



2018
SUSTAINABILITY
REPORT

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CEO'S STATEMENT

▶ 102-14



To Our Valued Stakeholders,

Safety and sustainability are at the heart of Quadra's Strategy, and it is our vision to be recognized as a leader in safety and sustainability, contributing to a significant positive impact on our local communities.

In 2018 we evaluated the material aspects that affect our industry's stakeholders and Quadra, by surveying employees, customers, suppliers, executive team, industry associations and our local communities. I am pleased to present Quadra's first GRI sustainability report and share the results that dictate our Sustainability priorities, policies and processes.

Our employees' Health and Safety is our most material aspect, and our adherence to the NACD Responsible Distribution® Code of Practice ensures we remain committed to that priority.

Further to our responsible and safe operations, it is of great importance to Quadra to have a significant impact on society and the environment through our engagement with our local communities and the promotion of sustainable chemicals and ingredients alternatives.

We hope you enjoy this report and share our enthusiasm for our sustainability journey.

Tony Infilise
CEO



ABOUT QUADRA

► 102-1 to 102-10 & 102-41

Established in 2016, Quadra Chemicals Inc. is a privately-owned company incorporated in the United States and is a leading provider of specialty and commodity chemicals services. We offer over 1600 products to the industries we service in the markets across the United States from fourteen (14) third party stocking locations. Quadra services the industries of Oil & Gas, Mining and Pulp & Paper. We are proud to be ranked 10th on the Top 100 Chemicals Distributors in North America.

4747 Research Forest Drive
STE 180 #431
The Woodlands, TX
77381
United States (US)

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

- Chemical Manufacturing
- Gas Processing
- Major Chemicals
- Mining and Smelting
- Oil Refining
- Petroleum Services
- Pulp and Paper





As of September 30th, 2018, Quadra employed 14 people in its US operations, 13 men and 1 woman.



There is no collective bargaining agreement for our employees.



Quadra sources the products it distributes from Global Chemicals and Ingredients manufacturers.

ABOUT THIS REPORT

▶ 102-50 to 102-56

This is the first year that we issue Global Reporting Initiative (GRI) Report. We are reporting to a self-declared 'Core' accordance level for the reporting period October 1st, 2017 to September 30th, 2018.

This GRI report is produced in accordance with the GRI Standards framework at the "Core" level. It includes a content index in Appendix A, beginning on page 39. Throughout the report, GRI Standards Disclosure Numbers are identified directly above the relevant text. In some cases, responses are incorporated by reference and linked directly from the content index. External assurance was not obtained for this report.

Quadra has policies and internal practices to enhance and provide assurance about the accuracy of the report. For instance, internal and second-party audits are conducted on many of Quadra key activities including safety, health, and environmental performance, financial accounting and compliance with the Quadra Business Code of Conduct.

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



ORGANIZATIONAL PROFILE

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, 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 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



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



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 NACD Responsible Distribution® and following its Code of Practice
- 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 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

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
LABOR	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 labor
	Principle 5	The effective abolition of child labor
	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

COMMITMENTS TO EXTERNAL INITIATIVES

▶ 102-12

Quadra subscribes and endorses the following Charters:



NACD Responsible Distribution® NACD

The National Association of Chemical Distributors (NACD), established in 1971, is an international association of chemical distributors and their supply-chain partners. Member companies process, formulate, blend, re-package, warehouse, transport, and market chemical products for over 750,000 customers.

A member-voted condition of membership in the Association is a signed commitment to NACD Responsible Distribution®, which celebrated its 25th anniversary in 2016. Responsible distribution requires members to continuously improve performance in protecting health, safety, security, and the environment. All member companies are committed to product stewardship and responsible distribution in every phase of chemical storage, handling, transportation, and disposal.



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:

NACD National Association of Chemical Distributors (USA)

ACS American Chemical Society

RSPO Roundtable on Sustainable Palm Oil

PROCESS FOR DETERMINING REPORT CONTENT

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:

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> Biodiversity Customer Health & Safety Diversity, & Gender parity Employee Engagement Energy & GHG Emissions Ethics and Values Greener Chemistry Human Rights, Child & Forced Labor Indigenous Rights | <ul style="list-style-type: none"> Local Community outreach Nanotechnology Occupational Health & Safety Product Stewardship Regulatory Compliance Responsible Supply Chain Training and Education Waste & Effluents Water |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

RESTATEMENT OF INFORMATION; CHANGES IN REPORTING

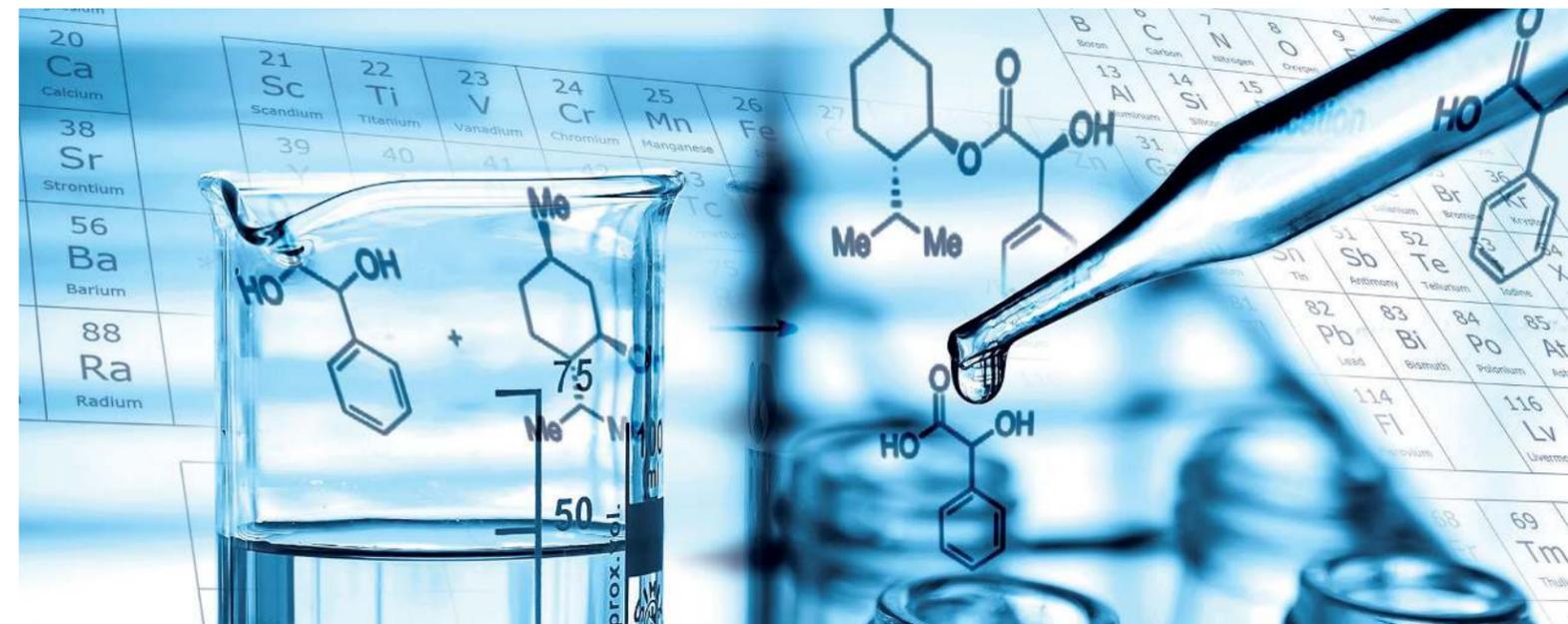
▶ 102-48 and 102-49

This is our first GRI report, therefore not applicable.

LIST OF MATERIAL TOPICS

▶ 102-47

Our material areas are as follows:



EXPLANATION OF MATERIAL TOPICS AND ITS BOUNDARY

▶ 103-1

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.

ASPECTS	MATERIAL AREA
Economic	Responsible Supply Chain
Environment	Green Chemistry
	Water
	Energy & Greenhouse Gases
	Waste & Effluents
Human Rights	Human Rights & Child Labor
	Diversity & Parity
Labor Practices & Decent Work	Occupational Health & Safety
	Ethics & Values
	Employee Engagement
	Training & Education
Product Stewardship	Regulatory Compliance
	Customer Health & Safety
	Product Stewardship
Society	Community Outreach



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, communities where 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 code of NACD Responsible Distribution® 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 2018 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
- Local communities: ongoing engagement with community outreach and charities
- Employees: ongoing and planned communications
- 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



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 is the number one concern to all stakeholders
- Regulatory Compliance as our Industry is highly regulated
- Product Stewardship to ensure proper handling, usage and disposition as dictated by the NACD Responsible Distribution® code of Practice
- Sustainable Supply Chain to manage the triple bottom line
Triple bottom line supply chain sustainability, or TBL, is a measure of sustainability that includes social, environmental and financial performance measures - people, planet and profit - and helps ensure that there is a long-term supply of people, natural resources and profit
- Waste and Recycling to minimise our environmental impact
- Ethics and Values have gone up in priority

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 Committee, Wellness Committee, Health and Safety Committee and the Sustainability Committee.

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 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 dedication to outstanding services
- 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



We also abide to the NACD 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 NACD 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:



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 labor
- Maintaining a secure working environment
- Substance abuse policy
- Anti-corruption

ECONOMIC

MANAGEMENT APPROACH



Our operations consist of one head office and satellite home based sales offices. We use third party logistics for all our products reception, storage and delivery. 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.

ENVIRONMENT

FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

▶ 201-4

None.

PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY

▶ 201-2

100%.

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; the rest is sourced across the Globe.



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.

Overall, the amount of waste as a percentage of total products handled continues to remain a very low 0.045% in 2018, because of efficient inventory management initiatives and thus fewer expired products. All our Chemical product waste are disposed as per dangerous goods protocol.

Quadra's recycling practices at operations have been shared with its third-party logistics partners, where all recyclable materials are recuperated (such as stretch wrap, wood pallets, office paper, and electronics).

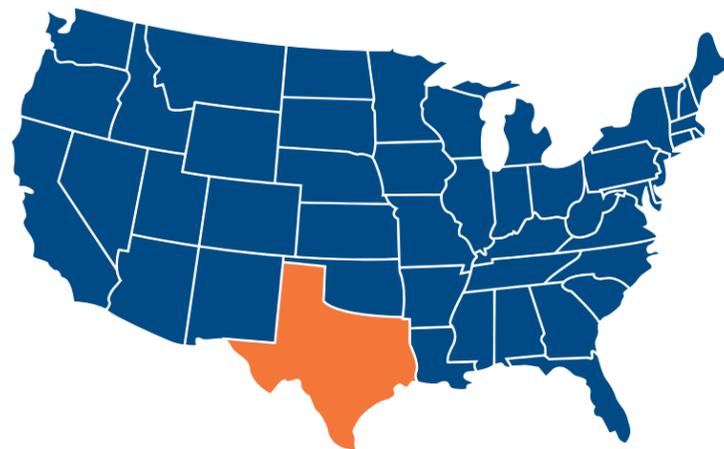
Quadra also continues to maintain a drum and tote reconditioning program.

GREENHOUSE GAS EMISSIONS

For our first disclosure of our greenhouse gas (GHG) emissions, we are only focusing on our Head office and employee transports. We intend to disclose our third-party carbon footprint once we have the proper data acquisition process in place.

There is no use of direct energy at our Head office, electricity is the only source of energy consumption for the following site:

- The Woodlands Head Office (Texas)



LOGISTICS INITIATIVES

Quadra's third-party logistics providers continues to work at reducing the carbon footprint from transportation. Whenever possible, they 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

	2018
NATURAL GAS CONSUMPTION, GJ	0
ELECTRICITY CONSUMPTION, GJ	39

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

WATER

▶ 303-3

Water has not been identified as material to our operations that are office based.

EMISSIONS

▶ 305-1

OPERATIONAL FOOTPRINT SCOPE 1

	2018
TOTAL DIRECT GREENHOUSE GAS EMISSIONS*, METRIC TONS CO₂e	0

OPERATIONAL FOOTPRINT SCOPE 2

	2018
TOTAL INDIRECT GREENHOUSE GAS EMISSIONS*, METRIC TONS CO₂e	0

**GHG emissions from energy use were calculated using the March 2017 GHG Protocol' emissions Factors for Cross sectors Tools*

TRAVEL EMISSIONS SCOPE 3

TRAVEL TYPE	2018
EMPLOYEE VEHICLE TRAVEL	27 metric tons CO ₂ e
AIR TRAVEL	18 metric tons CO ₂ e

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

EFFLUENTS & WASTE

▶ 306-2 to 306-4

Partial reporting

Throughout our US operations, our Third-Party Logistics disposed of 4,235 kg of damaged products, as per dangerous goods protocol.

COMPLIANCE

▶ 307-1

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

For 2018, 0\$



SOCIAL

HEALTH AND SAFETY

► 403-1 to 403-8

In 2018, we are reporting no lost time incident. Because all our operations are handled by Third Party logistics, our H&S policies focus mostly on employee commute and office operations.

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'. Near Miss reporting is the result of employees reporting possible unsafe conditions or acts, enabling Quadra to take preventive action before issues escalate to incidents or accidents. Quadra also measures other proactive leading indicators of Health & Safety performance.

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

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 we can from our employees. Representation from hourly operations, supervisory, office

Quadra's Leadership Team (LT) gives very high priority to ensuring safety standards are measured, met, reported on, and maintained.

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.

Safety messages and reminders are regularly communicated with employees. 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.

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.

Quadra has established a detailed training matrix 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.

Quadra's safety culture adopts the principle "Safety is Everyone's Responsibility".

LABOR 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 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.

These initiatives ensure all employees have access to key information to promote the importance of leading a healthy lifestyle. 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 2018 is 157 down from 172 last year.

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.

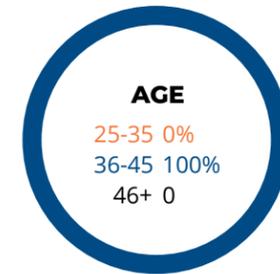


EMPLOYMENT

▶ 401-1 to 401-3

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

Rate of turnover 7,1 %, consisting of 100% women. The age group for our turnover is split as followed:



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

OCCUPATIONAL HEALTH AND SAFETY

▶ 403-9 to 403-10

Overview of Incidents and Accidents

	2018
LOST TIME INJURIES	0
LOST TIME FREQUENCY	0
LOST DAYS <i>Beyond the date of the incident</i>	0
FIRST AID INCIDENTS	0
VEHICLE INCIDENT RATE <i>Frequency per million km driven</i>	0.75

TRAINING AND EDUCATION

▶ 404-01 and 404-3

Average Training Hours, by Department

GENDER	COMMERCIAL TEAM <i>(Average training hours*)</i>
MALE	19.68
FEMALE	12.89

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

All (100%) of our employees, regardless of gender, go through the performance review exercise twice a year. Career development reviews are carried out at the beginning of every fiscal year.

DIVERSITY AND EQUAL OPPORTUNITY

▶ 405-2

The ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation, is 1.



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. We aim to have the suppliers that account for 80% of our procurement dollars to sign it, as the first deployment phase. We are at 45% of that objective.

CHILD LABOR

▶ 408-1

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

FORCED OR COMPULSORY LABOR

▶ 409-1

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

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 labor 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.



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.

We support numerous charitable organizations through our donations, and more recently we enacted an Employee Volunteer Program, designed to engage the employees around a common cause with material impact in the community, and such through a dedicated paid day, per employee year. The mission of our community outreach is “Advancing health and wellbeing for our communities in need”, and our theme continues to be around Food in 2019.



Montgomery County Foodbank

The Montgomery County Food Bank (MCFB) collects and distributes food and resources to those in need in our community. Through the support of our volunteers, donors and 50 plus partner agencies we were able to provide 10 million nutritional meals in the last year.

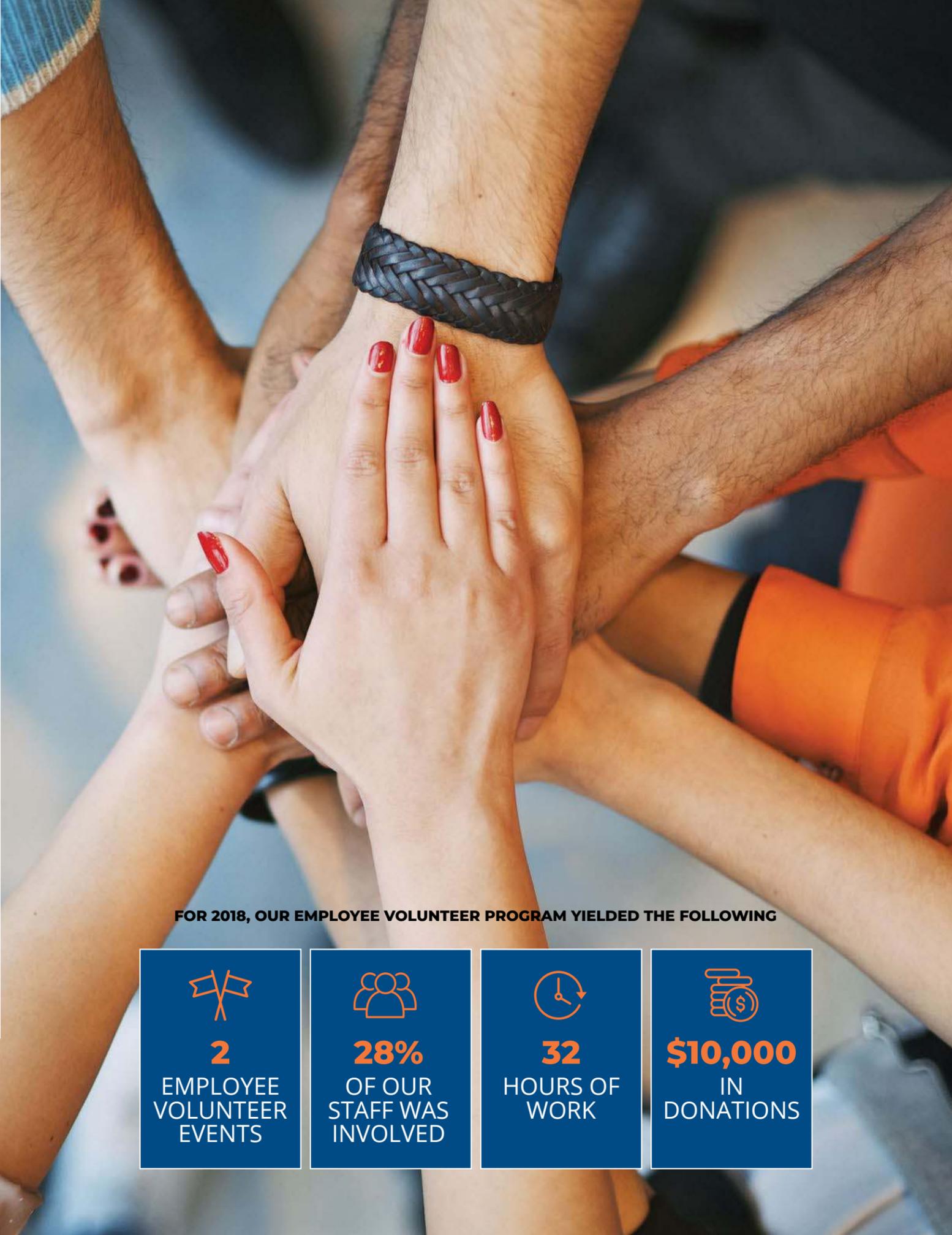
The Montgomery County Food Bank acts as a clearinghouse for food items donated and purchased for distribution to charities assisting the poor and victims in crisis. The Montgomery County Food Bank is a 501(c)(3) Non-Profit Organization, a partner with the Houston Food Bank and a member of the Texas Food Bank Network and a member of Feeding America.

Our team supports the MCFB through donations and volunteering at the Foodbank, packing food for distribution in the community

Our Houston based team is committed to continue supporting the MCFB.

NACD Responsible Distribution®

Quadra holds environmental, health and safety management to be among our highest priorities. Through our participation in the NACD Responsible Distribution® 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.



FOR 2018, OUR EMPLOYEE VOLUNTEER PROGRAM YIELDED THE FOLLOWING



OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS

100%

PRODUCT STEWARDSHIP

Sustainable Products and Services

Quadra's green chemistry portfolio consists of two product categories: Green Products and Better Choice Products. Both Green Products 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 follow relevant environmental, product safety, transportation safety regulations and more specific U.S. product application regulations. Compliance for existing products is assured by on-going monitoring of relevant U.S. 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 NACD Responsible Distribution@Code of Practice is extremely important to Quadra.

In 2017, Quadra completed the upgrade of its Safety Data Sheet (SDS) system to meet the 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).

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.

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 2018, none.

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 2018, none.

CUSTOMER PRIVACY

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

▶ 418-1

For 2018, none.

COMPLIANCE

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▶ 419-1

For 2018, none.

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“Quadra is committed to the promotion of the principles of sustainable chemistry.”



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