Quadra
Specialized. Effective. Trusted.

2019 SUSTAINABILITY REPORT

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PRESIDENT'S STATEMENT

▶ **102-14**

Greetings,

I am pleased to present Quadra's eighth annual sustainability report and our first communication of progress as a signatory member of the United Nations Global Compact. The time was right to formally engage with the United Nations Global Compact, having already adopted the 10 principles for our Supplier Code of Conduct, and nearing the milestones of our 2020 Sustainability Objectives.

Responsible business practices have always been at the core of Quadra values, starting first and foremost with our employee's health and safety. From Quadra's contribution 30 years ago to the development of Responsible Distribution® Canada and its Code of Practice, to today where Corporate Responsibility is a fully integrated notion in our culture across our business functions, and a key strategic priority. We believe we are well positioned to make a difference not only by making progress on our sustainability objectives and commitments, but also in supporting our partners in achieving theirs. Our team has made significant strides since our initial report in 2012, and I am excited to continue our journey, aligned with the UN Sustainable Development Goals.

Anne Marie Infilise
PRESIDENT

To Our Valued Stakeholders,

As a family business, Corporate Responsibility and Sustainability have always been inherent to how and why we do things. Our Core Values of caring, safety, integrity, innovation, being quick on our feet, being connected to our supplier, customers and employees, being entrepreneurial and, of course, having fun, are the foundations upon which we built Quadra. These values fostered a culture of diversity and inclusion, for our biggest strength lies in our people with their culture, their skills and experiences. They are the source of innovation and creativity that fuels our competitive advantage and we continue to be committed to have a space where all are safe and treated with respect and integrity.

Coherent to these values, we engaged in 2019 with the United Nations Global Compact to publicly formalize our commitment to its 10 principles on Human Rights, Labour, Environment and Anti-Corruption. In this eight GRI Sustainability report, I am delighted to share our first Communication of Progress (COP) advancing these principles in our business.

Furthermore, we are revising our entire Sustainability policies and objectives to align with the 2030 Sustainable Development Goals (SDG) and reflect our ever evolving social, environmental and economic realities.

The coming year will see me work alongside the incoming CEO, Philip Infilise, to establish our 2025 Sustainability objectives and continue the work we have started for a more sustainable, resilient and diverse organization.

We hope you enjoy this report and share our enthusiasm for all the progress we are making on our sustainability journey.

Tony Infilise
CEO

ABOUT QUADRA

Established in 1976, Quadra Chemicals Ltd. is a privately-owned company incorporated in Canada and is a leading provider of specialty and commodity chemicals, ingredients, and services across Canada. Quadra offers coast-to-coast Canadian market coverage with 7 distribution facilities and over 40 additional stocking locations. Quadra services the industries of Oil & Gas, Mining, Industrial Process Industries, Chemical Manufacturers, Pharmaceutical, Food and Cosmetics. We are proud to be ranked 10th on the Top 100 Chemicals Distributors in North America. We are also very pleased to retain our Platinum Status as one of Canada's Best Managed Companies since 2003, as well as again being recognized as one of Canada's Great Place To Work™.

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.

Quadra Chemicals Ltd.
Head Office
3901 F.X. Tessier
Vaudreuil-Dorion, Québec
Canada J7V 5V5

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

Quadra distributes to manufacturers, industrial operators, and institutions from multiple market segments across Canada, including the following:

- Adhesives
- Animal Nutrition
- Case & Carton Sealing / Labelling
- Coatings
- Construction
- Elastomers
- Flexible Packaging
- Chemical Manufacturing
- Gas Processing
- Household, Industrial & Institutional Cleaning
- Major Chemicals
- Metal Treatment & Galvanizing
- Mining & Smelting
- Oil Refining
- Packaging Adhesives
- Petroleum Services
- Pool & Spa
- Protective Coating Solutions

- Pulp & Paper
- Rubber – Industrial & Automotive
- Sealants
- Soil Remediation
- Soluble Fertilizer
- Steam Assisted Gravity Drainage
- Structural Adhesives
- Water Treatment
- Baking
- Beverages
- Confectionary & Chocolate
- Dairy
- Meat & Seafood
- Nutraceutical
- Organic Products
- Personal Care
- Pharmaceutical
- Processed Foods
- Sports Nutrition

As of September 30th, 2019, Quadra employed 395 in its Canadian operations and a regional office in Shanghai, China with 2 employees.

In Canada, Quadra employs 187 women and 208 men

There is no collective bargaining agreement for our employees.

Quadra sources the products it distributes from Global Chemicals and Ingredients manufacturers. It provides products and solutions through 7 facilities and 40 stocking locations for Canadian coast-to-coast market coverage.

ABOUT THIS REPORT

▶ **102-50 to 102-56**

This is the eighth consecutive year that we have issued the Global Reporting Initiative (GRI) Report. We are reporting to a self-declared 'Core' accordance level for the reporting period October 1st, 2018 to September 30th, 2019.

It includes a GRI Content index, referencing the UNGC principles as well as alignment with the 2030 Sustainable Development Goals (SDGs).

Throughout the report, GRI Standards Disclosure Numbers are identified directly above the relevant text, with applicable UNGC and SDG references. In some cases, responses are incorporated by reference and linked directly from the content index. External assurance was not obtained for this report.

This year's Sustainability Report integrates our first Communication on Progress (COP) as part of Quadra's participation in the UN Global Compact.

Should you have any questions regarding our Sustainability Report or its contents, please do not hesitate to contact our Sustainability Manager, Ian Turpin at sustainability@quadra.ca

KEY IMPACTS, RISKS AND OPPORTUNITIES

▶ **102-15**

Quadra's sustainability policy encapsulates our overall vision and strategy as it relates to the material aspects that affect us and our society in terms of economic, social and environmental impacts. It is as follows:

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, supply chain, our social responsibilities, and our employment practices.

ENVIRONMENTAL IMPACT

Quadra strives to reduce the environmental footprint of operations using the following measures:

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

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 Responsible Distribution Canada (previously known as Canadian Association of Chemical Distributors) ; following the Principles of Responsible Distribution® Code of Practice
- Building strong relationships with other individuals, organizations and communities that share our values

SUPPLY CHAIN

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

- Updating and expanding Green Products and Better Choice product offerings and 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

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 as follows:

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

COMMITMENTS TO EXTERNAL INITIATIVES

▶ **102-12**

Quadra subscribes and endorses the following Charters:

Responsible Distribution® Canada

We are a major contributor to the articulation of Responsible Distribution® Code of Practice, which is the Canadian chemical distribution industry's voluntary initiative through which companies, through their national associations, work together to continuously improve their health, safety and environmental performance and to communicate with stakeholders about their products and processes.

The Responsible Distribution® ethic helps industries to operate safely, profitably and with due care for future generations.

In 2019, Quadra became a member of the United Nations Global Compact (UNGC) to further its commitment to sustainable practices. We already adopted the 10 principles of the UNGC to develop our Supplier Code of Conduct. Our sustainability initiatives are driven by the material areas affecting our organization and its stakeholders. We are now articulating the progress of our initiatives along the lines of their contribution to the 17 Sustainable Development Goals.

UN Global Compact

HUMAN RIGHTS
Principle 1

ENVIRONMENT
Principles 7, 9

ANTI-CORRUPTION
Principle 10

Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

10 Principles of the United Nations Global Compact for Our Supplier Code of Conduct

HUMAN RIGHTS

Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights
Principle 2	Make sure that they are not complicit in human rights abuses

LABOUR

Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
Principle 4	The elimination of all forms of forced and compulsory labour
Principle 5	The effective abolition of child labour
Principle 6	The elimination of discrimination in respect of employment and occupation

ENVIRONMENT

Principle 7	Businesses should support a precautionary approach to environmental challenges
Principle 8	Undertake initiatives to promote greater environmental responsibility
Principle 9	Encourage the development and diffusion of environmentally friendly technologies

ANTI-CORRUPTION

Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery

WE SUPPORT

UN GLOBAL COMPACT

GOAL 1: No Poverty

GOAL 2: Zero Hunger

GOAL 3: Good Health and Well-being

GOAL 4: Quality Education

GOAL 5: Gender Equality

GOAL 6: Clean Water and Sanitation

GOAL 7: Affordable and Clean Energy

GOAL 8: Decent Work and Economic Growth

GOAL 9: Industry, Innovation and Infrastructure

GOAL 10: Reduced Inequality

GOAL 11: Sustainable Cities and Communities

GOAL 12: Responsible Consumption and Production

GOAL 13: Climate Action

GOAL 14: Life Below Water

GOAL 15: Life on Land

GOAL 16: Peace, Justice and Strong Institutions

GOAL 17: Partnerships for the Goals

12 Principles of Green Chemistry for Our Sustainable Solutions and Product Assessment

1
WASTE PREVENTION
Prioritize the prevention of waste, rather than cleaning up and treating waste after it has been created. Plan ahead to minimize waste at every step.

2
ATOM ECONOMY
Reduce waste at the molecular level by maximizing the number of atoms from all reagents that are incorporated into the final product. Use atom economy to evaluate reaction efficiency.

3
LESS HAZARDOUS CHEMICAL SYNTHESIS
Design chemical reactions and synthetic routes to be as safe as possible. Consider the hazards of all substances handled during the reaction, including waste.

4
DESIGNING SAFER CHEMICALS
Minimize toxicity directly by molecular design. Predict and evaluate aspects such as physical properties, toxicity, and environmental fate throughout the design process.

5
SAFER SOLVENTS & AUXILIARIES
Choose the safest solvent available for any given step. Minimize the total amount of solvents and auxiliary substances used, as these make up a large percentage of the total waste created.

6
DESIGN FOR ENERGY EFFICIENCY
Choose the least energy-intensive chemical route. Avoid heating and cooling, as well as pressurized and vacuum conditions (i.e. ambient temperature & pressure are optimal).

7
USE OF RENEWABLE FEEDSTOCKS
Use chemicals which are made from renewable (i.e. plant-based) sources, rather than other, equivalent chemicals originating from petrochemical sources.

8
REDUCE DERIVATIVES
Minimize the use of temporary derivatives such as protecting groups. Avoid derivatives to reduce reaction steps, resources required, and waste created.

9
CATALYSIS
Use catalytic instead of stoichiometric reagents in reactions. Choose catalysts to help increase selectivity, minimize waste, and reduce reaction times and energy demands.

10
DESIGN FOR DEGRADATION
Design chemicals that degrade and can be discarded easily. Ensure that both chemicals and their degradation products are not toxic, bioaccumulative, or environmentally persistent.

11
REAL-TIME POLLUTION PREVENTION
Monitor chemical reactions in real-time as they occur to prevent the formation and release of any potentially hazardous and polluting substances.

12
SAFER CHEMISTRY FOR ACCIDENT PREVENTION
Choose and develop chemical procedures that are safer and inherently minimize the risk of accidents. Know the possible risks and assess them beforehand.

MEMBERSHIP OF ASSOCIATIONS

▶ **102-13**

We are active members of various industry associations including:

RDC   Responsible Distribution® Canada
       (ex- Canadian Association of Chemical Distributors)

CCTFA Canadian Cosmetic, Toiletry and Fragrance Association

CIFST Canadian Institute of Food Science and Technology

CIM   Canadian Institute of Mining

ACS   American Chemical Society

RSPO   Roundtable on Sustainable Palm Oil

MAC   Mining Association of Canada

NACD   National Association of Chemical Distributors (USA)

DCAT   Drug Chemical & Associated Technologies

UN Global Compact

ENVIRONMENT
Principle 9

Sustainable Development Goals

17 PARTNERSHIPS FOR THE GOALS

DEFINING REPORT CONTENT AND TOPIC BOUNDARIES

▶ **102-46**

Our sustainability program is guided by the materiality analysis we carried out. The areas covered were not sorted as per the GRI materiality drivers but rather as per stakeholders' input on subjects to address. They are as follows:

Biodiversity

Customer Health & Safety

Diversity & Gender Parity

Employee Engagement

Energy & GHG Emissions

Ethics & Values

Greener Chemistry

Human Rights, Child & Forced Labour

Indigenous Rights

Local Community Outreach

Nanotechnology

Occupational Health & Safety

Product Stewardship

Regulatory Compliance

Responsible Supply Chain

Training & Education

Waste & Effluents

Water

RESTATEMENT OF INFORMATION; CHANGES IN REPORTING

▶ **102-48 and 102-49**

No restatement or changes since 2019

LIST OF MATERIAL TOPICS

▶ **102-47**

Our material areas are as follows:

MATERIALITY ANALYSIS

IMPORTANCE TO STAKEHOLDERS

Water
Training & Education

Occupational Health & Safety
Ethics & Values
Regulatory Compliance
Human Rights
& Child Labour
Employee Engagement
Responsible Supply Chain
Customer Health & Safety

Energy &
Greenhouse Gases
Diversity & Parity
Waste & Effluents
Product Stewardship

Green Chemistry
Community Outreach

IMPORTANCE TO QUADRA

EXPLANATION OF MATERIAL TOPICS AND ITS BOUNDARY

▶ **103-1 to 103-3**

The scope of this report covers all fully managed operations for the duration of the reporting period.

The boundary assessment concluded that most material Aspects are only material within the organization.

The material aspects Quadra addresses are now linked to the UNGC principle they support, as described on this table.

ASPECTS	MATERIAL AREA	UNGC PRINCIPLES
Economic	Responsible Supply Chain	1 to 10
Environment	Green Chemistry	9
	Water	8
	Energy & Greenhouse Gases	8
	Waste & Effluents	7
Human Rights	Child & Forced Labour	1, 4, 5
	Diversity & Parity	1
Labour Practices & Decent Work	Occupational Health & Safety	1
	Ethics & Values	1-2
	Employee Engagement	6
	Training & Education	1
Product Stewardship	Regulatory Compliance	7, 8
	Customer Health & Safety	8
Society	Community Outreach	1, 2

UN Global Compact

HUMAN RIGHTS
Principles 1,2

LABOUR
Principles 3-6

ENVIRONMENT
Principles 7-9

ANTI-CORRUPTION
Principle 10

STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUPS; IDENTIFYING AND SELECTING STAKEHOLDERS, AND APPROACHES TO STAKEHOLDER ENGAGEMENT

▶ **102-40 and 102-42 to 102-43**

PARTIAL REPORTING

We have consulted our entire stakeholder chain: customers, suppliers, employees, industry associations, and communities in which we operate.

Key stakeholder engagement areas are:

- We work closely with our customers to address their current and future needs
- We have ongoing long term and close relations with suppliers, so we can deliver high performance products
- We have regular engagement with our employees on performance, policies and issues relating to meeting personal and business needs
- We engage with neighbours close to all our operations about safety as required by the Responsible Distribution® Code of Practice
- We continuously engage with external organizations and interest groups to improve our understanding of the issues and opportunities stemming from sustainability
- In 2018 we conducted a stakeholder survey with our employees, customers, suppliers and local communities, which focused on the issues addressed in our sustainability program. The outcome of the survey was used to determine the relevance and priorities of our Material Areas and update our Materiality Matrix

Additional stakeholder engagement activities in 2019 included:

- Customers: On an ongoing basis, we communicate Quadra's information and opportunities as it relates to sustainable chemistry
- Suppliers: Each year, assessments are carried out for all new suppliers and on an ad hoc basis for existing suppliers as per guidelines
- Continued deployment of new Supplier Code of Conduct
- Local communities: ongoing engagement with community outreach and charities
- Employees: ongoing and planned communications
- Employee Health & Wellness program
- Governments and regulatory bodies: ad hoc and planned regulatory assessment and reporting
- Industry associations: contributing to the advancement of sustainable business practices
- Academia: supporting the development and marketing of green chemistry

Sustainable Development Goals

KEY TOPICS AND CONCERNS THAT HAVE BEEN RAISED THROUGH STAKEHOLDER ENGAGEMENT

▶ **102-44**

Key highlights of our latest stakeholder assessment are:

• Occupational Health and Safety remains the number one concern to all stakeholders

• Regulatory Compliance as our Industry is highly regulated

• Ethics and Values, as well as Human Rights are given more importance

• Product Stewardship to ensure proper handling, usage and disposition as dictated by the Responsible Distribution® Code of Practice

• Sustainable Supply Chain to manage the triple bottom line

• Waste and Recycling to minimize our environmental impact

• Employee Engagement is our most important resource

UN Global Compact

HUMAN RIGHTS
Principle 2

ENVIRONMENT
Principle 7

ANTI-CORRUPTION
Principle 10

Sustainable Development Goals

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

CORPORATE GOVERNANCE

GOVERNANCE STRUCTURE

▸ **102-18**

Quadra is governed by an Executive Committee, which is responsible for setting company strategy. This team consists of 40% women and 60% men. The majority of the Executive Committee sits on the Board of Infilise Holdings Inc., which is the parent company. The company also has a Leadership Team, consisting of senior management representatives from across the various departments and business units. There are also several committees assigned for specific tasks, such as:

• Risk Management
• Wellness

• Health & Safety
• Sustainability

UN Global Compact

HUMAN RIGHTS
Principle 2

VALUES, PRINCIPLES AND STANDARDS

▸ **102-16**

Quadra's Mission, Values, and supporting policies are

QUADRA'S MISSION STATEMENT:

We are acknowledged as the Best Distributor in our selected markets in Canada and the USA, leading the market in innovative business solutions which improve the profitability of our customers and key suppliers.

Through partnership, teamwork, and innovative business practices we provide:

• Superior value for our target customers by understanding their needs, applying our unique expertise, and our dedication to outstanding service

• Distinctive representation for our suppliers by aligning our capabilities to meet their objectives through our superior market knowledge, strong customer relationships, and national distribution infrastructure

• Growth opportunities for our employees and shareholders through sustained profitability

UN Global Compact

HUMAN RIGHTS
Principle 1-2

LABOUR
Principle 3-6

ENVIRONMENT
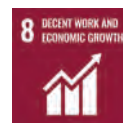Principles 7-9

ANTI-CORRUPTION
Principle 10

Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

OUR CORE VALUES

Health & Safety

Connected to our Customers, Suppliers, and Employees

Integrity

We also abide to the Responsible Distribution® Code of Practice where the guiding principles are:

• Distribute chemicals, chemical products and provide services in a safe and secure manner which protects people and the environment

• Provide information about the hazards and associated risks of chemicals, chemical products and services distributed to customers, enabling them to use and dispose of these chemicals and chemical products in a responsible manner

• Provide information about the hazards and associated risk of distribution activities to employees, contractors, transporters, visitors, sub-distributors and resellers, interested members of the community and emergency first responders

• Make Responsible Distribution an early and integral part of the planning process leading to the introduction of new products

• Apply this code to existing, modified and new chemicals, chemical products, services and facilities

• Comply with all legal requirements, which affect its operations and products

• Be responsive and sensitive to community concerns

• Require, with due diligence, that sub-distributors meet the standards of this Code of Practice

QUADRA HAS A DIVERSITY POLICY, COMMITTING TO:

Equal Opportunity Employment

Worldwide Purchasing

Pay Equity Compliance

Canadian Languages (English & French) are Respected

Diversity & Inclusion Policy

Code of Business Ethics

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

EXPLANATION OF WHETHER AND HOW THE PRECAUTIONARY APPROACH OR PRINCIPLE IS ADDRESSED BY THE ORGANIZATION

▶ 102-11

At Quadra, the risk management (RM) process provides a broad approach to risk. It encompasses a program to continuously address all the organization's risk, including but not limited to: safety, hazards, operations, systems, and environment.

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES

▶ 205-2

Quadra continues to ensure all employees adhere to the Code of Business Ethics. 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 considers 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

UN Global Compact

ANTI-CORRUPTION
Principle 10

Sustainable Development Goals

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

ECONOMIC

MANAGEMENT APPROACH

SUSTAINABLE SUPPLY CHAIN

Our approach to supply chain management is designed to support our company values, meet our customers' expectations and to be consistent with our precautionary approach to managing business risk. We perform risk assessments of our supply chain, investigate potential high risks, engage those suppliers identified as high risk to reduce the risk or potentially remove the supplier.

Since 2017 we have had a Supplier Code of Conduct, aligned with the best practices of the 10 principles of the United Nations Global Compact.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED INCLUDING:

- **Revenues**
- **Operating Costs**
- **Employee Compensation**
- **Donations & Other Community Investments**
- **Retained Earnings**
- **Payments to Capital Providers & Governments**

▶ **201-1**

We are a private company and choose not to disclose our financial information.

FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES FOR THE ORGANIZATION'S ACTIVITIES DUE TO CLIMATE CHANGE

▶ **201-2**

The opportunities for Quadra due to climate change are of commercial nature, where some of the products in our Green & Better portfolio enable carbon footprint reduction.

FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

▶ **201-4**

None.

PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY
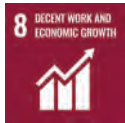
▶ **202-2**

100%.

UN Global Compact

LABOUR
Principle 6

Sustainable Development Goals

PORTION OF SPENDING ON LOCAL SUPPLIERS AT SIGNIFICANT LOCATIONS OF OPERATION

▶ **204-1**

Local procurement is always encouraged and constitutes a significant portion of our business.

Sustainable Development Goals

ENVIRONMENT

MANAGEMENT APPROACH

WASTE AND RECYCLING

Waste and recycling were 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 pork producers which allowed Quadra to divert a portion of food waste for animal feed manufacturing. 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 continues to remain a very low at 0.067% in 2019, because of efficient inventory management initiatives and thus 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, and electronics).

Quadra also continues to maintain a drum and tote reconditioning program.

GREENHOUSE GAS EMISSIONS

The reduction of corporate greenhouse gas (GHG) emissions is one of Quadra's top priorities. Total direct and indirect carbon emissions from operations increased by 4.6% this year, driven by a cold winter and strong business growth impacting operations.

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:

Clairmont
ALBERTA

Edmonton
ALBERTA
(4 locations)

Delta
BRITISH
COLUMBIA

Burlington
& Oakville
ONTARIO

Vaudreuil-Dorion
QUEBEC

LOGISTICS INITIATIVES

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, look to maximize our payloads to reduce the number of shipments, and are continuously re-evaluating our dedicated truck delivery zones to make them more efficient.

We encourage our carrier partners to reduce the environmental footprint of operations by supporting the use of fuel-efficient vehicles, 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

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.

ENERGY

▶ **302-1 to 302-4**

ENERGY CONSUMPTION

	2016	2017	2018	2019
NATURAL GAS CONSUMPTION, GJ	29,793	30,499	30,426	31,122
ELECTRICITY CONSUMPTION, GJ	9,927	9,302	9,467	9,959

We do not share our Energy Intensity because as a private company, we do not disclose our financial data.

Sustainable Development Goals

WATER

▶ 303-3

WATER CONSUMPTION

	2017	2018	2019
WATER WITHDRAWAL (M³)	4,120	4,253	4,231

We use water in our operations for regular office usage, warehouse cleaning and product blending. We do not track our discharge vs. usage.

UN Global Compact

Sustainable Development Goals

ENVIRONMENT
Principle 7

EMISSIONS

▶ 305-1 to 305-5

OPERATIONAL FOOTPRINT SCOPE 1

	2016	2017	2018	2019
TOTAL DIRECT GREENHOUSE GAS EMISSIONS*, METRIC TONS CO2e	1,552	1,587	1,687	1,764

OPERATIONAL FOOTPRINT SCOPE 2

	2016	2017	2018	2019
TOTAL INDIRECT GREENHOUSE GAS EMISSIONS*, METRIC TONS CO2e	539	561	566	594

GHG emissions from energy use were calculated using the 2016 conversion values for each province provided by Environment Canada's Electricity Intensity Tables & Includes energy data from Oakville addition

TRAVEL EMISSIONS SCOPE 3

TRAVEL TYPE	2017	2018	2019
EMPLOYEE VEHICLE TRAVEL	693 metric tons CO2e	776 metric tons CO2e	811 metric tons CO2e
AIR TRAVEL	769 metric tons CO2e	798 metric tons CO2e	802 metric tons CO2e

UN Global Compact

ENVIRONMENT
Principle 7

Sustainable Development Goals

EFFLUENTS & WASTE

▶ **306-2 to 306-4**

Partial reporting

Throughout our Canadian operations, we disposed of in 2019:

• 358 tons of product waste disposed in full accordance to legal requirements

• 141 tons of food waste of which 5.5 tons were diverted from landfills for other applications

We had 1 reportable spill in 2019.

UN Global Compact

ENVIRONMENT
Principle 7

Sustainable Development Goals

COMPLIANCE

▶ **307-1**

Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

For 2019, 0$

SOCIAL

Management approach

OCCUPATIONAL HEALTH AND SAFETY

▸ **403-1 to 403-8**

In 2019, we are reporting five lost time incidents. Despite a strong increase vs. last year, it remains a testament to Quadra's commitment to Health and Safety first. These numbers stem from the integration of our CIC Ingredients division into Quadra's safety culture, bringing about better practices, but also better tracking of incidents and near misses.

Quadra aims to have a proactive Safety Culture. There is a strong focus on near miss reporting at each of Quadra's facilities. Quadra employees are encouraged to report near misses under Quadra's 'No Blame Culture'. This enables Quadra to take preventive action before the issues escalate to incidents or accidents. Quadra also measures other proactive leading indicators of Health & Safety performance.

Occupational Health and Safety is consistently identified by all of Quadra's stakeholders as the single most important priority for the organization. Quadra has active Joint Health and Safety Committees at every facility, as well as a National Safety Steering Committee. Local committees meet each month to review Health and Safety activities at their local branch. The National Safety Steering Committee meets quarterly to share best practices and provide a forum for information to be shared across the organization.

At Quadra approximately 1 in 5 employees currently participate in either the local Joint Health and Safety Committees or the National Safety Steering Committee.

Approximately 20% of Quadra employees touch some aspect of the formulation of our strategy of safety. We take a collaborative and participatory approach to achieve the maximum 'buy-in' from our employees. Representation from hourly operations, supervisory, office and on-the-road staff as well as senior and middle management work within our team-based committees, including the Joint Health and Safety Committee. All employees have aspects of the EHS system in their personal goals which are formally reviewed at regular intervals throughout the year. Employees are incented to complete their personal safety goals as well as those of the overall company performance

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, transport of dangerous goods, 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.

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. They are also involved in the incident/accident investigation process. 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. 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 Health & Safety Advisor. Each Leadership Team Update, Regional Update, and National Sales Meeting presentation opens with communicating Quadra's safety statistics and emphasizes Safety as one of Quadra's core values. Safety is the first 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 Safety Steering Committee and play a key role in designing the overall safety strategy. Quadra has developed a Safety Vision 2020 with input of various stakeholders within the organization and the endorsement of the LT members. Safety Vision 2020 is a roadmap of all Health & Safety functions that need to be conducted to further elevate and develop Quadra's Health & Safety Program. The Leadership Team is made aware of all incidents and accidents which occur at each Quadra branch immediately via our Service Level Improvement Program (SLIP). 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.

The Leadership Team at Quadra directly participates in various Health and Safety inspections and procedures. Quadra's safety culture adopts the principle "Safety is Everyone's Responsibility". Upper management is directly involved in championing the National Safety Steering Committee programs. The President conducts annual visits 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.

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 can carry 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 is 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 Workplace Hazardous Materials Information System (WHMIS) and Transportation of Dangerous Goods (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 TDG, 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 annually 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 Procedures at Quadra, with a significant portion related to effective training and safety in the workplace.

Safety is the first topic discussed in presentations with Quadra customers and suppliers.

UN Global Compact

HUMAN RIGHTS
Principles 1-2

LABOUR
Principles 3,4

Sustainable Development Goals

Employee Engagement

Employees are given an opportunity to provide their feedback to Quadra on a regular basis through surveys conducted as part of the Great Place To Work™ 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 on-site fitness classes during lunch hour, as well as running, cycling and walking groups.

These initiatives ensure all employees have access to key information in order to promote the importance of leading a healthy lifestyle. Quadra has been certified as a "Best Workplace" by Great Place To Work™ Canada. 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.

Training and Education

Quadra carries out internal training through its Quadra University classes, developed in collaboration with Quadra senior management. The total number of hours of training in 2019 is 6,539, up from 3,931 from the previous year. This is mainly due to the implementation of a new company wide CRM.

For 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. Customer Service employees are trained mainly "on-the-job" and this category of training is not formally tracked.

In the Commercial unit, Technical Service Engineers and Technical Account Managers, a predominantly male group, attend various training courses and seminars throughout the year. Product Coordinators are mainly trained "on-the-job", and this group is predominantly female.

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.
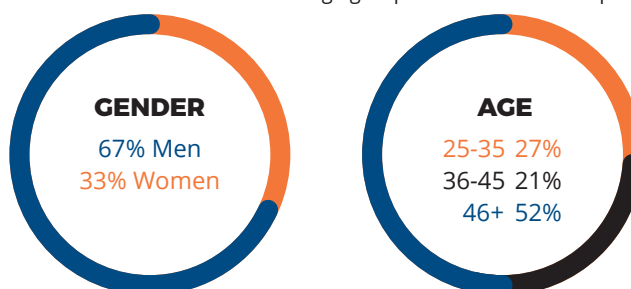
EMPLOYMENT

▶ **401-1 to 401-3**

Total number and rate of employee turnover by age group, gender, and region

For Canada, rate of turnover under management control is 8.6%, consisting of 41% women and 59% men. The age group for our turnover is split as followed:

GENDER
67% Men
33% Women

AGE
25-35 27%
36-45 21%
46+ 52%

Benefits provided to full-time employees that are not provided to temporary or part-time employees

Employees working less than 22 hours per week are not eligible for medical insurance or pension plan benefits.

Return to work and retention rates after parental leave, by gender

100% for all genders

UN Global Compact

LABOUR
Principle 6

Sustainable Development Goals

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

OCCUPATIONAL HEALTH AND SAFETY

▶ **403-9 to 403-10**

Overview of Incidents and Accidents

	2016	**2017**	**2018**	**2019**
LOST TIME INJURIES	0	1	3	5
LOST TIME FREQUENCY	0	0	0	1.48
LOST DAYS *Beyond the date of the incident*	0	0	0	16.5
FIRST AID INCIDENTS	2	6	15	13
VEHICLE INCIDENT RATE *Frequency per million km driven*	.73	1.2	1.875	.96

UN Global Compact

HUMAN RIGHTS
Principle 1-2

LABOUR
Principle 3-6

Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

TRAINING AND EDUCATION

▶ **404-01 and 404-3**

Average Training Hours, by Department

GENDER		
	COMMERCIAL TEAM *(Average training hours*)*	**BUSINESS SERVICES UNIT** *(Average training hours*)*
MALE	12.74	9.33
FEMALE	8.49	4.19

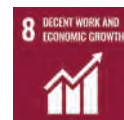**The average hours have been estimated in accordance with the GRI Indicator Protocols*

100% of our employees participate in the performance review exercise twice per year.

UN Global Compact

LABOUR
Principle 3-6

Sustainable Development Goals

DIVERSITY AND EQUAL OPPORTUNITY

▶ **405-2**

Quadra was founded on and is committed to Core Values and a Philosophy that embrace and nurture an inclusive culture and mindset. Our employees come from diverse communities and we are committed to offer all our team a safe place to grow, be valued and treated with respect and integrity. We hire the best candidate irrespective of gender, culture, ethnicity, religion, age or sexual orientation because we believe diversity is the source of innovation and creativity that fuels our competitive advantage . In 2020 we're reviewing our practices and seeking new ideas that would support and enhance our Diversity."

The ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation, is in accordance with the Pay Equity Act (Section 76). Quadra Chemicals Ltd. supports and abides by the Act.

UN Global Compact

LABOUR
Principle 3-6

Sustainable Development Goals

HUMAN RIGHTS

PROCUREMENT PRACTICES

Quadra has a formal assessment process to evaluate all new product and service suppliers. Part of the audit includes completing a form which includes a sustainability section for the environmental practices and human rights protocols in place.

Furthermore, Quadra developed and enacted a Supplier Code of Conduct that we launched at the beginning of 2018. Our supplier code of conduct is aligned with the 10 principles of the United Nations Global Compact and is mandatory to our entire supply chain. Our goal is to have the suppliers which account for 80% of our procurement to participate in the code, an objective in which we currently have reached 45%.

CHILD LABOUR

▸ **408-1**

Operations and suppliers identified as having significant risk for incidents of child labour and measures taken to contribute to the effective abolition of child labour. Quadra carries supplier risk assessment and does not conduct business with suppliers who do employ or are at a significant risk of employing child labour.

UN Global Compact

HUMAN RIGHTS
Principle 2

LABOUR
Principle 5

Sustainable Development Goals

2 ZERO HUNGER

5 GENDER EQUALITY

FORCED OR COMPULSORY LABOUR

▸ **409-1**

Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour and measures to contribute to the elimination of forced or compulsory labour. Quadra carries out supplier risk assessment and does not conduct business with suppliers who do employ or are at a significant risk of employing forced or compulsory labour.
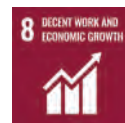
UN Global Compact

HUMAN RIGHTS
Principle 2

LABOUR
Principle 4

Sustainable Development Goals

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

SUPPLIER SOCIAL ASSESSMENT

▶ **414-1**

Quadra carries out supplier risk assessment with all its new suppliers and has them sign our Supplier Code of Conduct, aligned with the 10 principles of the United Nations Global Compact.

The table below demonstrates the percentage of Quadra's suppliers who have established sustainability procedures:

	ENVIRONMENTAL PROCEDURES[1]	HUMAN RIGHTS PROCEDURES[2]	IMPLEMENTED SUSTAINABILITY PROGRAM[3]
YES	93.4%	94.3%	71.4%
NO	6.6%	5.7%	28.6%

[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, all suppliers are evaluated annually based on their performance in the given calendar year. This evaluation is incident-driven and depends on the frequency and the severity of non-conformances, if any.

UN Global Compact

HUMAN RIGHTS
Principle 1-2

LABOUR
Principle 3-6

ENVIRONMENT
Principles 7-9

ANTI-CORRUPTION
Principle 10

Sustainable Development Goals

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

LOCAL COMMUNITIES

▶ **413-1**

Community Involvement

At Quadra, we are proud of our community investment initiatives. In line with our Core Values, Quadra actively sponsors various initiatives to support many worthwhile causes within our local communities. Quadra employees are encouraged to make a difference and their initiatives are supported. In addition to corporate donations, each Quadra facility has a committee that is empowered to make donations locally which will benefit the charitable organizations in their region.

In 2019, our employee Volunteer Program yielded the following:
- Number of employee volunteer events: 12
- Number of employees involved: 79 (or 25% of all our staff)
- Total hours of work: 388 hours of work
- Donations: $ 82,000

We support numerous charitable organizations with monetary donations, and recently enacted an Employee Volunteer Program. The EVP engages our employees through volunteer participation in community centres on paid days. The mission of our community outreach is "Advancing health and wellbeing for our communities in need" and our theme for 2019 focuses on food and nutrition.

Responsible Distribution

Quadra holds environmental, health and safety management to be among our highest priorities. Through our participation in the Responsible Distribution® Canada initiative, we are committed to the safe, secure and efficient operation of our facilities, the health and safety of our employees and minimizing the environmental impact of our activities. Quadra 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.

You Be the Chemist®

Quadra is dedicated to promoting education and aims to engage the youth in sciences. Quadra proudly sponsors the 'You Be The Chemist®' program, a complimentary curriculum-mapped program. This program was developed by the U.S. based Chemical Education Foundation and is administered in Canada by Responsible Distribution® Canada (RDC) (previously Canadian Association of Chemical Distributors (CACD). You Be The Chemist® aims to promote science education by providing educators with a bilingual, free online resource. The intention is to stimulate the minds of young generations and encourage them to consider a career path in the chemical industry.

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.

FOR 2019, OUR EMPLOYEE VOLUNTEER PROGRAM YIELDED THE FOLLOWING

12
EMPLOYEE VOLUNTEER EVENTS

25%
OF OUR STAFF WAS INVOLVED

388
HOURS OF WORK

$82,000
IN DONATIONS

Regional Initiatives

In addition to corporate donations, each Quadra facility has a 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 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 approximately 40 charitable donations across Canada in 2019.

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 aids women and children who are victims of abuse.

Our Burlington and Oakville employees also join twice a year to carry out volunteer days at the Food for Life and Food 4 KIDS foundations.

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. 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.

QUADRA ALBERTA

For the last nine 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. There is also Employee volunteer days at the Children's Cottage.

The Calgary Mavericks Chuckwagon Race Team is also supported by Quadra Alberta members. The Mavericks actively fund raise throughout the year to support Calagry area not-for-profit children's charities and individual needs.

QUADRA BRITISH COLUMBIA

Our Delta facility community involvement focuses on supporting education, 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.

413-1 OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMMES

100%

PRODUCT STEWARDSHIP

UN Global Compact

HUMAN RIGHTS
Principle 1

Sustainable Development Goals

Sustainable Products and Services

Quadra's green chemistry portfolio consists of two product categories: Green Products and Better Choice Products. Both Green and Better Choice product assessments are based on globally recognized standards of Sustainability and the 12 principles of Green Chemistry.

Regulatory Compliance and Quality Management

Quadra assures regulatory compliance through a dedicated in-house Regulatory Affairs department. All new products go through a rigorous regulatory approval process, with appropriate documentation and labels created as necessary. This ensures that products are in compliance with relevant environmental, product safety, transportation safety regulations and more specific Canadian product application regulations such as food, personal care and pharmaceutical requirements. Compliance for existing products is assured by on-going monitoring of relevant Canadian legislation.

Quadra also closely follows various government initiatives and ongoing regulatory compliance. In 2018 Quadra was not issued any fines or other non-monetary sanctions relating to non-compliance concerning the acquiring or use of its products. Furthermore, Quadra had no sanctions of either monetary value or otherwise brought against them for environmental, social or any other impacts with regards to laws and regulations concerning Quadra's business practices.

Adherence to the Responsible Distribution® Code of Practice is extremely important to Quadra. All Quadra facilities continue to be certified to this standard that covers Operations, Environment, Health and Safety practices. All Quadra distribution locations, except Clairmont (Alberta), are ISO 9001 certified. Additionally, the Burlington and Vaudreuil facilities are Good Distribution Practices (GDP) certified with a Gold Standard rating.

In 2017, Quadra completed the upgrade of its Safety Data Sheet (SDS) system to meet the new Workplace Hazardous Materials Information System (WHMIS) 2015 regulations. Since 1988, WHMIS has been Canada's hazard communication system for workplace chemicals. WHMIS is changing to adopt new international standards for classifying hazardous chemicals and providing information on labels and safety data sheets. These standards are part of the Globally Harmonized System for the Classification and Labelling of Chemicals (GHS).

Quadra completed its British Retail Consortium (BRC) Global Certification for our Vaudreuil, Burlington and Oakville facilities. BRC is an internationally recognized Standard which provides a report/certification that covers a comprehensive scope in the areas of quality, hygiene and food safety.

Several key customers had requested Quadra undergo third-party sustainability assessments. As a result, Quadra is currently registered with two companies that monitor supplier sustainability performance: Sedex and EcoVadis.

Sedex (Supplier Ethical Data Exchange) is focused on the organization's responsible and ethical business practices, whereas EcoVadis emphasizes the company's quality programs and environmental record. EcoVadis also ranks all suppliers; Quadra has maintained the Gold status it reached in 2014.

Customer Satisfaction

Quadra's superior customer service is key to our business. Quadra employs a Service Level Improvement Program (SLIP) to formally track, document, analyze and resolve any customer issues. All SLIPs are monitored by the National Customer Service Manager and the Director of Quality. A SLIP is only closed once the corrective or preventive actions have been identified and completed.

UN Global Compact

ENVIRONMENT
Principle 9

Sustainable Development Goals

CUSTOMER HEALTH AND SAFETY

Product Service and Labelling, Marketing Communications, Customer Privacy and Compliance

Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes

▶ **416-2**

For 2019, none.

UN Global Compact

ANTI-CORRUPTION
Principle 10

Sustainable Development Goals

MARKETING COMMUNICATIONS LAWS AND STANDARDS

Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes

▶ **417-3**

For 2019, none.

UN Global Compact

ANTI-CORRUPTION
Principle 10

CUSTOMER PRIVACY

Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

▶ **418-1**

For 2019, none.

UN Global Compact

ANTI-CORRUPTION
Principle 10

Sustainable Development Goals

SOCIO ECONOMIC COMPLIANCE

Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

▶ **419-1**

For 2019, none.

UN Global Compact

ANTI-CORRUPTION
Principle 10

Sustainable Development Goals

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SOCIAL

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UNITED NATIONS GLOBAL COMPACT COP 2019

As a new member of the UN Global Compact, Quadra commits to annually disclose information on activities and results related to the ten principles for human rights, labour, the environment and anti-corruption. In 2015 Quadra established its 2020 sustainability objectives. They are organized around four pillars, stemming from our materiality assessment: Responsible Operations, Responsible Supply Chain, Green chemistry and ingredients portfolio and Community Outreach. The actions to meet these objectives support the 10 Global Compact principles, as illustrated in the activities covered in our 2019 GRI Sustainability Report.

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

HUMAN RIGHTS
Principle 1-2

LABOUR
Principle 3-6

ENVIRONMENT
Principles 7-9

ANTI-CORRUPTION
Principle 10

RESPONSIBLE OPERATIONS

Principle 1- Our objective for 2020 is to have no one injured year over year. Occupational Health and Safety is our primary Sustainability objective, and rightly designated as a fundamental human right. Our robust Health and Safety management system as described in this report resulted in many years with zero lost time incidents across our operations, however the last few years, including 2019, have seen an increase in incidents. This is due to our merger with CIC in 2016, a manufacturing operation, and the journey to onboard its team into Quadra Health and Safety culture.

RESPONSIBLE SUPPLY CHAIN PARTNERS

Principles 1 to 10 – To further our Supplier Assessment process in 2018 we enacted a Supplier Code of Conduct aligned with the 10 principles of UNGC. Along with our Business Code of Ethics, the Supplier Code of Conduct serve are the ethical foundation of Quadra's business. Our 2020 objective is to have all our strategic suppliers sign our code or demonstrate equivalent policies. In 2019 we have met 62% of that objective.

GREEN CHEMISTRY AND INGREDIENTS PORTFOLIO

Principle 9 – Since 2011 Quadra is offering sustainable chemical and ingredient solutions to all seven sectors it services. Our early adoption of the 12 principles of Green Chemistry allowed us to bring rigor into the assessment of products sustainability attributes. Our 2020 objective is to have 15% of our total sales from Green Chemistry, and we are well on track to meet it.

COMMUNITY OUTREACH

Principle 1- Our objective is to have a significant impact in the local communities where we operate. This objective has no time limit. Each office has a community outreach donation budget, and each employee has paid day every year to engage in charitable activities. Our action center mostly along article 25.1 of the declaration of Human Right, and our theme is "Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control."

UNGC AND SDG

Our actions along these 4 pillars have impact of varying degrees on the 2030 Sustainable Development Goals (SDG). We mapped them out as follows for we are currently developing our 2025 objectives along the lines of SDG metrics.

Material Area	Global Compact	Sustainable Development Goals												
		2	3	4	5	6	8	10	12	13	14	15	16	17
Green Chemistry	Principle 9		3.9			6.3			12.4, 12.6		14.1	15.1		
Responsible Operations	Principles 1,2,4,5,6,7,10		3.4, 3.6, 3.8, 3.9	4.7	5.1, 5.5, 5.6c	6.3	8.5, 8.7	10.2	12.4, 12.6, 12.8	13.2				
Responsible Supply Chain	Principles 7, 8 , 9		3.9	4.7	5.1	6.3	8.5, 8.7	10.3	12.4, 12.5, 12.6					
Community Outreach	Principles 3, 8, 9	2.1	3.5	4.7	5.1	6.6b			12.8		14.2	15.2		17.16, 17.17

Quadra

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2019
SUSTAINABILITY
REPORT