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RESPONSIBLE CARE[®]

VERIFICATION REPORT

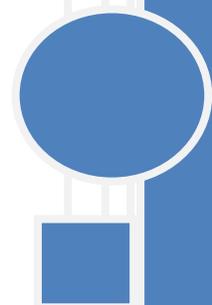
CCC

NOVEMBER 13TH, 14TH AND 15TH 2012

Disclaimer

This report has been produced by a team, convened by the Chemistry Industry Association of Canada (CIAC) to provide advice to the above company and assist it in meeting its Responsible Care commitments as a member of the Association. The material in it reflects the team's best judgment in light of the information available to it at the time of preparation. It is the responsibility of the CIAC member company which is the subject of this report to interpret and act on the findings and recommendations in this guidance document as it sees fit. Any use which a third party makes of this document, or any reliance on the document or decisions made based upon it, are the responsibility of such third parties. Although CIAC members are expected to share the results of this guidance document with interested parties, the association, its member companies, their employees, consultants and other participants involved in preparing the document accept no responsibility whatsoever for damages, if any, suffered by a third party as a result of decisions made or actions based on this report.

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EXECUTIVE SUMMARY

This report documents the observations and conclusions of the independent verification team tasked with conducting a Responsible Care Verification of CCC. The verification was undertaken on November 13th, 14th and 15th 2012 and included team visits to the Mississauga Corporate offices and the Elmira ON manufacturing site. The verification team also conducted interviews with other company personnel and external stakeholders at locations the team was unable to visit. This was the sixth Responsible Care verification completed for CCC. The last verification was completed on November 13th 2009.

While considering all aspects of the Responsible Care Commitments during this verification the team placed an emphasis on conducting an in-depth examination of company management systems related to the 2010 codes of practice, specifically the Stewardship and Accountability codes, as these codes support the verification focus areas identified by the CIAC. There were not any additional focus areas identified by the verification team or the company during the planning stages of the verification.

The team consensus was that CCC, and parent company CCC, are a very progressive company in the application of the Responsible Care[®] Commitments and Principles for Sustainability. The report will list one Finding Requiring Action pertaining to a formal process for selection and assessment of waste carriers. The report will also contain four improvement opportunities, five works in progress and six successful practices.

As a result of the examination conducted, the verification team is of the opinion that the Responsible Care Ethic and Principles for Sustainability are guiding company decisions and actions, and that a self-healing management system is in place to drive continual improvement. The team believes that the company is capable of responding to the range of Findings Requiring Action identified during the verification - summarized below and discussed in detail in the report. The verification is complete and no further involvement is required by the verification team.

Signed: Cameron D. Dillabough
Verification Team Leader
Date: December 9, 2012

For more information on this or a previous Responsible Care Verification Report, please contact your local company site or the company's overall Responsible Care coordinator:

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SUMMARY OF VERIFICATION TEAM OBSERVATIONS

Findings Requiring Action

1. It is a finding requiring action that the company application of the Operations Code and the Stewardship Code are not sufficiently guided by the commitment to ensure that there are defined criteria for the selection and use of waste carriers and assessing other parties performance at planned intervals. Reference OP69, ST116, 117 & 118.

Works in Progress

1. Site worst case scenarios for Woolwich CAER Group industries have been reviewed by the local CAER group. The CCC site is in the process of developing appropriate site emergency response procedures relative to such external worst case scenarios that could affect CCC site employees.

2. The company is currently developing a site Visitor and New Contractor introduction and safety audio-visual presentation and the team encourages the company to include Responsible Care® and sustainability messages.

3. The Company has plans to revise or renew the present Service Provider Protocol to reflect the different product management requirements for various product end uses such as “Food Grade” and “Technical Grade”.

4. The Company plans to implement an environmental management system to all locations not presently ISO 14000 certified.

5. Continuing work on five improvement opportunities (OFI) from the 2009 report will be recorded as “works in progress” in the 2012 report. OFI# 13 an improved contractor management system,(replacement of current “Main Boss” software) OFI#16 a corporate wide Crisis Management System, OFI#22 a management system to apply Responsible Care® criteria to product and raw material marine shipments from off-shore suppliers, OFI#30 an improved industrial hygiene management system and OFI#40 application of product stewardship criteria that are now part of the 2010 Protocol for the Product Stewardship Code.

Improvement Opportunities

1. There is an opportunity for improvement to formalize CCC commitment and activity in relation to Social Responsibility. The team believes the development and implementation of a formal policy consistent with the expectations contained in Appendix A of the Commitments would be a good starting point. The team would also recommend the formalized commitment be incorporated into the Company’s website profile.

2. There is an opportunity for improvement to revise the Corporate Guiding Principles to specifically reference the protection of employees and public stakeholders.

3. There is an opportunity for improvement to formalize the document entitled “Evaluation of Chemical Suppliers from Developing Countries” and develop the appropriate supporting policies and procedures.

4. There is an opportunity for improvement during the “PLAN” step in the management cycle to more clearly define the process of benchmarking during the development of improvement goals and objectives. (Section F, Benchmark and Collective Expectations).

Successful Practices

1. CCC has developed a Product Stewardship management system called ECCCCO Products whereby alternative more sustainable and environmentally friendly products and raw materials are proactively identified and presented to customers as a product or raw material replacement alternative.

2. CCC has developed a Product Stewardship management system whereby the company identifies, on behalf of the customer, appropriate waste disposal methodology for wastes or outdated products.

3. The CCC Elmira site in conjunction with the Woolwich CAER group conducted community surveys at two local supermarkets to determine the level of emergency response knowledge of area residents as a method of determining the effectiveness of recent community risk communication initiatives.

4. The CCC Delta BC location approached a member of a local environmental NGO about becoming a community representative for dialogue purposes. The resulting relationship has benefited both parties with each supporting Responsible Care® and local fundraising initiatives.

5. CCC has converted their product transfer line systems, where applicable, to a nitrogen purge process that eliminates the need for solvent flushes.

6. CCC has in place a very progressive fleet management system that focuses on regular improvements and upgrades to reduce the carbon foot print of their transportation fleet.

1. INTRODUCTION

1.1 About Responsible Care Verification

As a member of the Chemistry Industry Association of Canada (CIAC), the most senior executive responsible for CCC operations in Canada attests annually to CIAC and its peers that the company's operations conform to the expectations contained in the Responsible Care Commitments and are guided by *Responsible Care Ethic and Principles for Sustainability*.

The Responsible Care® Ethic and Principles for Sustainability

We are committed to do the right thing, and be seen to do the right thing.

We dedicate ourselves, our technology and our business practices to sustainability - the betterment of society, the environment and the economy. The principles of Responsible Care® are key to our business success, and compel us to:

- work for the improvement of people's lives and the environment, while striving to do no harm;
- be accountable and responsive to the public, especially our local communities, who have the right to understand the risks and benefits of what we do;
- take preventative action to protect health and the environment;
- innovate for safer products and processes that conserve resources and provide enhanced value;
- engage with our business partners to ensure the stewardship and security of our products, services and raw materials throughout their life-cycles;
- understand and meet expectations for social responsibility;
- work with all stakeholders for public policy and standards that enhance sustainability, act to advance legal requirements and meet or exceed their letter and spirit;
- promote awareness of Responsible Care, and inspire others to commit to these principles.

As an element of this commitment to Responsible Care, CCC must, every three years, participate in an external verification intended to:

1. Provide the Executive Contact with an external perspective when assessing if the company is indeed meeting the intent of the Responsible Care Commitments, along with advice on areas that may require attention;
2. Identify opportunities for assisting the company when benchmarking its own practices and performance against those of its peers, thus supporting continual improvement;
3. Contribute to the credibility of Responsible Care amongst company personnel and stakeholders, as well as the stakeholders of the broader industry;
4. Identify successful company practices that can be promoted to peers in the CIAC membership; and
5. Support the identification of areas of common weakness so that collective tools and guidance can be developed to improve performance in those areas across the CIAC membership.

Verification is conducted according to a common protocol, developed by the association's members and others, including several critics of the chemical industry. The verification is conducted by a team consisting of:

- Knowledgeable industry experts with experience in Responsible Care;
- A representative of the public at large (usually with a public interest background and with experience in Responsible Care gained from serving on the CIAC's National Advisory Panel) and
- One or more representatives of the local communities where the company's facilities are located.

Once completed, the Verification Report is made publicly available through the CIAC website (www.canadianchemistry.ca). CCC is also expected to share the report with interested persons in its communities and other stakeholders as part of its ongoing dialogue processes.

Additional information on Responsible Care and / or the verification process can be found at the CIAC website www.canadianchemistry.ca, or by contacting the Responsible Care staff at CIAC at glaurin@canadianchemistry.ca or (613) 237-6215 extension 233.

1.2 About CCC

CCC Sulphur Products is a wholly owned subsidiary of CCC (Canada Colors and Chemicals Limited), which is one of the largest independently owned distributors in Canada and the tenth largest distributor in North America. The company headquarters are located in Toronto Ontario with distribution sites in; Brampton and Windsor ON, Montreal PQ, Edmonton and Calgary AB and Vancouver BC. There are also manufacturing sites in Elmira ON (CCC Sulphur Products) and Colborne ON (CCC Plastics). The Company was founded by Mr. R.R. Carr-Harris in 1920, and the company's growth over the past many years has been built on strong customer service, quality assurance and Responsible Care. The company currently employs 323 employees. Early in 2012 the company completed a rebranding process and are now known as CCC.

For further information please access the company website. www.ccc-group.com

1.3 About This Verification

The verification of CCC was conducted on November 13th, 14th and 15th 2012 and included team visits to The Mississauga Corporate offices and the Elmira manufacturing site. The verification team also conducted interviews with other company personnel and external stakeholders at locations the team was unable to visit. During the course of the verification, the team had the opportunity to interact with a wide range of company personnel, as well as stakeholders external to the company. Attachment 2 contains a list of those individuals interviewed and their affiliations.

This was the sixth verification exercise completed for CCC. The last verification was completed on November 13th 2009. The verification team was comprised of the following individuals.

Name	Affiliation	Representing
Cam Dillabough	CIAC	<i>Team Leader</i>
Jim Wakefield	CIAC	<i>Public-At-Large Verifier</i>
Ruby Weber	Elmira ON resident	<i>Community Representative</i>
Brenda Lorenz	CIAC	<i>Verification process observer</i>

2. TEAM OBSERVATIONS CONCERNING THE RESPONSIBLE CARE COMMITMENTS (CODES AND BENCHMARK AND COLLECTIVE EXPECTATIONS)

During the verification of CCC, the verification team looked for evidence that the company was addressing the expectations documented in the Responsible Care Commitments (152 code elements plus 28 benchmark and collective expectations). While considering all aspects of the Responsible Care Commitments during the verification, the team placed an emphasis on conducting a more in-depth examination of certain company aspects identified by the company or the team. These were related to:

There were not any specific focus areas identified by the team or requested by the Company.

In communicating its observations, the verification team will make repeated reference to the following categories of observations:

1. **Findings Requiring Action** document instances where the verification team observes specific company actions (or the absence of company actions) which are inconsistent with the detailed codes and benchmark and collective expectations contained in the Responsible Care Commitments. Where possible, the verification team will communicate, based on their experience and judgment, why it is inconsistent and how the observation relates back to a possible gap in the expected management system and / or the ethic and principles underpinning company actions. The team may also provide advice on how the situation might be responded to.
2. **Works in Progress** document instances where the verification team has observed the company self-initiating actions in response to identified gaps and deficiency arising from other internal or external audit and review activities, or where the company has self-initiated important improvement opportunities.
3. **Successful Practices** document instances where the team believes the company has taken actions that strongly support sustained excellence in performance, and which should be communicated throughout the CIAC membership.
4. **Improvement opportunities** identify instances where the verification team has observed company actions and decision making as being largely consistent with the expectations detailed in the Responsible Care Commitments, but for which the team is of the opinion that the company could support further improvement by considering alternate or additional benchmarks when undertaking its planning and decision making.

The verification team's observations of how the company has addressed the Responsible Care Commitments are as follows:

2.1 Team Observations Concerning Operations Code

2.1.1 Design and Construction of Facilities and Equipment

The Company has management systems in place to meet or exceed expectations in these code areas. The Company does not maintain a dedicated project engineering function and large projects are contracted to third party engineering groups. Design and Construction Responsible Care® expectations are addressed during the new project design stage. The Company recently reorganized upper

management and it is the opinion of the verification team that this new management structure will aid in fulfilling the requirements of this code section.

2.1.2 Operations Activities

The Company has two distinct operational arms one being warehousing and distribution and the other being manufacturing. In addition to the Responsible Care® and ISO programs, the larger warehousing and distribution arm is also managed through the Responsible Distribution group. There is appropriate overlap of management control activities to comply with the Operations Activities code expectations.

2.1.3 Safety and Security

The Company has appropriate management systems in place to support their Responsible Care® commitment in this area. Site vulnerability assessments were completed as required by the CIAC and the company had been certified, through third party security audits, as complying with the Customs-Trade Partnership Against Terrorism (C-TPAT, a United States requirement) and Partners in Protection. (a Canadian requirement)

As described in the company Responsible Care® Management systems, edition 2, there are annual targets for improving safety performance. The company also has in place leading safety performance indicators such “First Time Safe” and “Job Safety Observation”. The company has a corporate management system for identifying and reporting incidents and accidents including root cause investigations. There is also a company wide electronic reporting database that is utilized to ensure that identified actions related to accidents and incident investigation become part of the Company Safety Management System. The Company’s total recordable injury and severity rate indices are below the average for their CIAC industry group. It is noteworthy that the Elmira site had worked 6460, or 17.6 years without a lost time injury at the time of this report. A follow-up item listed two works in progress pertaining to this section. One is the need for the Elmira site to update site emergency response procedures based on updated worst case scenarios from neighbouring industries and the second is a plan to develop a new visitor and contractor introduction and safety audio-visual.

The team also has a comment based on interviews at the visitation site. Several CCC sites maintain relatively small hourly employee staffing numbers. The team would recommend the company develop ways where it could improve involvement of the hourly staff in the Safety Management System. Suggested methods could be planned external training as appropriate, involvement in, or review of, accident investigations, hazard reviews, and interface with larger facilities that have a full complement Joint Health and Safety Committee.

2.1.4 Environmental Protection

The Environmental Protection section of the Operations Code focuses on emissions and waste reduction, handling, treatment and disposal of wastes and resource conservation. The Company has appropriate management systems to address the focus of this code element. At the Elmira facility a certified ISO 14001 environmental management system is in place and there are plans to introduce a Company-wide environmental management system, based on ISO 14001 criteria, in 2013. The Company also maintains an electronic intranet site that identifies all company site environmental improvement initiatives as a method of generating ideas throughout the Company. Some noteworthy projects have been a ninety five percent reduction in sulphur dioxide emissions at Elmira site and brokering customer waste and out of date products to waste disposal companies. The team has listed as a finding requiring action the need for a formal management system to assess waste contractors transporting from the generating sites.

2.1.5 Resource Conservation

Based on the business profile the Company has the greatest potential to address resource conservation through their transportation fleet. The Company does have active programs to increase the fuel efficiency and safety of the fleet through equipment upgrades and active electronic vehicle and driver management which in turn reduces the carbon footprint of the transportation fleet. There are also active plans to reduce energy usage at the Company's warehouses and manufacturing facilities. At Company facilities where product blending and transfer occurs nitrogen gas has replaced solvents as a flushing medium. In 2013 the Company will begin tracking water use throughout the organization with the goal of setting use reduction and conservation goals in the future.

2.1.6 Promotion of Responsible Care by Name

CCC has been an active promoter of the Responsible Care® codes and Ethic since the implementation of Responsible Care® within the CIAC. Company managers have always been active participants on Association committees and at the director level of the Association. The Responsible Care® Logo and other identification has been present on company vehicles, at warehousing and manufacturing sites and on company correspondence and public presentations. Based on the revised formal code requirement of "promoting Responsible Care® by name" the team would recommend that CCC review their promotional activities and develop a set of policies, leading indicators, benchmarks and reviews that would guide the Company to the fore front in this area. As an example, if the Company plans to maintain promotional brochures and other hardcopy materials in addition to the website the present brochure should be updated and refreshed. The team also recommends that the company develop teaching and training processes that link Responsible Care® to the everyday activities of the hourly employees. CCC has been supporting and participating in the development of a case study by McMaster University on the impact of Responsible Care® in a community.

2.2 Team Observations Concerning Stewardship Code

2.2.1 Expectations of Companies

The Company has in place appropriate management systems to comply with the expectations of this code section. At both the manufacturing and sales and distribution divisions of CCC specific management systems address this requirement. In the past the CCC group have been proactive in promoting Responsible Care® through their industry specific associations and participated in the improved safety design of rail cars and bulk trailers to transport fuming sulphuric acid. The Elmira site has also been instrumental in supporting and directing the work of the Township CAER Group.

2.2.2 Expectations with Respect to Other Parties

CCC has always been a leader in managing their interface with suppliers, customers and third party support entities. Examples that have been cited earlier in this report are proactively developing more eco-friendly replacement raw materials for customers and brokering waste disposal solutions for customers. In addition CCC has an inactive product review process that prompts a review of material safety data sheets and other pertinent risk information for products that have been in inventory but inactive for two years. In early 2012 as part of the rebranding initiative at CCC the company introduced the concept of "Intelligent Delivery" as a vehicle to highlight and focus company logistic expertise and their commitment to the Codes and Ethic of Responsible Care®. There is one work in progress related to this section and that is a plan to revise the Service Provider Protocol to reflect product end use in areas such as "technical" and "food grade". The team listed as an improvement opportunity the formalization

of a document that focuses on evaluating chemical suppliers from developing countries. CCC has had an informal process in this area for several years.

2.3 Team Observations Concerning Accountability Code

2.3.1 Operating Site Communities

While CCC had a management system to address the requirements of this code section there were several improvement opportunities listed in the previous verification report. The Company has responded to these suggested improvements and thus has improved the management systems supporting this code section. As an example there are now site community representatives that are in regular communication with each site, lobbying by CCC has resulted in community emergency response exercises in the Colborne, Brampton and the Elmira areas. Risk information from companies participating in the Woolwich CAER Group (Elmira) has been disseminated to the community. The Brampton site has successfully established contact with a local Mosque that falls within the site worst case scenario impingement area to relay risk and shelter in-place information. Because of the facility location the Brampton site struggles with developing permanent community contacts that are not related to the community emergency services. It was suggested during the review of this section with Company officials that there would be a benefit to inviting the site community representatives to observe in-house emergency exercises when they occur.

2.3.2 Other Stakeholders

As a company CCC has traditionally been one of the more active CIAC member companies with company Executive Contacts and managers voluntarily participating at the CIAC Leadership Group level and at the managerial level in CIAC Responsible Care® subcommittees. Company representatives from the Brampton site have been instrumental in reenergizing the Ontario Region TransCAER activities which should make the TransCAER outreach process in Ontario more effective than in the past. CCC has also actively recruited potential CIAC member partners from their business contacts by promoting the Ethic and advantages of Responsible Care®. In Elmira CCC has spearheaded the lobbying of the Regional and Provincial governments concerning the laws governing residential development infringement on industrial worst case scenario impingement zones. The CCC Delta BC location was nominated for an Ethical Business award which was the result of an outreach process with a local environmental NGO. The Company has recently improved their website as it embarked on a plan to utilize all aspects of social media to improve their stakeholder interface.

3. TEAM OBSERVATIONS ON THE COMPANY MANAGEMENT SYSTEM

It is a requirement of Responsible Care that companies have a documented, self-healing management system or systems capable of identifying and responding to deficiencies and otherwise supporting continual improvement across all company business units, functions, and sites and as a framework for implementing the Responsible Care Commitments.

The verification team studied CCC management system(s) and compared and contrasted the attributes of that system(s) to those of a self-healing overall management system as discussed in the CIAC Management System Guide. The verification team's related observations to the company management system(s) are as follows:

3.1 Observations on the PLAN Step

During the PLAN Step of the management system, the company decides what the goals of the company are and how they will be met. In determining those goals, it is expected the company will look inward, across its operations, but will also look outward, considering the expectations of: stakeholders; regulatory requirements; relevant CIAC Responsible Care Commitments and supporting tools; and other industry benchmarks. In considering the PLAN Step of CCC management system, the verification team observed the following:

The Company recently reorganized at the upper managerial level and this new organization is better equipped to apply the Company Responsible Care® Management system unilaterally across Canada. This reorganization is also more inclusive with representatives from manufacturing and sales and marketing participating in the overall Steering Committee function. The Company has a well-defined planning process that addresses the commitment to Responsible Care® and the ISO certifications for quality and environmental management. In addition the process addresses legislated requirements and both company and site specific goals such as worker safety performance.

The team has listed as an improvement opportunity the need to develop a benchmarking management system to aid in the development of objectives in the planning process.

3.2 Observations on the DO Step

During the Do Step in the management system, the company converts the decisions of the PLAN Step into action and ensures awareness and understanding by all involved. It is expected that the company will implement an organizational structure, assign responsibilities to appropriate personnel, supply sufficient training and resources to execute planned actions and develop and document standards, procedures and programs, as applicable. In considering the DO Step of CCC management system, the verification team observed the following:

CCC has implemented a formal organizational structure that manages all the company functions including Responsible Care. The Company has assigned responsibility to appropriate people and/or teams for all PLAN-DO-CHECK- ACT aspects of the overall management system and for each sub-system. The company maintains the corporate Responsible Care® Implementation Guide as a reference document to produce various operational manuals pertaining to each site. The CCC Quality Procedures Manual (ISO 9001:2008) is designed to support the clauses of the Quality Management Systems Manual. The manuals are reviewed and updated as required. The contents of the CCC Sulphur Products Environmental Procedures Manual (ISO 14001:2004) are designed to support the clauses of the

Environmental Management Systems Manual. The manual is reviewed and updated as required. The Company has established ongoing training for people (including awareness of Responsible Care® and its requirements). The company maintains a documented Responsible Care® Management System as part of the overall Management system targeted to verifiers and others who need to understand the overall approach of the company to managing its affairs, including Responsible Care.

3.3 Observations on the CHECK Step

During the CHECK Step in the management system, actions carried out in the DO Step are assessed to determine if they are actually being carried out according to plan, and whether they are achieving the desired outcomes and delivering continual improvement. Here, the overall management system and components will be reviewed along with employee competences for assigned responsibilities, internal and external audits will be undertaken, incidents will be assessed to identify root causes, and performance measurement will be conducted and reviewed.

In considering the Check Step of CCC management system, the verification team observed the following:

Internal and external audits are conducted annually to confirm that the operations management system comprising of Responsible Care® and Responsible Distribution®, ISO9001: 2008 and ISO14001: 2004 (CCC Sulphur Products only) is in-place and adequate. Audit teams of CCC employees assigned by the Director, Product Stewardship & Risk Management, conduct internal site audits annually. External audits are conducted every 3 years by CIAC verification teams (Responsible Care®) and annually by 3rd party registrars (ISO programs). The 3rd party registrar audits are conducted on a rotating basis at the various sites, whereby 2 sites are audited annually. Each site utilizes Environmental, Health and Safety compliance check software at operating sites to assist in auditing against conformance to current laws & regulations. An Environmental, Health & Safety Scorecard tracks site performance and measures key environmental, health and safety areas. The report is distributed to Executive Management Committee members and site managers on a monthly basis and is part of the E.H. & S. report to the Board of Directors. The site's scorecard related performance calculates as 25% of the site manager's annual bonus. Various management system spot checks occur on an ad-hoc basis throughout the year as conducted by various government agencies i.e. federal, provincial and municipal to ensure adherence to applicable laws & regulations and customer supplier audits as captured in the critical issues system.

On an annual basis senior management sign a "Commitment to Environmental, Health & Safety and site managers sign a "Commitment to Responsible Care®. Target performance measurements are evaluated in performance reviews conducted annually for all employees.

3.4 Observations on the ACT Step

During the ACT Step in the management system, the company translates the results of the CHECK Step into corrective actions for improvement. This includes revisiting the PLAN Step to decide whether changes are needed to the company's stated goals or action plans, policies and procedures for achieving those goals. Considerations when examining the Act Step include whether and how: audit and review findings are responded to; performance is communicated internally and externally; employee and contractor performance is rewarded and corrected, etc.

In considering the Act Step of CCC management system, the verification team observed the following:

When audit reports are received it is the specific responsibility of each manager to review and act upon the relevant audit findings pertaining to their area of responsibility. Throughout the year management system goals and objectives may require adjustments depending on quarterly progress reviews, upset conditions or adjustments to priorities as a result of external issues. On an annual basis the Corporate Director, Product Stewardship & Risk Management compiles a summary of all audit reports and action taken on findings from the reports which is then reviewed by the President and the Company Responsible Care® Coordinator. Based on this review and other annual performance results, the President signs the annual CIAC generated commitment letter attesting to the Company's adherence to the CIAC Responsible Care® Commitments.

4. TEAM OBSERVATIONS ON THE RESPONSIBLE CARE ETHIC AND PRINCIPLES FOR SUSTAINABILITY

Each CIAC member company is formally committed to the ethic of *“Doing the right thing, and being seen to do the right thing.”* This ethic, along with the principles for sustainability are expected to guide the company’s decision making and practices. In conducting the verification, the team is looking to understand how well the ethic is understood and adopted within the company, and the degree to which the principles inform the manner in which the company does its business.

The verification team carefully observed CCC decision making processes and actions and compared and contrasted the attributes of those with the attributes of a company guided by the Responsible care Ethic and Principles For Sustainability as discussed in the Responsible Care Commitments (Appendix E). The verification team’s related observations on the company’s application of the *Responsible Care Ethic and Principles for Sustainability* are as follows:

Attachment 1A contains a synopsis of how CCC processes and management systems relate to the Principles for Sustainability.

ATTACHMENT: 1A

THE RESPONSIBLE CARE ETHIC AND PRINCIPLES FOR SUSTAINABILITY

- **WORK FOR THE IMPROVEMENT OF PEOPLE’S LIVES AND THE ENVIRONMENT, WHILE STRIVING TO DO NO HARM.**
CCC is very active in this area with identifiable management systems to support this principle. As exemplified by the following: the sulphur division has reduced the Elmira site sulphur dioxide emissions by 95% while doubling production. The CCC distribution system has greatly reduced the carbon foot print of their trucking fleet by equipment and technology investments to greatly reduce the fuel consumption.
- **BE ACCOUNTABLE AND RESPONSIVE TO THE PUBLIC, ESPECIALLY OUR LOCAL COMMUNITIES, WHO HAVE THE RIGHT TO KNOW THE RISKS AND BENEFITS OF WHAT WE DO.**
CCC is very diligent in applying this principle. They maintain a community advisory panel in Elmira ON, they are a leader in the efforts of the Woolwich CAER group and they maintain contact with community representatives, where possible, between verification cycles. The Director, National Operations, is the Chair the “Comité Mixte Arrondissement et Industries” which functions as a CAER group. CCC has also launched an improved corporate website that is very informative about their company and the commitment to Responsible Care®. The company has also participated in a McMaster University case study on the “Impact of Responsible Care® on a Community”.
- **TAKE PREVENTATIVE ACTION TO PROTECT HEALTH AND THE ENVIRONMENT.**
CCC has in place a management philosophy entitled “Intelligent Delivery”. In relation to this philosophy the company has several active processes to differentiate CCC from competitors. A great portion of this differentiation is related to Responsible Care®. As an example CCC has a process in place to identify and broker the disposal or recycling of waste product or process chemicals on behalf of their customers. There is also a management system in place to review product offerings that have been inactive for two years to ensure material safety data sheets and other risk information is current.
- **INNOVATE FOR SAFER PRODUCTS AND PROCESSES THAT CONSERVE RESOURCES AND PROVIDE ENHANCED VALUE.**
CCC has in place a management system entitled “ECCCO PRODUCTS” which reviews, on a regular frequency, customer product uses and then identifies alternate products or raw materials that are more “eco friendly” for customer processes.
- **ENGAGE WITH OUR BUSINESS PARTNERS TO ENSURE THE STEWARDSHIP AND SECURITY OF OUR PRODUCTS, SERVICES AND RAW MATERIALS THROUGHOUT THEIR LIFE CYCLES.**
As part of their overall product stewardship outreach management system CCC has made a concerted effort to implement a management system that pushes the traditional boundaries which is an expectation of Responsible Care®. An example of this effort is contacting their suppliers to ensure CCC has an up-to-date product restricted use list. A second example is identifying and contacting companies that “resell” CCC product offerings to ensure they have the appropriate environmental, health and safety information to relay to their customers.

- **UNDERSTAND AND MEET EXPECTATIONS FOR SOCIAL RESPONSIBILITY.**
 The company generally does well in this area but the team has listed as an improvement opportunity a need to formalize the Company commitment in relation to Social Responsibility. The improvement opportunity would be for a formal policy and general statement on social responsibility as related in Appendix A of the Responsible Care® Commitments booklet.

- **WORK WITH ALL STAKEHOLDERS FOR PUBLIC POLICY AND STANDARDS THAT ENHANCE SUSTAINABILITY, ACT TO ADVANCE LEGAL REQUIREMENTS AND MEET OR EXCEED THEIR LETTER AND SPIRIT.**
 The Company is very active in this area through participation in the CIAC and through membership and participation in the Canadian Association of Chemical Distributors. As an example CCC, at the corporate level, with support of the Elmira community have led efforts to change the Ontario Provincial and Regional industrial zoning criteria related to development within site worst case scenario impingement areas. These efforts have successfully halted a planned residential development that would have been within the impingement area of the Elmira site.

- **PROMOTE AWARENESS OF RESPONSIBLE CARE, AND INSPIRE OTHERS TO COMMIT TO THESE PRINCIPLES.**
 The company has management systems in place that guide company employees in various methodologies to inspire their business partners and contacts to aspire to the principles of Responsible Care®. As an example CCC has mentored and supported for CIAC membership a bulk carrier company and a water treatment chemicals producer.

5. VERIFICATION TEAM CONCLUSION

As a result of the examination conducted, and in consideration of the observations communicated within this report, the verification team is of the opinion that the Responsible Care Ethic and Principles for Sustainability are guiding company decisions and actions, and that a self-healing management system is in place to drive continual improvement. The team believes that the company is capable of responding to the range of Findings Requiring Action identified during the verification, as summarized in the Executive Summary and discussed in detail in the report. The verification is complete and no further involvement is required by the verification team.

COMPANY RESPONSE TO VERIFICATION TEAM REPORT

On behalf of CCC I have reviewed this verification report. The observations and conclusions contained in the report have been discussed with the verification team.

CCC found this verification process to be very valuable in helping establish our benchmarks relative to the balance of the Chemistry Industry and looks forward to continuing progress on all facets of our Responsible Care program. From a verification standpoint, this has been the best verification process that the association has developed.

CCC will communicate the results of the verification exercise with its CIAC peers at their next meeting, and will discuss the verification results with our stakeholders, including those representing communities near our operating sites.

We will give consideration to the Improvement Opportunities identified by verification team and will assist the CIAC in communicating and sharing the identified Successful Practices to other CIAC members. Plans will be developed and implemented to respond to the Findings Requiring Action identified by the verification team. Our progress in implementing those plans will be discussed when preparing our Annual Statement of Re-Commitment to Responsible Care, and communicated to the verification team at the time of our next verification.

Marty Byron
Director, Responsible Care and Sustainability
CCC
January 24, 2013

Interview Lists

A: Company Personnel Contacted During Verification Process

Name	Position	Location
David Emerson	President & Coo	Mississauga ON
Ron Koniuch	VP Corporate Compliance & CCC Sulphur Products	Elmira ON
Rick Rundle	VP LOGISTICS	Mississauga ON
Bruno Pelletier	Director, National Operations	Montreal QC
Marty Byron	Director, Responsible Care® and Sustainability	Delta BC
Mark Landry	Manager, Process Improvement	Montreal QC
Philip Yu	Director, Product Stewardship and Risk Management	Mississauga ON
Ursula Bagnato	National Transportation Manager	Brampton ON
Melanie Jones	Manager, Regulatory Affairs	Brampton ON
Ryan Draper	Production Supervisor	Elmira ON
Flugencio Guerrero	Process Operator and JHSC Member	Elmira ON
Dennis Wintemute	Packaging Operator and JHSC Member	Elmira ON

B: External Stakeholders Contacted During Verification Process

Name	Company / Organization	Position	Location
Ron Martin	Community Advisory Panel		Elmira ON
Kieran Kelly	Community Advisory Panel	Elmira Fire Chief	Elmira ON
Rich Clausi	Community Advisory Panel		Elmira ON
Charles Konopski (Teleconference)	Community Representative		Delta BC
Rick Choppe (Teleconference)	Community Representative		Calgary AB
Rick Sereda (Teleconference)	Community Representative		Edmonton AB
Tom Wilson (Teleconference)	Community Representative		Windsor ON
Brandon Northrup (Teleconference)	Community Representative		Colborne ON