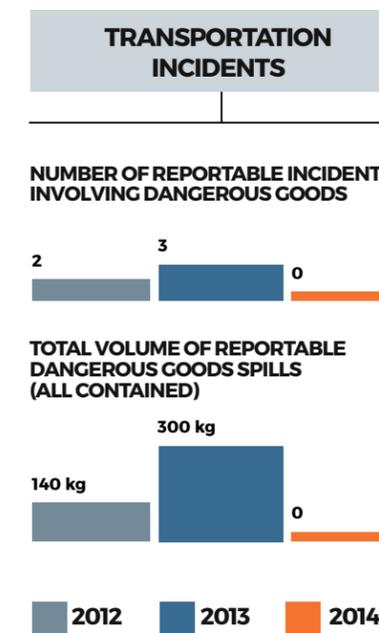
The Better Choice product list was developed by Quadra based on the product's environmental benefits and attributes as described below. Better Choice products must meet one or more of the set criteria:

- Biodegradability
- Sustainable production
- Organic Status
- Naturally sourced
- GMO-free
- Identity preserved
- Recyclable packaging
- Environmentally inert
- Phosphate free
- GHG emission reducing product
- Energy saving products (in processing)
- Lower toxicity
- Phthalates free

# PRODUCT SPILLS

(EN23)

Spill prevention is a major priority for Quadra - our goal is to have zero incidents, accidents and spills. We are pleased to reach the objective on reportable spills of dangerous goods, which were zero in 2014. However, we experienced four minor site spills of non-dangerous goods which were contained. These incidents were fully investigated, root causes identified, and the findings shared nationally. Based on the hundreds of millions of kilograms handled annually, the incident rate remains low compared to our total number of shipments. Quadra will continue working to maintain our performance of zero reportable spills in the next calendar year through continued training and awareness.



**This year, one of our Better Choice products (Citri-Fi® -natural) was reviewed and reclassified as a Green Product. Citri-Fi® can be labeled as an organic ingredient, and is a natural alternative to replace synthetic emulsifiers and stabilizers.**





# ENVIRONMENT

## GREEN HOUSE GAS EMISSIONS

### Greenhouse Gas Footprint (EN3, EN4, EN5, EN7, EN16, EN18, EN29)

The reduction of corporate greenhouse gas (GHG) emissions is one of Quadra's top priorities. Total direct and indirect emissions from operations decreased again this year despite ongoing construction and expansion at certain locations. This resulted in a significant 23% decrease in our carbon intensity (Ton CO<sub>2</sub> eq/\$ Gross revenue).

The only source of direct energy at Quadra is natural gas used to heat the facilities; electricity is the only source of indirect energy consumption. The following sites, owned and operated by Quadra, are included in the table below:

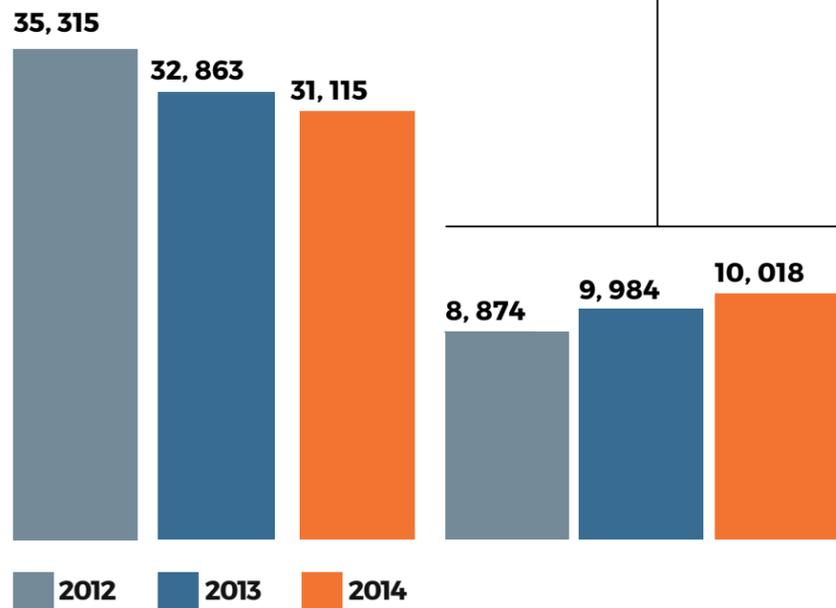
- Vaudreuil-Dorion, Quebec
- Burlington, Ontario
- Delta, British Columbia
- Clairmont, Alberta
- Edmonton, Alberta (2 locations)

In 2014, Quadra's emission reduction efforts focused on the largest facilities. The Vaudreuil facility reduced natural gas consumption by 37%, following a previous energy consumption assessment and resulting retrofit. Other Quadra locations have implemented the following energy saving measures:

- New thermostats were installed and reprogrammed.
- Building envelopes were assessed for leaks and insulation needs.
- Ceiling fans were installed in warehouses to balance air

Quadra's total direct and indirect GHG footprint from operations was reduced by 2% in 2014. In addition, energy efficient options are always considered for any new construction or renovation projects. As a result of these improvements, the GHG footprint of the Vaudreuil facility decreased by 12% in 2014.

### NATURAL GAS CONSUMPTION, GJ



\*GHG emissions from electricity were calculated using the 2013 conversion values for each province provided by Environment Canada's Electricity Intensity Tables

### EARTH DAY INITIATIVES

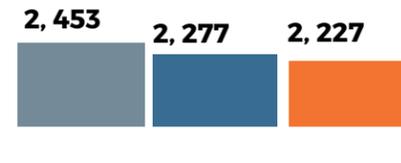
Each year Quadra celebrates Earth Day with a number of initiatives designed to promote environmentally responsible behaviour among our team. In 2014 we issued the Quadra Challenge to employees to encourage our employees to:

- Use public transit or an alternate mode to commute to work
- Avoid printing unnecessary documents
- Work in teams to clean up garbage from outside all Quadra facilities

### ELECTRICITY CONSUMPTION, GJ



### TOTAL DIRECT & INDIRECT GREENHOUSE GAS EMISSIONS\* METRIC TONS CO<sub>2</sub> E



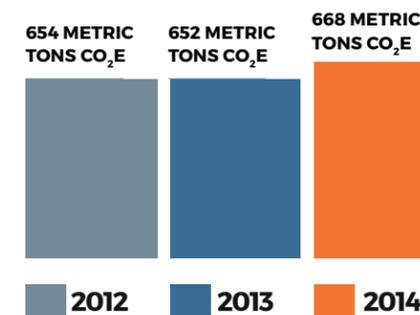
### QUADRA EMPLOYEE FLEET EMISSIONS

Employee vehicle travel emissions increased 2%, a result of the addition of several new Account Managers who have a company vehicle. The air travel emissions decreased by 3.6%. Quadra continues to reduce vehicle emissions by adding more efficient vehicles to its fleet. Most of the available choices within the fleet are equipped with four cylinder engines rather than six, in order to optimize fuel efficiency, as the Quadra commercial team relies heavily on their vehicles.

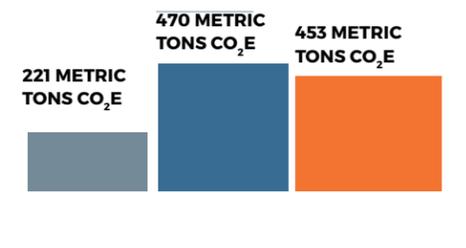


QUADRA ALSO PROMOTES THE USE OF ALTERNATE MODES OF TRANSPORTATION, AND GIVES OUT "GREEN COMMUTER" AWARDS TO EMPLOYEES WHO USE A HYBRID VEHICLE, PUBLIC TRANSPORTATION, CARPOOL OR WALK OR CYCLE TO WORK. IN 2014, THE TOTAL NUMBER OF DAYS WHEN EMPLOYEES USED A "GREEN" COMMUTE WAS 1190.

### EMPLOYEE VEHICLE TRAVEL



### AIR TRAVEL





# LOGISTICS INITIATIVES

(EN29)

Quadra's Logistics team continues to work at reducing the carbon footprint from transportation. Whenever possible, we move product by the most efficient means possible (ie: rail instead of truck), look to maximize our payloads to reduce the number of shipments, and are in the process of reevaluating our dedicated truck delivery zones to make them more efficient. Another key area of focus is combining inbound purchases onto the same delivery unit. We currently consolidate a number of our orders in two geographical areas, and are assessing other geographical zones in order to improve efficiency in deliveries.

We co-operate with our carrier partners to reduce the environmental footprint of our operations by supporting the use of fuel efficient vehicles, the use of sustainable fuels and other fuel reducing measures such as:

- Auxiliary power units
- Aerodynamic devices
- Engine upgrades/engine shutdown devices
- Long Combination Vehicle (LCV)
- Single wide based tires
- Alternate fuels – biodiesel, ethanol, propane

Quadra continues to encourage its carriers to participate

in the SmartWay Transport Partnership, an innovative collaboration between public and private stakeholders with the shared goal of conserving fuel and reducing GHG emissions from the freight transportation supply chain.



In 2014, a U.S. based customer requested we source their

**products domestically, rather than from overseas, for reasons of perceived sustainability and reduced environmental footprint from transportation. Quadra carried out a procurement life cycle analysis, and was able to demonstrate that continued sourcing from Europe remained the most sustainable solution. The elements in favour were:**

- **Sourced from a country with very robust environmental and sustainability regulations**
- **From a manufacturer committed to sustainability with strong policies and procedures in place**
- **Shipped by ocean lines with a significantly lower carbon footprint than road transportation across the United States.**



# WASTE & RECYCLING

(EN22)

Waste and recycling was identified by Quadra's stakeholders as being one of the most important aspects of the organization's sustainability program.

Expired or damaged food products were previously disposed of as chemical waste. In 2012 partnerships were formed with biogas producers which allowed Quadra to divert a portion of food waste for energy consumption. Quadra will continue to use these and other best practices to reduce environmental impact on landfills.

Overall, the amount of waste as a percentage of total products handled remains at a very low 0.0003% in 2014, as a

result of efficient inventory management initiatives which has resulted in fewer expired products.

Quadra's recycling practices have been maintained at the same high level, with some recyclable materials being reused (such as stretch wrap, wood pallets, office paper, electronics) and the program recycles items such as containers (plastics, glass, and metal) and used batteries.

Quadra also continues to maintain a drum and tote reconditioning program. Totes and drums are returned to Quadra, sent out for thorough cleaning, and reused.



# LABOUR PRACTICES

## EMPLOYEE ENGAGEMENT



Employees are given an opportunity to provide their feedback to Quadra on a regular basis through surveys conducted as part of the Best Small and Medium Employers program as well as through Leadership Team presentations and other engagement exercises.

### WELLNESS

Quadra has established a comprehensive wellness plan. The plan encourages all Quadra employees to pursue an active and healthy lifestyle.

Quadra's wellness program is a leadership driven initiative. The Wellness Committee is comprised of members from each of the local branches and is chaired by a member of the Leadership Team. The members are chosen annually and new enrollment each year is strongly encouraged. The committee chooses a specific health topic to be discussed and highlighted for each month of the year. Monthly meetings are held between the members to decide the activities and themes. Different initiatives are organized in the workplace based on these

themes. Some examples of the initiatives organized by the committee include: seminars on nutrition labels and healthy eating, a wellness photo contest showing employees engaged in various physical activities, as well as an inter-branch activity challenge.

The committee also aims to educate employees of the various health assessment tools and services available through Quadra's benefits plan. This includes how to use our EAP/Wellness tools such as the Health Risk Assessment Tool. In addition, the committee has organized various initiatives that allow employees to remain active while at work. This includes lunch-time on site yoga classes and running and walking groups.



Outside of the workplace, employees participate in various charitable activities in groups and teams. Two recent examples are the Toronto CN Tower Stair Challenge (Quadra Quicksteppers) and the Edmonton MS Walk.

These initiatives ensure all employees have access to key information in order to promote the importance of leading a healthy lifestyle. Quadra has been voted as one of Canada's Best Small & Medium Employers since 2010. A component of receiving this award includes assessing how employees perceive their company's wellness plan. The Wellness Committee, with the aid of the Leadership Team strives to continually improve the quality of the policy.

### PROFESSIONAL DEVELOPMENT

ALL QUADRA EMPLOYEES ARE ENGAGED IN REGULAR CAREER DISCUSSIONS, GOAL REVIEWS, AND PERFORMANCE EVALUATIONS. MANAGERS ENCOURAGE AN "OPEN DOOR" APPROACH TO DISCUSSIONS ABOUT PROFESSIONAL GOALS TO SUPPORT EMPLOYEES' CAREER PROGRESSION AND PROMOTE CAREER DEVELOPMENT. QUADRA ALSO HAS AN EDUCATIONAL REIMBURSEMENT POLICY THAT INCLUDES 100% REIMBURSEMENT FOR ALL APPROVED TRAINING, INCLUDING BOOKS, SOFTWARE, AND OTHER MATERIALS.



### BUSINESS CODE OF ETHICS, ANTI-CORRUPTION AND DISCRIMINATION

(HR4, SO4)

Quadra continues to ensure all employees adhere to the Code of Business Ethics, which was established in 2013. This Code reflects company values and outlines practices which employees are expected to follow. The Code focuses on:

- Zero tolerance policy concerning bribery and corruption
- Commitment to regulatory compliance
- Quadra's status of an equal opportunity employer and the discrimination policy
- Respect for human rights
- Conduct activities in a manner that takes into account the

environment and the community

- Non-disclosure of confidential business information
- Refraining from dealing with or supporting anyone who engages in forced or child labour
- Maintaining a secure working environment
- Substance abuse policy
- Anti-corruption

In 2014 Quadra implemented a Diversity Policy, committing to:

- Equal Opportunity Employment Considerations for Minority and Disabled persons
- Worldwide Purchasing
- Canadian Languages (English and French) are respected
- Business Code of Ethics; Support for Diversity Group

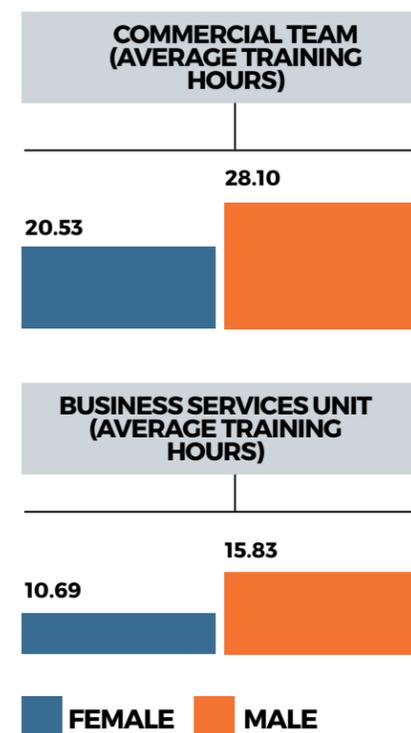
All employees are expected to act in accordance with the Code.

### TRAINING AND EDUCATION

(LA10)

The average training hours also correspondingly increased for every department, ranging from 31-42%.

In the Business Services unit, predominantly male warehouse employees receive more training than office staff due to the potential hazards of their jobs which requires extensive safety awareness training.





## COMMUNITY INVOLVEMENT

At Quadra, we are proud to support numerous charitable organizations (approximately 40 nationally). In line with our Core Values, Quadra actively sponsors various initiatives to support many worthwhile causes within our local communities. Quadra employees are committed to making a difference and are supported in initiatives that are close to our own communities.

### RESPONSIBLE DISTRIBUTION

Quadra is committed to the principles of Responsible Distribution® and each company site has a strong relationship with local fire departments and neighbouring facilities. Quadra is also affiliated with local Community Awareness and Emergency Response (CAER) groups. CAER is a non-profit, volunteer organization that aims to promote awareness of the chemical industry to the community, reduce the risk of emergency situations, and promote safety by the sharing of best practices. Quadra employees attend CAER group meetings and events on a regular basis.

### FURTHERING POST SECONDARY EDUCATION

Quadra supports an endowment scholarship in chemistry at Simon Fraser University, as well as the MBA medal scholarship at Concordia University, which focuses on science driven MBA students. Additionally, in 2014 Quadra participated in sponsoring the purchase of new lab equipment for the Université de Laval à Québec, to further research in the chemistry field.



Quadra is dedicated to promoting education and aims to engage youth in sciences. Quadra is a proud sponsor of the 'You Be The Chemist'® program, a complimentary curriculum developed by the U.S. based Chemical Education Foundation and administered in Canada by the Canadian Association of Chemical Distributors (CACD). You Be The Chemist® aims to

promote science education by providing elementary educators with a bilingual, online resource that involves students in a more positive and interactive way of learning. The intention is to stimulate the minds of young generations and encourage them to consider a career path in the chemical industry.



# REGIONAL INITIATIVES

In addition to corporate donations, each Quadra facility has an individual committee that is empowered to make donations locally which will benefit the charitable organizations in their region. Regional initiatives are conscious decisions carried out by each location's Donations Committee in an effort to bring significant changes to targeted causes in communities across the country, engage employees, and promote good citizenship. Quadra's corporate donations mainly concentrate on causes which aid in health, education, well-being and economic empowerment. Overall Quadra supported a total of 40 charitable organizations across Canada in 2014.

## 1 QUADRA ALBERTA:

For the last seven years, our Edmonton facility staff has been volunteering with the Salvation Army. Along with the annual donation allocated by the Edmonton Donation Committee, personal donations are also given by the staff through gifts purchased and time committed to the Salvation Army Christmas Gift event. The Alberta team also supports the Multiple Sclerosis walk and the 'Uncles and Aunts at Large', a mentor program for children.

Quadra's Calgary branch supports the Calgary Mavericks Foundation, a group of 25 local businessmen which fundraises for Calgary area children's agencies. Their involvement in Chuck Wagon Racing promotes a spirit of fellowship and camaraderie among all Mavericks members.

## 2 QUADRA BRITISH COLUMBIA:

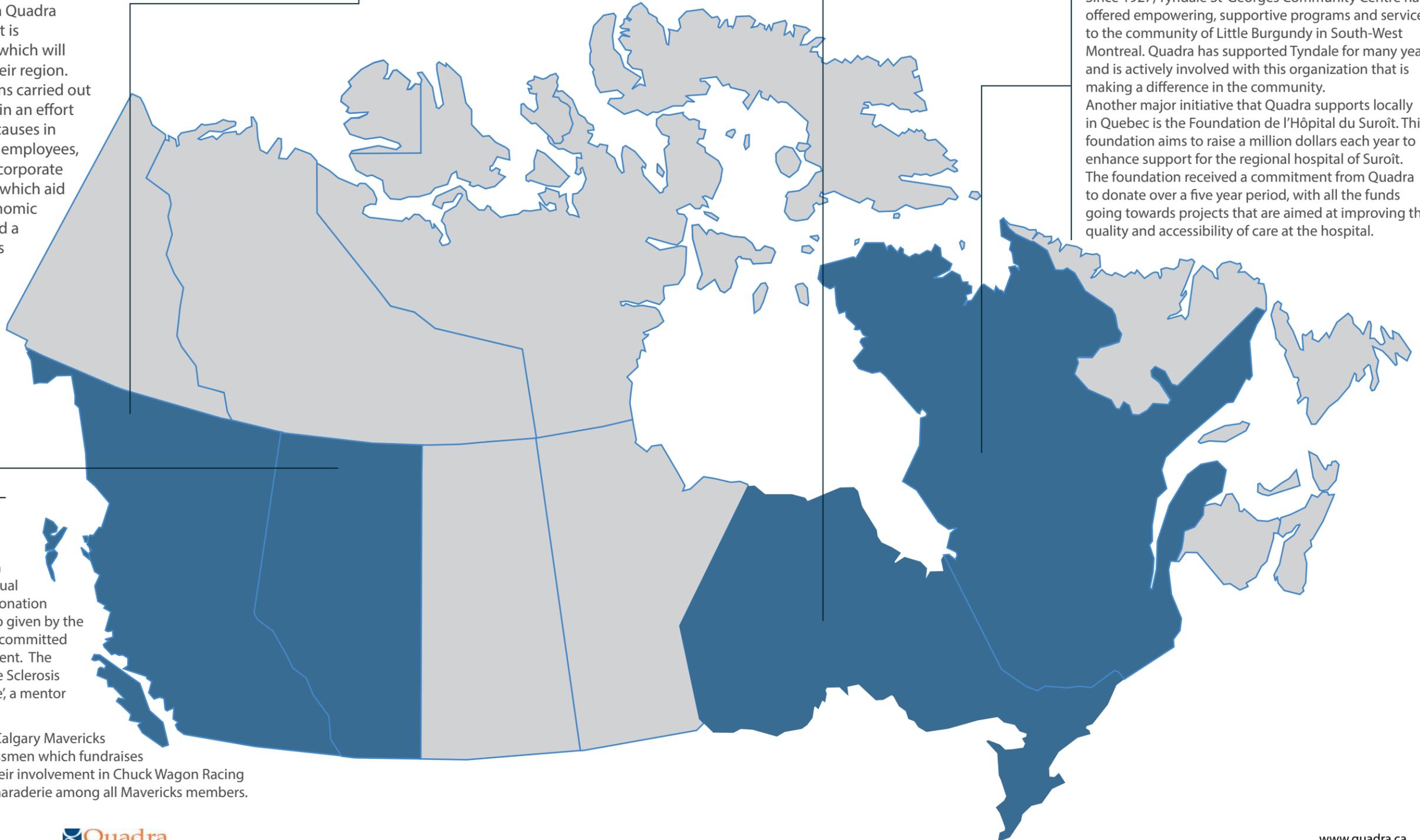
Our Delta facility community involvement focuses on supporting education and youth mentoring with the 'Yo Bro' program, and programs designed to improve the lives of disabled children such as the Autism Society and the Richmond Therapeutic Riding Association.

## 3 QUADRA ONTARIO:

The Burlington facility has been sponsoring Halton Women's Place for several years, and is proud to be a "Safe Shelter Sponsor". Many Burlington employees also dedicate their own time to volunteer at the shelter, and participate in events and fundraisers benefiting the shelter. Halton Women's Place is a safe house which provides assistance to women and children who are victims of abuse.

## 4 QUADRA QUEBEC:

Since 1927, Tyndale St-Georges Community Centre has offered empowering, supportive programs and services to the community of Little Burgundy in South-West Montreal. Quadra has supported Tyndale for many years and is actively involved with this organization that is making a difference in the community. Another major initiative that Quadra supports locally in Quebec is the Foundation de l'Hôpital du Suroît. This foundation aims to raise a million dollars each year to enhance support for the regional hospital of Suroît. The foundation received a commitment from Quadra to donate over a five year period, with all the funds going towards projects that are aimed at improving the quality and accessibility of care at the hospital.



# STANDARD DISCLOSURES

## 2.1 Name of the organization

Quadra Chemicals Ltd.

## 2.2 Primary brands, products and/or services

Quadra is a distributor and marketer of chemicals, nutritional and functional ingredients, health and personal care ingredients. We offer over 5000 products to various industries and markets across Canada.

## 2.3 Operational structure of the organization

Quadra operates through seven commercial units:

- Nutritional & Functional Ingredients
- Health and Personal Care
- Performance Adhesives
- Industrial Chemicals
- Energy
- Coatings, Adhesives, Sealants and Elastomers
- Mining

## 2.4 Location of organization's headquarters

3901 F.X. Tessier  
Vaudreuil-Dorion, Québec  
Canada J7V 5V5

## 2.5 Number of countries where the organization operates

Quadra facilities are located in Canada, with an office located in Shanghai, China.

## 2.6 Nature of ownership and legal form

Quadra Chemicals Ltd. is a privately owned company incorporated in Canada.

## 2.7 Industry Segments

Quadra distributes to multiple market segments across Canada, including the following:

Adhesives  
Animal Nutrition  
Case and Carton Sealing / Labelling  
Coatings  
Construction  
Elastomers  
Flexible Packaging  
Gas Processing  
Household, Industrial and Institutional Cleaning  
Major Chemicals  
Metal Treatment and Galvanizing  
Mining and Smelting  
Oil Refining  
Performance Polyolefin Resins  
Petroleum Services  
Pool and Spa  
Protective Coating Solutions  
Pulp and Paper

Rubber – Industrial and Automotive  
Sealants  
Soil Remediation  
Soluble Fertilizer  
Steam Assisted Gravity Drainage  
Water Treatment

Baking & Fillings  
Beverages  
Confectionary  
Dairy, Ice Cream & Cheese  
Meat and Seafood  
Nutraceutical  
Organic Products  
Personal Care  
Pharmaceutical  
Prepared Foods  
Sports Nutrition, Bars & Cereals  
Pet Nutrition

## 2.8 Scale of the reporting organization

Confidential business information.

## 2.9 Significant changes during the reporting period

Not applicable.

## 2.10 Awards received in the reporting period

Quadra was again recognized as one of the Best Small and Medium Employers in Canada in 2014. We have proudly held this designation since 2010. The ranking is primarily determined using the results from confidential Employee Opinion

Surveys and organizational practices. In addition, Quadra is a member of the Platinum Club of Canada's 50 Best Managed Companies. The Best Managed designation symbolizes Canadian corporate success: companies focused on their core visions, creating stakeholder value and excelling in the global economy.

## 3.1 Reporting period

Unless otherwise indicated, this report pertains to the calendar year 2014

## 3.2 Date of most recent previous report

The publication date of the previous report was submitted April of 2014 for the reporting period of 2013

## 3.3 Reporting cycle

The sustainability reports will follow the annual reporting cycle.

## 3.4 Contact point for questions regarding the report or its contents

3901 F.X. Tessier  
Vaudreuil-Dorion, Quebec  
J7V 5V5  
TEL : 1-800-665-6553

Email: sustainability@quadra.ca

## 3.5 Process for defining report content

The materiality analysis below is based on the 2014 stakeholder survey and on the feedback received after the publication of the 2013 sustainability report. Feedback received from the stakeholders was weighed against issues that are relevant to Quadra.

## 3.6 Boundary of the report

The report covers only Quadra owned facilities and operations as of December 31, 2014, unless otherwise noted.

## 3.7 Limitations of boundary

This report omits data which was deemed to be proprietary business information, such as revenue data.

## 3.8 Non-majority-owned enterprises

No joint ventures, subsidiaries, leased facilities, outsourced operations or enterprises are included in this report.

## 3.10 Restatements of previous information

Not applicable.

## 3.11 Significant changes from previous reports

The greenhouse gas calculations for the calendar years 2012-2013 and 2014 were adjusted to include the proper emission factors per provinces for electricity, as well as the air travel emissions which were corrected for the year 2012-2013 and 2014 based on more precise emission factors.

## 3.12 GRI content index of standard disclosures

See page 30 of this report

## 4.1 Governance structure

Quadra is governed by a Leadership Team, which is responsible for setting company strategy. This team consists of 42% female and 58% male. There are also several committees assigned for specific tasks, such as Risk Management Committee, Wellness Committee, Health and Safety Committee and the Sustainability Task Force.

## 4.2 Governance chair

The owner of the company, Tony Infilise, is the Chief Executive Officer and is a member of the Leadership Team.

## 4.3 Highest governance body

Not applicable.

## 4.4 Mechanisms to provide recommendations

Quadra strongly believes in continuous improvement. Various forums are used to discuss, identify and communicate improvement initiatives. Below is a list of some of the systems that are used to achieve this objective:

- Corporate information sessions are held on a regular basis to communicate company performance, strategy and new initiatives.
- Service Level Improvement

Program (SLIP) is a collaborative program used to identify problems and opportunities for improvement.

- Financial Improvement Program is a team initiative
- Total Quality Management team communicates trend analysis and continuous improvement initiatives on a regular basis.
- Ongoing customer solutions meetings; a team based approach
- Quadra's management maintains an open door policy for all employees.

## 4.14 Stakeholder groups

- The following stakeholders have been engaged in the preparation of this report:
- Owner
- Employees
- Suppliers
- Customers
- Industry Associations

## 4.15 Stakeholder engagement

The stakeholders have been identified on the basis of their influence on Quadra's operations. Selected stakeholders were determined to be the most important to Quadra, based on their interest in Quadra's sustainability initiatives. The largest suppliers and customers were contacted for their input, as well as the industry associations with which Quadra is involved. An online survey of employees was also conducted to solicit opinions on sustainability priorities, this feedback was used in developing sustainability initiatives.

# GRI CONTENT INDEX

This table lists the GRI G3.1 Sustainability Reporting Guidelines items included in this report. Quadra self-declares this report to meet Global Reporting Initiative G3.1 Guidelines, Application Level C.

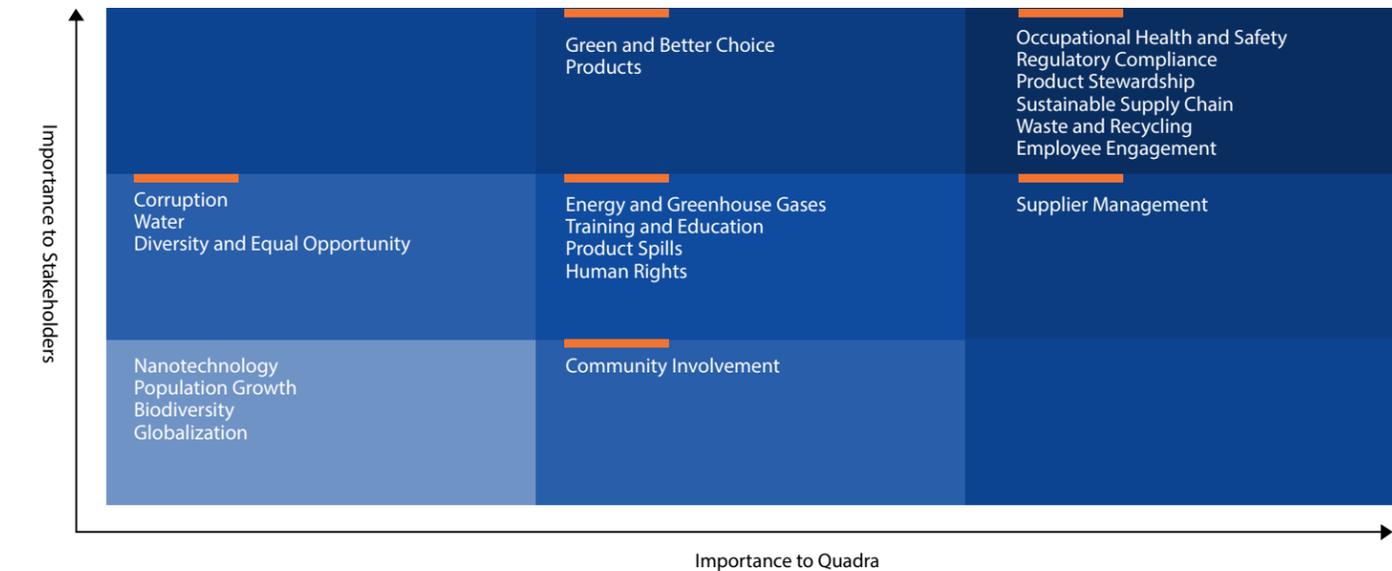
| STANDARD DISCLOSURES   |  |      |
|------------------------|--|------|
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| 4.15                   | Stakeholder engagement   | 29   |
|                        | Performance Indicators   | 29   |
| PERFORMANCE INDICATORS |  |      |
| EC4                    | Significant financial assistance received from government        |      |
| EN3                    | Direct energy consumption  | None |
| EN4                    | Indirect energy consumption                                      | 18   |
| EN5                    | Energy saved due to conservation                                 | 18   |

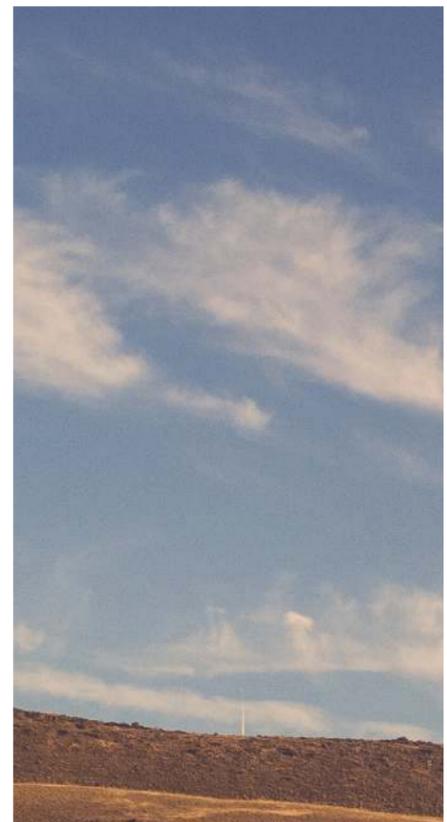
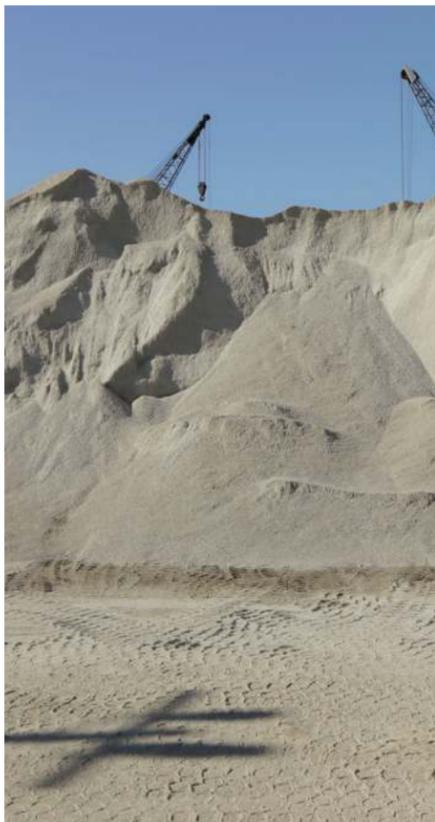
| INDICATOR | DESCRIPTION   | PAGE |
|-----------|---|------|
| EN6       | Initiatives to provide energy-efficient products                            | 18   |
| EN7       | Initiatives to reduce indirect energy consumption                           | 18   |
| EN16      | Total direct and indirect greenhouse gas emissions                          | 18   |
| EN18      | Initiatives to reduce greenhouse gas emissions and reductions achieved      | 18   |
| EN22      | Total weight of waste by type and disposal method                           | 21   |
| EN23      | Total number and volume of significant spills                               | 15   |
| EN26      | Initiatives to mitigate environmental impact of products and services       | 15   |
| EN28      | Environmental fines   | 16   |
| EN29      | Environmental impacts of transporting products and members of the workforce | none |
| HR2       | Suppliers that have undergone human rights screening                        | 14   |
| HR4       | Non discrimination  | 23   |
| LA6       | Total workforce represented in health and safety committees                 | 10   |
| LA7       | Rates of injury, lost days, occupational diseases                           | 10   |
| LA10      | Average hours of training per year per employee                             | 23   |
| LA11      | Skills management and lifelong learning                                     | 23   |
| LA12      | Percentage of employees receiving performance reviews                       | 23   |
| PR3       | Type of product and service information required by procedures              | 16   |
| PR9       | Fines for non-compliance with legislation concerning product responsibility | 16   |
| PR5       | Practices related to customer satisfaction                                  | 17   |
| SO3       | Anti-Corruption training  | 23   |
| SO4       | Actions to prevent corruption   | 23   |
| SO8       | Other significant fines and non-monetary sanctions                          | 16   |

## MATERIALITY ANALYSIS

To identify the sustainability priorities most relevant and important to Quadra and our stakeholders, a materiality analysis was conducted. This enabled us to make an informed selection by priority of parameters on which to report. As depicted in the chart below, Quadra's priorities and the stakeholder's priorities are similarly aligned. It should be noted that all parameters listed in the table are analyzed and discussed, not only the ones deemed high priority.

\*Topics highlighted with an orange accent are addressed in this report.







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