

Chemical Distributors, Incorporated

Continuity of Supply Plan

S&H 25.34

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Purpose

Chemical Distributors, Incorporated is dedicated to its customer's success because when our customers succeed, CDI succeeds. Therefore it is in our best interest to ensure that we have a plan in place to address any potential interruptions in our ability to fulfill the needs of our customers. Our plan is designed so that it can be activated in a moment's notice regardless of the cause including natural disasters, the loss of key personnel or utilities or the destruction of physical assets.

This plan details how CDI will recover and restore partially or completely interrupted critical functions within a predetermined time after a disaster or extended business disruption.

Critical functions

The following functions have been determined to be critical for the successful completion of our responsibilities towards our customers:

- Administrative Services personnel – direct customer contacts for orders, etc.
- Driver personnel – provide the transport of products to our customers.
- Warehouse personnel – fill orders and load vehicles.
- Warehouse storage areas including bulk chemical tanks – areas to house the products that our customers depend on.
- Utilities – Water, heat, electricity and phone – all necessary for the fulfillment of our responsibilities.
- Telecommunications – includes the flow information and communications for order and procurement processing.
- Regulatory personnel – necessary to keep our operation in compliance with the numerous regulatory agencies that govern us.
- Supply Chain personnel – necessary to maintain relationships with our numerous suppliers.
- Quality Lab - necessary to qualify our products prior to shipment.
- Business partners – includes support contractors and third party suppliers.
- Supply Chain – includes a network of manufacturing centers, distribution centers and suppliers connected by transportation services that manage the flow of products.

Business Impact Analysis

The business impact analysis determines the effect of mission-critical system failures and employee absenteeism on the viability and operations of critical business processes. CDI has made a determination as to which positions are critical to our mission.

- We cannot continue to function without both Administrative Services and Warehouse Operators. Our Administrative personnel are responsible for taking

- customer orders, ordering materials from our suppliers and completing the required documentation including shipping papers.
- Our Warehouse personnel are responsible for both off-loading incoming materials and filling customer orders.
 - Our HazMat Drivers are responsible for the safe transportation of our products to our customers. In the event that our drivers are unable to fulfill their roles, common carriers can be utilized.
 - Utilities - We have backup, automated gas-fired electrical generators in the event that our supply of electricity is interrupted.
 - In the event that our facility was to be destroyed, we would move our operation to one of the numerous vacant warehouses that are available locally.

Goals and Objectives

Based on our business impact analysis and the latest business assessment, our immediate goals and objectives for planning for, containing and recovering from a potential disaster include:

- Utilizing back-up company personnel to fill critical job functions,
- Utilizing common carriers for our hazmat driver personnel,
- Moving our operation to another warehouse,
- Leasing additional tractors, trailers and tankers,
- Identify back-up suppliers for each product in the event a primary supplier is unable to function (Multi-sourcing),
- Utilizing temporary personnel as needed,
- Assessing if key suppliers have developed their own Continuity of Supply Plans and are able to quickly recover from a disaster,

Crisis Management

Crisis management is an essential part of our Supply Chain Continuity. The essential elements identified include:

- Our trained local emergency response teams including the Buffalo Fire Department, the police, the Erie County HazMat response team and our 3rd party spill response team Op-Tech.
- We have identified our Administrative Office as our pre-arranged command center where our key decision makers can be joined with a communications hub.
- Our executive crisis management team has been established with pre-determined roles and responsibilities around supply chain coordination, employee coordination and media communications.
- Channels for communicating and sharing information with supply chain partners have been established for use in the event of a disaster. Our supply chain partners will leverage each other's operational capabilities as required during the disaster recovery process.

Communication

We will effectively communicate with those working for our company to inform them of the status of our operation after a disaster. We will primarily make notifications via telephone / text and e-mail as a back-up. Employees have been instructed to similarly

communicate with management to provide input and notify us of any needs or changes in absenteeism rates as a result of illness or injury. Likewise, communicating with our community and customers about our current capabilities, plans, and delays will help to reduce unnecessary tensions and fears.

Training

Information and training is at the heart of disaster planning and recovery. Our goal is to ensure employee comprehension and understanding of what their responsibilities are as we recover from a disaster.

Security

To protect the company, property, and employees, certain security measures will be in place during a disaster including limiting access to the facility and limiting travel.

Plan Evaluation

The EHS Manager will thoroughly evaluate and, as necessary, revise our plan; this will ensure our plan's effectiveness and prevent or eliminate any problems as necessary.