

A wide-angle photograph of a frozen lake at sunrise. Two people are cross-country skiing away from the camera on the left side of the frame. The sun is low on the horizon to the right, creating a bright, hazy glow and reflecting off the ice. The background is a dense forest of evergreen trees. The overall mood is peaceful and natural.

Sustainability at **Clean Harbors.**

CleanHarbors®



## A letter from our Chairman

As a leading environmental services company, sustainability has been the essence of our business since we first opened Clean Harbors' doors in 1980. From the beginning, we have put sustainability in action by helping people, the planet and the economy coexist in more sustainable ways.

We have had great success developing solutions that reduce or eliminate our customers' adverse impacts on the environment. And we have made significant investments to deliver new environmental solutions to our customers, such as our acquisition of Safety-Kleen, North America's largest used oil collection, re-refining and industrial parts cleaning company.

While our customers have been our main focus, we have also taken steps to help our internal organization better meet our changing needs for more sustainable business practices.

- We have set new initiatives that build on our historically successful foundation.
- We are committed to a more comprehensive internal focus, driven by a sustainability executive, additional resources and a formal policy, strategy and plan.

As we continue toward a more sustainable future, we hope our customers, our investors and their communities will join us on this journey.

Alan McKim

# What does Sustainability mean to Clean Harbors?

For us, sustainability means adding long-term value for shareholders, customers and employees by identifying and improving our social, economic and environmental impacts. As North America's leading environmental services company, we are keenly aware of the critical role we play in keeping business in careful balance with the environment and in educating our customers and their communities about sustainability. We are committed to leveraging our unique waste management and recycling practices and assets to develop innovative, sustainable solutions. Solutions that help our customers prevent the release of hazardous material into the environment and, in situations where that has already occurred, help recover and decontaminate any pollutants that have been released. In addition, we are equally committed to continually examining our own operations to identify areas where we can reduce energy consumption, as well as determine innovative ways to drive enhancements across our entire network.

Our comprehensive sustainability program is focused on the following strategies:

-  **Customer Solutions**  
Developing the most sustainable customer solutions available
-  **Health & Safety**  
Making health and safety a priority in everything we do
-  **Energy Usage**  
Maximizing energy conservation across the organization
-  **Engagement**  
Leveraging our leadership position to educate, inform and connect
-  **Operations**  
Ensuring operations, policies and procedures contribute to a more sustainable world
-  **Supply Chain**  
Managing risk and driving integrity through supply chain management



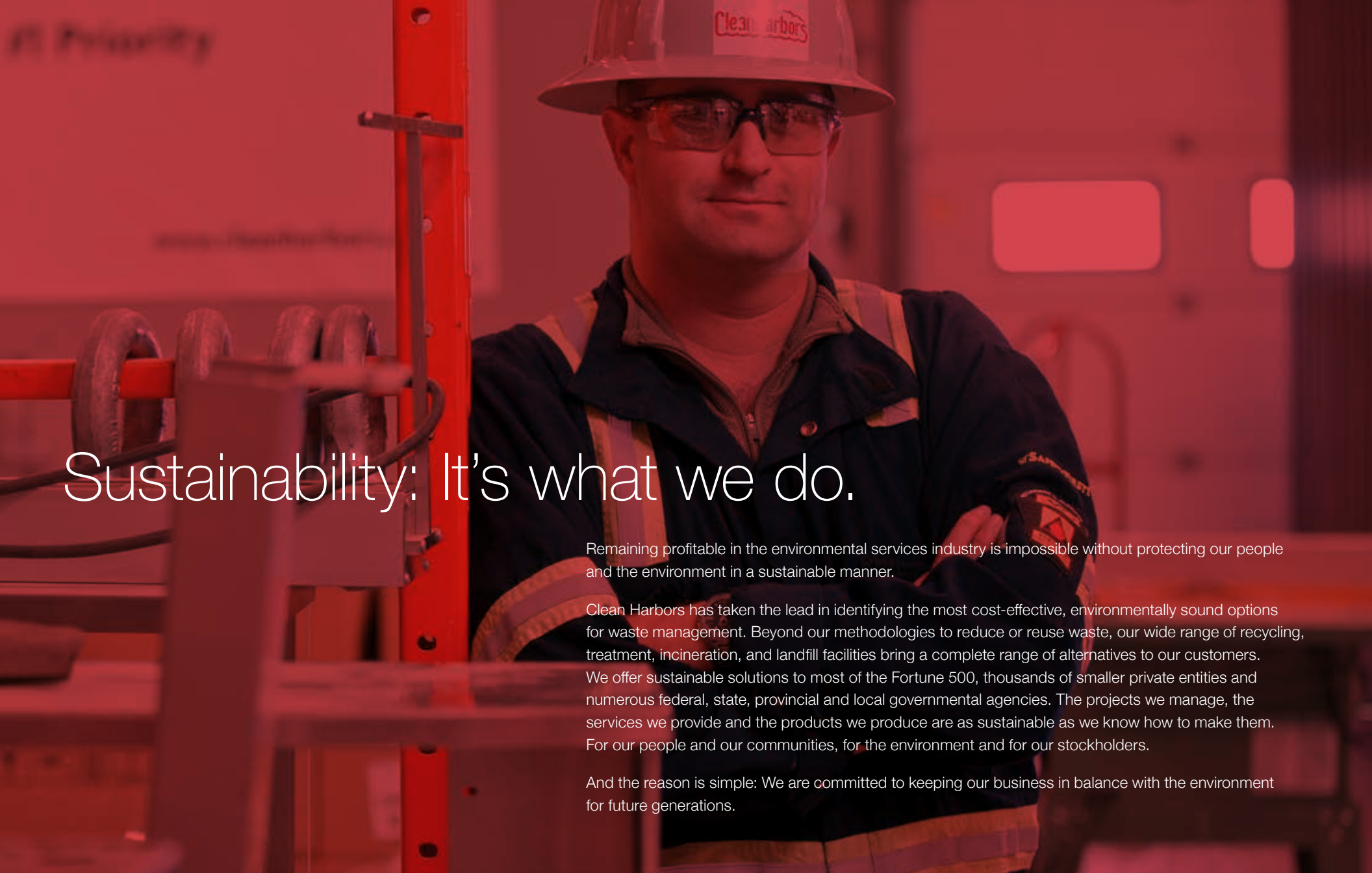
## Our Sustainability Policy

Clean Harbors, Inc. recognizes that sustainability stewardship is a core aspect of our brand and is a key component of the long term success of our business. We recognize sustainability as our responsibility to the environment, society, and the economy, including our shareholders. We are committed to working with our stakeholders to enhance business value while minimizing our impacts and seeking opportunities for improvement through our own operations, our supply chain, and our products and services.

Our policy demonstrates Clean Harbors':

- Intent to identify our key impact areas within the three sustainability elements.
- Commitment to measure those key impacts, set targets and manage performance.
- Pledge to pollution prevention and compliance with all applicable legal requirements.
- Desire to leverage our operations, our supply chain and our products and services to improve our sustainability performance, and dedication to continuous improvement by routinely evaluating our impact areas while monitoring performance.

In support of these commitments, Clean Harbors will continue to develop information to determine the environmental impact of our operations and the use of our products. We will use the information gathered by our ongoing sustainability efforts to identify where improvements in the business model and specific activities can improve the company's environmental, social and economic impacts.



## Sustainability: It's what we do.

Remaining profitable in the environmental services industry is impossible without protecting our people and the environment in a sustainable manner.

Clean Harbors has taken the lead in identifying the most cost-effective, environmentally sound options for waste management. Beyond our methodologies to reduce or reuse waste, our wide range of recycling, treatment, incineration, and landfill facilities bring a complete range of alternatives to our customers. We offer sustainable solutions to most of the Fortune 500, thousands of smaller private entities and numerous federal, state, provincial and local governmental agencies. The projects we manage, the services we provide and the products we produce are as sustainable as we know how to make them. For our people and our communities, for the environment and for our stockholders.

And the reason is simple: We are committed to keeping our business in balance with the environment for future generations.

## Clean Harbors is the western hemisphere's largest hazardous waste disposal company.

We operate a network of over 400 service locations that provide waste transportation and disposal, laboratory chemical packing, 24-hour emergency response, and field, energy and industrial services on customer sites or other locations.

We also own and operate over 50 waste management facilities offering a wide range of disposal options, including incineration, wastewater treatment, and landfill, recycling and specialty disposal services.

And with the 2013 purchase of Safety-Kleen, Clean Harbors has combined the largest hazardous waste management network in North America with the largest solvent recycling and used oil re-refining company. The result: the most comprehensive menu of sustainability solutions in the industry.



## How we enable people to maintain a sustainable relationship with the environment.

Clean Harbors plays a vital role in the environmental, energy and industrial services industries regarding the use and management of our valuable natural resources. We have developed numerous programs and initiatives to ensure that all operations comply with environmental policies, and we focus on activities that will improve the company's and our customer's impact on the environment.

As an environmentally-conscious company, we are committed to recycling and reclaiming wastes using a variety of methods. Our Safety-Kleen business exemplifies our commitment to using the most sustainable methodologies available. Specialists in serving small quantity waste generators, for over fifty years, Safety-Kleen has helped companies balance their financial objectives with their sustainability goals, enabling them to Make Green Work.

### **SUSTAINABILITY IN ACTION:**

80% of all solid and liquid waste collected by Safety-Kleen is recycled.



### **Solvent Recycling**

Clean Harbors offers a full range of solvent recycling options, including where the product is recycled to our high quality specifications and made available for sale. Our tolling programs provide a closed-loop cycle in which the customer's spent solvents are recycled to their precise specifications and returned directly to them.

### **Chemical Recycling & Reuse Program**

Our chemical recycling and reuse program provides a comprehensive step-by-step approach that evaluates customers' R&D and manufacturing operations and pursues opportunities for waste reuse, recycling, or reclamation. Whether a waste stream is sold "as is," recycled, or reused, the impact on the environment is minimized.



### **Used Oil Re-Refining**

As the largest re-refiner of used oil in the world, every year Safety-Kleen returns more than 135 million gallons of used oil to the marketplace as clean, pure motor oil and associated by-products. The oil molecules in used oil don't break down; they just get dirty and additives need to be replaced. Our re-refining process, which includes vacuum distillation and hydro treating, removes contaminants such as fuel, water, sulfur and dirt from used oil. This produces new base oil equal to virgin base made from crude.

Along with re-refining the used oil, we offer EcoPower® brand engine oils and industrial lubricants. These products are made from re-refined oil, and meet or exceed the same exacting standards as oil made from virgin crude, allowing fleets and individual consumers to realize the benefits of protecting their engine while also protecting the environment.

# 3B+

### **SUSTAINABILITY IN ACTION:**

Our re-refineries have re-refined over 3 billion gallons of used oil, avoiding over 23.3 million metric tons of greenhouse gas (GHG). The equivalent of growing 600 million trees for 10 years in an urban environment, or taking over 4.4 million passenger cars off the road for a year.<sup>1</sup>

<sup>1</sup>GHG reduction based on LCA: Safety-Kleen Product Carbon Footprint for Re-refined Base Oil, performed by Environ International Corporation, Denver, CO. Greenhouse gas equivalencies based on EPA equivalency calculations (<http://www.epa.gov/cleanenergy/energy-resources/calculator.html>)

## Waste Processing Initiatives

Clean Harbors has many waste processes that incorporate the reuse of incoming waste streams, recycled products, or manufacturing byproducts to offset the need for new or virgin materials. Examples of this include the utilization of:

- Residual paper in the solidification process of wastewater sludge.
- Waste caustics and waste acids from various manufacturing operations as a substitute in wastewater neutralization processes.
- Regenerated-spent carbon in air stripping and wastewater treatment processes.
- By-products from mining activities, such as ferrous-sulfate dust, as stabilization media for company landfills.
- Cement kiln dust, fly-ash and waste Portland cement as a substitute stabilization media.
- Flammable and combustible waste to fire incinerators.

## Ozone Depleting Substance Destruction

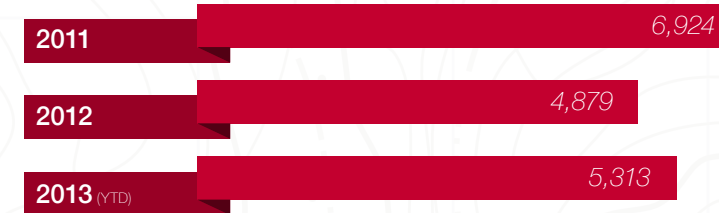
Clean Harbors has the ability to incinerate Montreal Protocol identified ozone depleting substances. These substances have high global warming potentials and, in some cases, contribute over 10,000 times more to global warming than carbon dioxide. The compounds include typical refrigerants such as CFCs and HCFCs, fire suppression chemicals such as Halons, and Carbon Tetrachloride.

## Emergency Services

More and more, our planet and people are routinely asked to endure, heal and rebuild following an array of natural disasters and human mistakes. Clean Harbors has invested millions of dollars to help North America recover when communities need it most. From the devastation of hurricanes, such as Sandy, to the events of 9/11 and the oil spill off the Gulf Coast of 2010, we have deployed our vast array of assets to help reduce the impact and clean up from the devastation.

We will respond to as many as 6,000 emergencies in a given year, including oil spills, hazardous waste events, and clean ups from hurricanes and tornadoes. We help gather and dispose of materials, as well as provide temporary housing for emergency workers or community members displaced during disaster recovery.

### **SUSTAINABILITY IN ACTION: Number of Emergency Responses by Clean Harbors Across North America**



## Fuel Blending

Clean Harbors' fuel blending operations process waste solvents, paints, thinner, and other high BTU liquids, sludge, and solids to be used as an energy source in the manufacturing of cement. This alternative fuel replaces the use of coal, oil, and other fossil fuels.

## Light Bulb Recycling Services

The recycling process for fluorescent bulbs separates the metal, glass, and mercury-containing phosphors. All components of the bulb are either recycled or reused, offering a responsible alternative to landfill.

## Universal Waste Management

We promote proper recycling, treatment or disposal of universal wastes including batteries, pesticides, mercury-containing thermostats and lamps. We also design and operate collection programs for federal and state regulated universal wastes.

## Electronic and Obsolete Equipment Recycling & Disposal Services

Clean Harbors will ensure that equipment is de-manufactured and hazardous components are identified and removed for proper disposal. Materials for recycling are then segregated and economically managed for recycle value, all in accordance with the applicable regulations.

## Household Hazardous Waste

We participate in thousands of household hazardous waste and pesticide collection programs to safely remove poisons from neighborhoods across North America. Municipalities trust us to collect their paints, solvents, batteries, fluorescent lamps, pesticides, cleaners, and other hazardous materials during one-day, multi-day, and mobile programs. We do it safely and efficiently, with the highest regard for their environment.

**SUSTAINABILITY IN ACTION:**  
We collect and properly dispose of over 15,000 tons of household hazardous waste each year.



# How we maintain a sustainable relationship between our Company and our employees, customers and communities.

Health & Safety is at the forefront of everything we do and is embedded in our DNA. Employees at all levels of the company share this philosophy and are committed to ensuring our safety and health goals are met. Our commitment to health and safety benefits everyone - our employees, our customers, the community, and the environment.

## Safety Starts with Me. Live it 3-6-5.

In order to protect our employees, continue to lower our incident rates, and satisfy our customers' demands to retain the best service providers with the lowest TRIR, DART and EMR rates, Clean Harbors must continuously improve on our health and safety excellence. To meet these requirements we launched our company-wide SafetyFirst Program, and the "Safety Starts with Me! Live it 3-6-5" safety campaign.

The campaign focuses on employees instilling safety into all aspects of their daily lives. It allows them to be leaders in safety by recognizing the importance of protecting themselves, their families, their fellow employees, our customers, and all of those around them. "Safety Starts with Me! Live it 3-6-5" is not just a slogan—it's our commitment to keep the protection of our employees and others at the forefront of everything we do.

### Live it 3-6-5 is our commitment to:

#### 3 Safety Philosophies

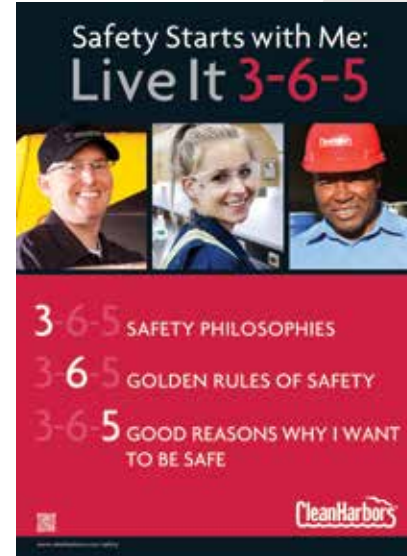
1. Nothing is worth getting injured over
2. All near misses and accidents are preventable
3. Safety must actively be managed

#### 6 Golden Rules of Safety

1. I will drive responsibly without distractions or impairments
2. I will think before I start and know my safety plan every day
3. I will only undertake the work in which I'm trained
4. I will take responsibility for my safety and those around me at work, home or in-transit
5. I will intervene in any unsafe act
6. I will report all incidents and near misses

#### 5 Personal Reasons to be Safe

For each employee, what are the 5 most important reasons in their life to be safe?



## Voluntary Protection Program

Several Clean Harbors facilities have pursued OSHA VPP Star status by participating in the OSHA Voluntary Protection Program (VPP). Approval into the VPP is OSHA's official recognition of the outstanding efforts of employers and employees who have achieved exemplary occupational safety and health. We currently have six hazardous waste management facilities admitted into the VPP Star program, and ten additional sites are in various stages of the VPP process.

## Integrity Line

The value of a company isn't found just in its stock price. It's found in the actions and the integrity of its individual employees. To support our commitment to integrity as a core value, we utilize a confidential, third party monitored service, called The Integrity Line. It allows employees to take action when they feel that somebody else is not respecting our values. From unsafe acts, to theft, health violations and threats of violence, an employee can report any of these by speaking to their supervisor or may remain anonymous by calling through the Integrity Line, which is available 24 hours a day.

## Wellness Plan

Our employees make important choices every day. Whether they're on the front lines or supporting those who are, their choices make a difference in people's lives. The same is true when it comes to their health and that of their family. That's why we created *My Health. My Choice.* This comprehensive plan helps educate and inform our employees on how to make their lives more sustainable through proper nutrition, exercise, health prevention and healthy life choices.

### Health Tracking Tools

### Exercise and Nutrition Planning

### Wellness Library

### Tobacco Cessation

### Fitness Membership Discounts

### Online Competitions

# 4.2MM

## SUSTAINABILITY IN ACTION:

Our East Chicago and Breslau, Ontario Canada re-refineries have logged a total of over 4.2 million labor hours with no incidents resulting in lost work.





## New Sustainability Initiatives.

### Energy, Water and GHG Reduction Projects

Clean Harbors has launched a comprehensive resource consumption and GHG footprint initiative. The inventory from the project will complement our current energy conservation efforts across the company and will serve as the benchmark for our efforts moving forward.

Additionally, recycling programs are being piloted for materials that are applicable to each type of facility. This includes such things as cardboard/paper, glass, aluminum, metal, wood pallets, used drums and ink cartridges.

### Supply Chain Monitoring Program

To better manage risk and drive integrity throughout our supply chain, we will be implementing a comprehensive supply chain monitoring program. The system, along with additional processes and procedures in our Purchasing function, will enable responsible sourcing through our vendors, further engage suppliers and communicate best practices. We will have verifiable performance data that will be used to evaluate supplier performance and alert us to areas of risk.

### Corporate Policy Harmonization

We have initiated a comprehensive review and refresh of corporate policies to ensure that they reflect our commitment to sustainability, including:

- Supplier Assessment
- Labor Practices and Human Rights
- Conflict Minerals
- Green Practices

The review includes an evaluation of the impact a policy has on sustainability, a recommendation for revisions to better support sustainability and conclusions on how the change will impact the organization as a whole.



# Sustainability projects currently underway.

## Fleet Management

As a service provider to over 300,000 customer locations across North America, logistics plays a vital role in controlling our environmental impact. Our fleet of over 9,000 trucks, cars and boats is a major focus for energy conservation and emissions reduction.

Clean Harbors routinely uses rail transportation to offset the need to truck transportation of waste materials destined for our waste processing facilities, thereby greatly offsetting truck fuel consumption and emissions. Our rail fleet is made up of over 2,500 tank cars, gondolas, articulated rail cars, flat cars and intermodal containers, used to ship over one hundred thousand tons of waste by rail each year. We continuously assess our waste transportation to maximize rail utilization.

Additionally, we have the following initiatives underway to ensure we are reducing our footprint by running our equipment more efficiently and reducing our overall fuel consumption:

- Conversion to EcoPower re-refined engine oils.
- Installation of side skirts on van trailers.
- Installation of computerized auto-idler systems on our over-the-road transportation vehicles to prevent idling for more than five minutes.
- Auxiliary power units (APUs) installed in over-the-road transportation vehicles with sleeper cabs, allowing the drivers to stay in their vehicle overnight without running the truck's engine to heat or cool the sleep unit.
- Installation of Qualcomm vehicle performance programs that track engine and vehicle efficiencies and measure many statistics, including fuel efficiency and idling.
- Installation of governors that prevent vehicles from driving over 65 MPH.
- All new vehicles must have re-burn systems that regenerate engine fumes resulting in emissions that are cleaner as they enter the atmosphere.
- Implementation of alternative fuel vehicles where appropriate.
- Replacement of older diesel and propane powered forklifts with electric technology when the application will allow.

### **SUSTAINABILITY IN ACTION:**

Through just our pilot programs for alternative fuel (9 vehicles) and the addition of side skirts to truck trailers (43 units), we reduced our carbon footprint by 113 metric tons over a 12 month period. The equivalent of carbon sequestered by 92 acres of U.S. forests in one year.<sup>2</sup>

<sup>2</sup>Greenhouse gas equivalencies based on EPA equivalency calculations (<http://www.epa.gov/cleanenergy/energy-resources/calculator.html>)



### Safety-Kleen Lighting Upgrade Project

The majority of Safety-Kleen operating facilities replaced and optimized their lighting by using high efficiency bulbs and ballasts. The annual energy savings is over 7.7 million kW a year.

### Paperless Billing

We currently print paper statements, consuming printer cartridges, significant office and storage space, and substantial electricity and transportation cost. We have worked over the past year toward going paperless in our central billing and invoice audit group, with plans for rollout in 2014.

### **SUSTAINABILITY IN ACTION:**

For the years 2012 and 2013 combined our New Berlin, Wisconsin facility recycled over 400,000 pounds of steel and 53,000 pounds of paper and cardboard.

### Solar Energy

For several years, we have used solar-powered probes to recover groundwater at a site undergoing groundwater monitoring. A more comprehensive project was the installation of a 1.5Mw solar array at a closed and capped landfill located in New Jersey to provide electric power for a continuously operating groundwater decontamination pump and treatment system at the site. The solar array was installed and became operable in the second quarter of 2011 and provides virtually all of the power needed to operate the system with a sustainable supply of renewable electric energy, and is an adaptive re-use of an otherwise unusable Brownfield site.

### Energy Efficiency Improvements

Clean Harbors is enrolled in electricity curtailment programs at several waste processing facilities, and has implemented energy efficiency improvements, such as programmable lighting, HVAC controls and right-sizing electric motors and pumps. We also implemented a company policy to manage personal computer power consumption for all employees. Upon initial roll out, this policy reduced energy consumption by 397,000 kWh.

### Green Purchasing

Clean Harbors purchases recycled materials and supplies rather than new, where practical. The company purchases containers and drums made from post-consumer plastic, and uses recycled steel drums. We also use biodegradable degreasers in cleaning processes at most locations. Our new supply chain monitoring system will allow us to make even more informed decisions on suppliers.





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