

Message from the President

I am very pleased to present the second annual Sustainability Report for CCC. The last year has seen significant improvements to many aspects of our commitment to sustainability, with a particular emphasis on employee training.

A prime focus over the last year was preparing for and successfully completing our 7th re-verification under Responsible Care[®]. Our Responsible Care[®] program is the cornerstone of our management system, and highlights our ongoing commitment to the health and safety of our employees, the protection of the environment at our operating sites, and our engagement with our communities where we operate.

We are very proud that the re-verification highlighted 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.”

One of the key highlights over the last year was the launch of our new safety engagement and employee recognition program called “Committed to Safety”. This program has dramatically increased the amount of reporting by our employees of opportunities to improve safety at our operating sites. We continue to push toward zero incidences of lost or modified work at all sites.

Another highlight of 2015 was the acquisition of Apco Chemicals based in Toronto. This provided significant growth of our solvent business in Eastern Canada, and added financial strength to our overall Chemicals business. By applying the principles of Responsible Care to the new customers and suppliers, we feel we have improved the safety, and environmental performance of this business.

You will see in this report we are continuing to work on improving water resource management at our Elmira site and electricity efficiencies at all of our locations.

In addition, we continue to work with manufacturers of new sustainable chemistries to try to assist in the development of successful businesses in Canada.

At CCC, we will continue to ensure the focus on sustainability is at the forefront of our decisions and actions as we successfully grow our business.

I trust you will enjoy reading this report, and I look forward to hearing your comments.

Dave Emerson



Dave Emerson

President & COO
Canada Colors and Chemicals Limited

Sustainability at CCC

CCC is a verified member of the Chemistry Industry Association of Canada's Responsible Care[®] program as well as the Responsible Distribution Canada's Responsible Distribution[®] program.

CCC supports the commitment to sustainability (environmental, economic and social responsibility) contained in the 2010 version of the Responsible Care[®] Commitments and the 2013 version of the Responsible Distribution[®] Commitments.

CCC's Sustainability Objectives:

- achieve zero lost time and total recordable injuries
- reduce the corporate footprint: Environmental emissions, including green-house gases, waste generation, water and energy consumption (gas and electricity)
- communicate proactively with stakeholders during decision-making processes in an effort to achieve consensual solutions. Use ongoing discussions with stakeholders to integrate business strategies, processes and activities into social responsibility
- promote sustainability learning and discussion internally and throughout the value chain
- identify, source and provide sustainable chemistry-based products to CCC customers
- partner with producers to identify, and promote, product specific 'eco-sustainability' benefits (from production to use/waste)
- evaluate the impact and significance of alternative raw materials, supplies, energy and utilities, relative to the potential effects in the value chain and societal implications



Corporate Sustainability

From our inception in 1920, CCC has always believed that we need to bring the most innovative technologies and service to our customers. In addition to optimizing functional performance and total cost, it is now equally important to work to expand our sustainable product offering by sourcing new ingredients from around the world. At CCC, we:

- source from suppliers who follow principles of sustainability
- supply product whenever possible in returnable, reused packaging and pallets
- use spill containment at loading/unloading bays as well as in all packaging areas
- use overflow protection devices on all bulk tanks
- have double-walled storage tanks for all new solvent tank installations
- support active recycling

In addition, we:

- had no reportable spills to the Ministry of the Environment since 2011
- reduced electrical consumption at our Brampton Facility by 55% since 2007
- equipped our Truck Fleet with engines that reduce emissions



2015 Sustainability Target Results

Safety

Introduction of a new safety employee engagement and recognition program - Fully implemented now, Committed to Safety Program, with significant employee engagement. 2016 will show further improvement as employees become more familiar with the program and see the benefits of contributing.

Implementation of new corporate slips/trips/falls policy at all locations - successfully implemented at all locations. There have been zero recordable injuries related to slips, trips and falls since the inception of the policy, preventative measures and training related to this subject. A copy of the policy is available upon request.

Increase in # of near-miss reports - completed. This is vastly due to the new recognition program, where employees can present their reports and their ideas for improvement. A target in 2016 is to reach 600 near miss reports. From 2012 to 2014 there was an average of 50 near miss reports. There is approximately an 1100% improvement since then.

Environmental

Completion of a study to maximize water recovery and steam heat utilization at Elmira. A conceptual study was completed for increased steam supply to neighboring plant and condensate return to back to CCC. Cost analysis and viability study to be conducted in 2016.

Replacement of tank monitoring system in Delta that includes overflow protection - Design and cost approval completed, for implementation in 2016. Installation was completed in early 2016.

Replacement of overflow protection for bulk truck filling in Montreal - Corporate approval received, project review completed and approval obtained to complete in 2016.

Review of historical GHG emission data and development of action plans to reduce emissions. A complete plan to be developed and implemented in 2016/2017.

Converted 2 old propane forklifts to electric in Leduc, in 2015, with the remaining in 2016.

Employees

Implementation of new corporate employee training tracking program - delayed until 2017.

Implementation of safe-driving program for sales and marketing staff - delayed until 2017.

Community

Continued involvement with Woolwich CAER in Elmira and TransCAER nationally - completed. Several events were held in 2015 with both the Woolwich CAER group and TransCAER, across Canada.

Successful reverification under CIAC's Responsible Care[®] program - achieved in November 2015. A summary of the reverification can be found on page 11 of this report.

Employee Safety

Days Without a Lost Time Accident (As of December 31, 2015)

Vancouver	7316
Colborne	4399
Colborne Lab	4399
Windsor	3429
Montreal (Warehouse & Production)	2696
Brampton (Production)	2382
Elmira	1018
Brampton (Warehouse)	952
Leduc	581
Montreal (Transportation)	197
Brampton (Transportation)	120

Safety starts with
You!



CCC has taken a proactive approach with regards to near miss reporting. We are not just tracking near miss reports, we are actively engaging our employees to offer and implement suggestions related to near misses. We are using our Committed to Safety program as a platform to not only capture near miss reports, but also to recognize the efforts of the employees making these suggestions. Psychological research has shown that positive reinforcement is the single most powerful tool in our arsenal for eliciting and maintaining desired behavior. This is true and applicable when it comes to creating safe work environments. Strategic use of positive reinforcement is effective and CCC has found a way to make it work for our organization.

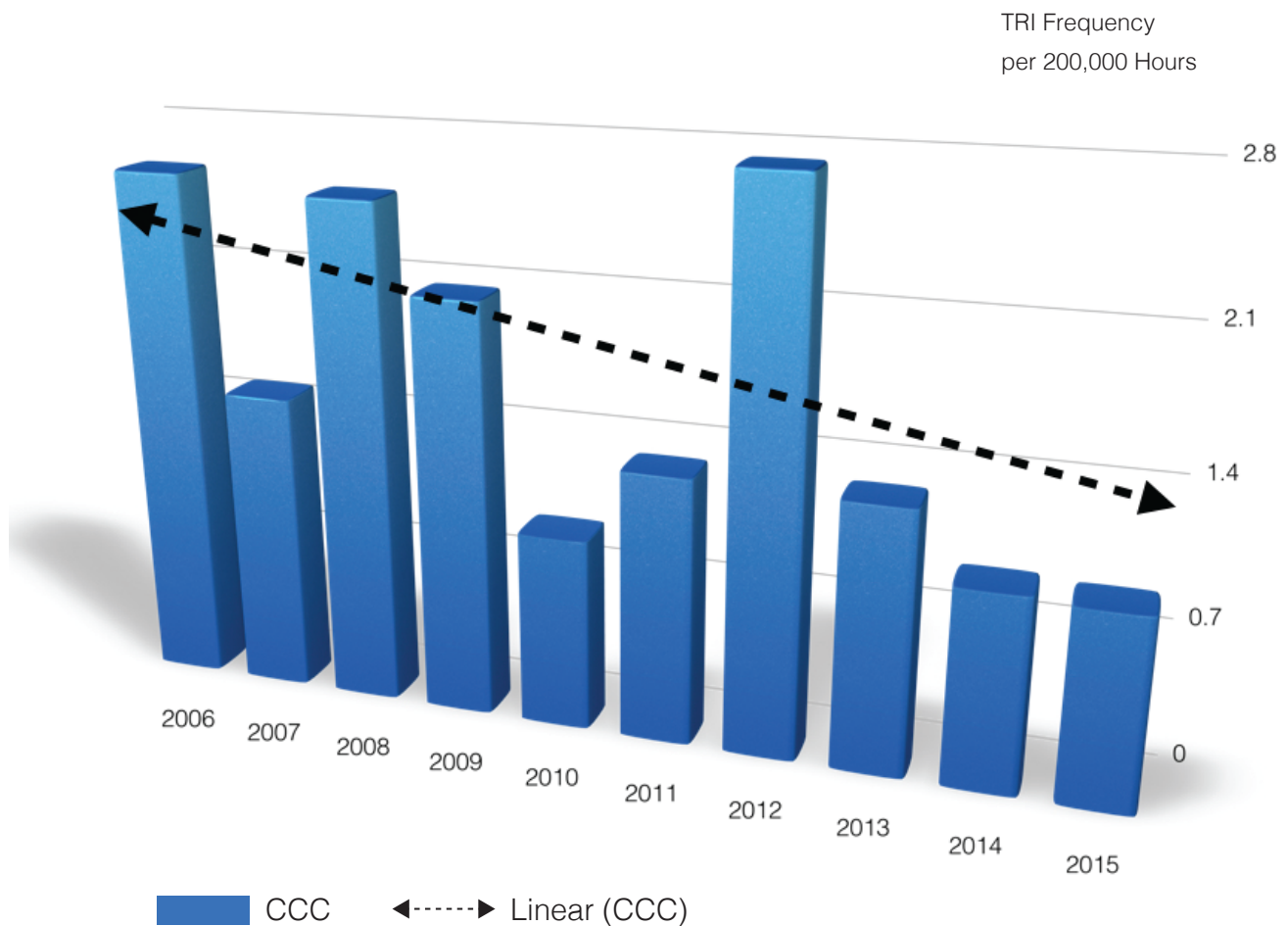
To monitor risk, we must have awareness of how people are performing with respect to many discrete and routine tasks. Staying safe depends on doing the right thing all day every day, even when nobody is looking. Staying focused on the “little things” requires frequent reminders and reinforcements. In the absence of such feedback, human beings naturally drift away from safe practices and use of error prevention tools. To stay safe, we need others to notice and reinforce proper adherence to safety expectations.

CCC’s Committed to Safety Program has allowed us to assess, profile and reinforce our safety culture; it continues to be a staple in our safety management program and will for years to come.

Total Recordable Injuries Summary

Total Recordable Injury Frequency CCC - Past 10 Years

60% reduction since 2006



Education and Training

CCC is committed to ensuring the sustainability of our employees by promoting education, training and career development.

In 2015 alone, CCC invested over \$50,000 in education and external training for its employees.

CCC also has several employees that serve as internal trainers on various key parts of the Chemical Distribution Business, including Regulations, Business Continuity and Sales Development Training.

"An organization's ability to learn, and translate that learning into action rapidly is the ultimate competitive advantage."

Jack Welch
Former General Electric CEO

Keeping Chemistry in the Classroom

CCC is Proud to Sponsor 'You Be The Chemist[®] Canada'

You Be the Chemist Canada[®] (YBTC) is an innovative, safe, bilingual and curriculum-mapped learning resource offered complimentary to educational professionals teaching grades 5 to 8. CCC was a sponsor and had a volunteer judge at the regional challenge in Winnipeg, Manitoba that took place in November 2015. CCC will also have a volunteer judge at the regional challenge in Guelph, Ontario, scheduled for April 2016.

The resource is available to all at: www.youbethechemist.ca

The program was created by the US-based Chemical Educational Foundation (CEF) and was adopted in 2005 by Responsible Distribution Canada (RDC) formerly the Canadian Association of Chemical Distributors (CACD) Board of Directors.

The YBTC was developed to:

- inspire youth of today to pursue a future in the science of Chemistry and highlight the exciting job and career opportunities that exist within it
- enhance science education through innovative techniques, such as hand-on activities and chemistry competitions
- effect long-term change in the general public's understanding of, participation in, and appreciation towards, chemistry and chemical industry

CCC is a proud supporter of this curriculum. CCC is a financial program sponsor and employees volunteer at all challenges. YBTC is another example of CCC's support towards sustainability in our industry and the future of chemical industry in Canada.



2016 Sustainability Targets

Environmental

- improve Communication of EHS and Quality targets at all sites
- zero reportable spills (to any government agency)
- evaluate current emission quantities and determine best available technology to reduce
- evaluate current waste volumes (separating product disposal waste) and create a program to capture and report

Quality

- reach 99.5% on time delivery by negotiated ship date
- address all areas of concern identified in SAI ISO9001 and Safe Quality Food (SQF) audits
- develop specific customer focused surveys
- increase laboratory testing capability in Leduc and Brampton.
- streamline blend approval process

Health and Safety

- implement of Employee Training Tracking Program
- increase Near Miss and Safety reports and Process Improvements to see 600 reports in 2016
- increase participation base with Committed to Safety to increase to 60% from a 2015 value of 30%, an 1100% improvement since 2012
- distribute Safety Perception Survey to all operations sites and re-evaluation in comparison to 2014 results
- re-format internal First Time Safe training to be used as hazard assessment training
- review and update Colborne's Designated Substance Program

Community

- continued involvement with Woowich CAER in Elmira and TransCAER nationally
- continued involvement with emergency preparedness initiatives across Canada
- events are scheduled in Elmira and Windsor

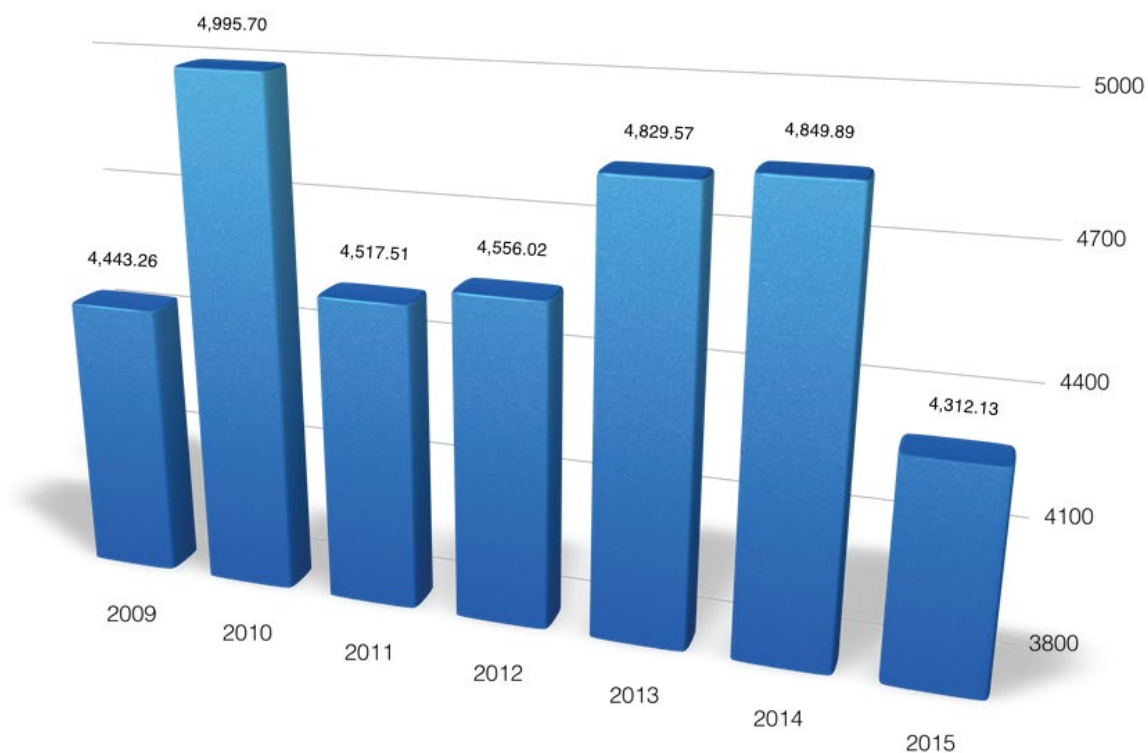


CCC's Carbon Footprint

CCC's Total Carbon Footprint in Tonnes since 2009

In 2015, due to several initiatives put forth by our operating locations, including energy reduction, water use reduction, stricter controls on waste management, smarter travel itineraries, we have reduced our overall Carbon Footprint by a significant amount.

Total Carbon Footprint in Tonnes



CCC - Proud members of the following Sustainable Associations in North America



Responsible Care® Verification

November 18-23, 2015 was the date of our seventh verification of the Responsible Care® Ethics and Principles. This particular verification is our opportunity to show a Verification Team from the CIAC (Chemistry Industry Association of Canada) that Responsible Care® is alive and well in our various businesses. It is an opportunity for CCC to present and discuss our Sustainability program with the Verification Team.

The verification itself is consisted of 3 days in Brampton, Ontario followed by an additional day in Leduc, Alberta. CCC had a number of successful practices that exemplifies how CCC has embraced our Responsible Care® mandate. Successful practices identified include:

- adopting a proactive approach to the latest safety technology in our highway transportation fleet and warehouse forklift trucks.
- the implementation of sodium bisulphite scrubbing technology on our sulphuric acid plant in Elmira.
- CCC's influence in the promotion of Responsible Care® in "Responsible Care, A Case Study" publication by the International Union of Pure and Applied Chemistry.
- implementation of a number of energy and conservation initiatives, such as a new membrane roof with skylights in Montreal and Vancouver and closed loop heating of storage tanks and railcars in Leduc.

In addition to these successful practices, we also had some areas identified that the Verification Team felt we could improve upon. These areas identified for improvement include:

- identifying adjacent neighbour and rail line risks and incorporate their external risks into our emergency response plans.
- improved communication process to our neighbours at our Brampton facility.

We are extremely proud of our verification and from the report the Verification Team stated:

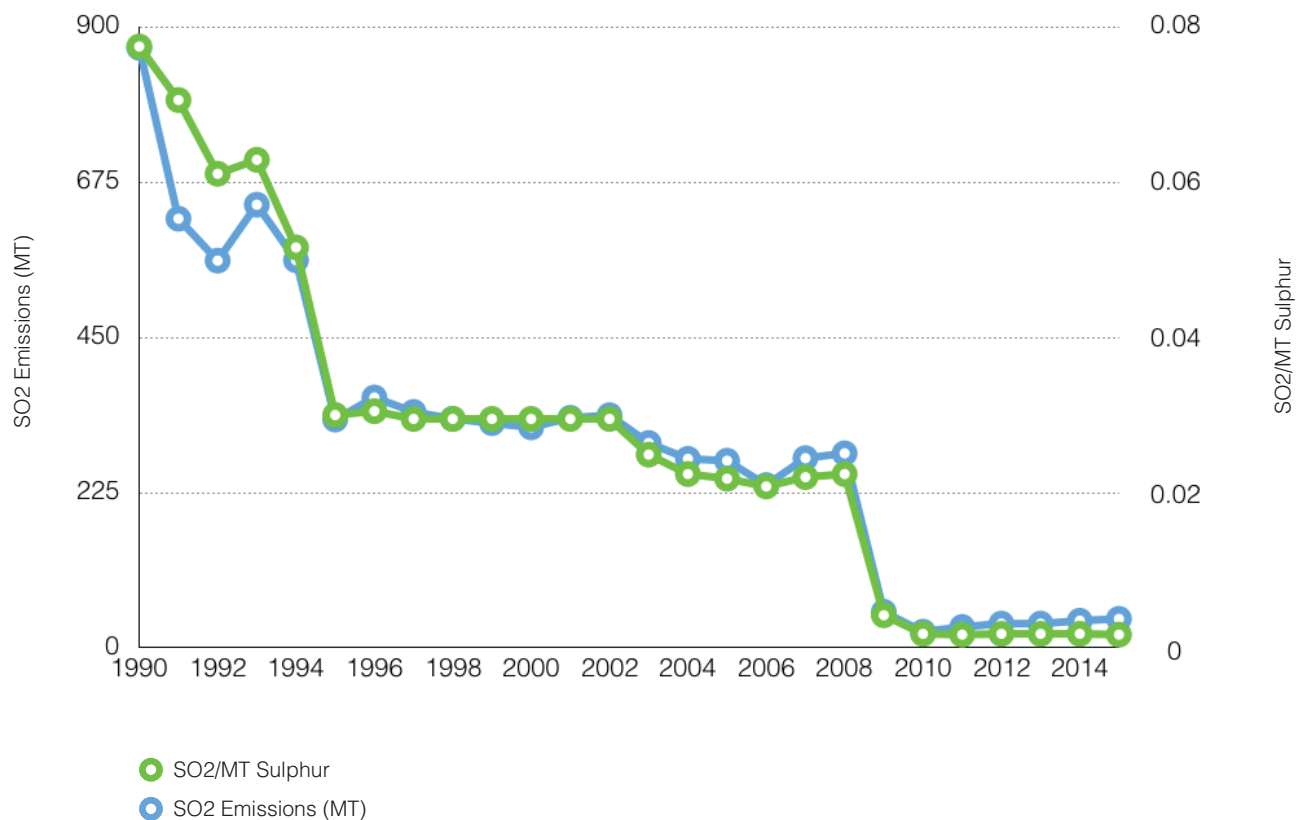
As a result of the examination conducted, the Verification Team is of the opinion that the Responsible Care® Ethic and Principles of Sustainability are guiding company decisions and actions, that a self-healing management system is in place to drive continual improvement. The team believes that the company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

The entire report can be viewed at www.canadianchemistry.ca by clicking on Responsible Care® and scrolling down to CCC Sulphur Products.

Environmental Emissions

Emissions reduction is 85% since 2008 and 95% since 1990.

Sulphur Dioxide Emissions (1990 to-date)



CCC's Proud Partnership with Grain Processing Corporation



"GPC views sustainability as an accumulation of the collaborative efforts of our employees, our suppliers, our customers, our communities and our shareholders to assure our choices are impacting our internal and external environment in a positive, future oriented accountable way. We appreciate working with customers who have similar values and focus such as CCC Chemicals."

Stu Mabee

VP, International Sales
Grain Processing Corporation

Collaborating with BASF for a Sustainable Future



For BASF, the world's largest chemical company, its commitment to sustainability is reflected in the company's purpose statement: "We create chemistry for a sustainable future". Through science and innovation, BASF is enabling its customers to meet the current and future needs of society – the company's products and solutions contribute to conserving resources, ensuring nutrition and improving quality of life.

As BASF works towards a sustainable future, the company is committed to the principles of Responsible Care[®], a voluntary, worldwide initiative, launched in 1985 by the Chemistry Industry Association of Canada (CIAC).

ECCCO-Friendly Alternative Chemicals

CCC has a broad range of eco-friendly alternatives in our product line, which are in essence sustainable products that replace more hazardous, non-environmentally friendly products. These range from renewable vegetable-based raw materials; ethylate replacements; biodegradable products; improved handling safety, etc.

Formulating for today's market is more challenging than ever. In addition to optimizing functional performance and total cost, it is now equally important to work to reduce the environmental impact of our products and finished goods. In 2015, CCC implemented a tracking mechanism based on transactions through our legacy system that will track and report on all eco-friendly/sustainable product transactions.

For a complete listing of the products, their applications and alternatives, please contact CCC at info@ccc-group.com or visit our website www.ccc-group.com.

CCC sees these products as a positive step in the evolution of our industry toward a more sustainable future. CCC is trying to make a difference.



ECCCO Product Highlight-D'Limonene

D'Limonene is a renewable, bio-degradable fruit-based raw material.

D'Limonene is a solvent. It is a suitable alternative to synthetically produced methyl ethyl ketone, toluene, xylene and many chlorinated solvents, due to similar solvent properties.

It is a safer solvent because it is less toxic than other petrochemical-derived solvents.

It is extracted from the peels of oranges and other citrus fruits. All are renewable feedstock, thus preventing or greatly minimizing waste.

D'Limonene is used in several markets with several applications.

Green alternative solvent is used in the manufacturing of D'Limonene, thus reducing the environmental footprint and resulting in little or no harm to the environment.



Ongoing Sustainable Initiatives at CCC

In the 2014 Sustainability Report, several of CCC's initiatives were highlighted. These remain an ongoing and successful part of our overall sustainability program. To read more about our overall best practices, our Waste to Energy program, truck fleet, reconditioning of drums and returnable tote tank fleet, please download a copy of the 2014 report at:

http://www.ccc-group.com/uploads/PDFs/SustainabilityReport_Final.pdf

- check CCC's website for regular updates on Sustainability: www.ccc-group.com
- follow us on LinkedIn: <http://goo.gl/MeeRNS>
- like us on Facebook and follow us to receive regular updates:
www.facebook.com/pages/CCC-Canada-Colors-and-Chemicals-Limited/354292417992708
- if you have any feedback, suggestions, questions, comments or concerns, please contact: info@ccc-group.com

