Chemtrade Logistics

Success Driven by Values

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Tucked away on the southeastern outskirts of Brandon, Chemtrade Logistics (Chemtrade) is quietly leading the global electro-chemical industry in manufacturing a product necessary for daily life across the developed world. If you've thumbed through the daily newspaper, flipped open a cookbook to make your family supper, or handed someone in your office a business memo today, then you've relied on the same type of product that's been produced by Chemtrade for the better part of 50 years.

Established in Brandon in 1968, Chemtrade is located on 116 acres at the very far end of Richmond Avenue East and is the world's largest manufacturer of sodium chlorate, which is used by the Canadian and American pulp and paper industry as an environmentally-preferred paper-bleaching agent. At roughly three times the size of an average North American plant, annual production at Brandon's facility is in the range of 316,000 metric tonnes of crystalized sodium chlorate and is rooted in a highly-specialized process of electrolysis.

To make the product, a raw salt by-product purchased from the Saskatchewan mining industry is mixed with water drawn from the plant's on-site aquifer, to which electricity is added and the process of electrolysis then creates sodium chlorate. One of the byproducts of this process, hydrogen, is immediately captured and used to run steam boilers to heat the plant, while the end product – a salt crystal that looks virtually identical to the raw input it started as – is then loaded into rail cars and shipped to pulp and paper mills across Canada, and into markets across the United States' Eastern Seaboard and Midwest. An average year will see in the range of 3,500 rail cars come in and out of Chemtrade's yard. The plant's only solid waste, a sludge mineral product, can safely be disposed of at the local landfill.

Aside from the raw material inputs of salt and water, Chemtrade's other main input is electricity – and they use a lot of it. Electricity represents nearly 70% of the plant's annual variable costs, making Chemtrade Manitoba Hydro's largest single user customer. Therefore, the low-cost, reliable supply of electricity available in Manitoba has been integral in Chemtrade's continued success and has propelled it to its standing as North America's lowest-cost plant of its kind. The plant has nearly topped out in terms of the electricity transmission capacity running to its plant, though it continues to invest approximately \$8 million in capital dollars annually to ensure the plant is running efficiently and at peak performance each year. While the company runs smaller Canadian plants in Quebec, British Columbia, as well as one in Brazil, Chemtrade remains, first and foremost, a Made-in-Manitoba success.

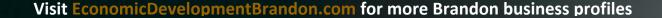


- World's largest manufacturer of sodium chlorate
- Lowest cost plant of its kind in North America
- Chemtrade Logistics operates their flagship plant in Brandon as well as plants in Quebec, British Columbia and Brazil
- Brandon facility runs 24 hours a day, 7 days a week, employing 75 people
- Annual production capacity at Brandon plant is approximately 320,000 metric tonnes
- Manitoba Hydro's largest single user customer
- Founding member of the Brandon Emergency Support Team



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Running 24 hours a day, 7 days a week, the plant currently employs approximately 75 people, with a diverse work group of plant operators (power engineers), technicians and engineers, office and administrative staff, safety and environmental professionals, and skilled trades maintenance staff. Chemtrade prides itself on providing high-paying, skilled jobs to the local workforce, and also provides substantial spin-off contract work for many local trades and businesses, ranging from electricians to scaffolders and everything in between.

The plant's product is relatively benign when handled properly; however, Chemtrade remains an integral part of the community's emergency preparedness philosophy and is one of the original members of the Brandon Emergency Support Team (B.E.S.T). It was also one of the first chemical companies to receive certification as a Responsible Care® company in 1994, a classification for which it must undertake a reverification audit every three years to remain in good standing. Responsible Care® was developed by the Chemistry Industry Association of Canada and is a voluntary initiative under which companies, through their national associations, work together to continuously improve their health, safety and environmental performance. For Chemtrade, that means being open and transparent in the way it conducts business, and also means placing a high focus on safety training for employees and all its industry partners. For example, the plant's in-house emergency response team is highly-trained and ready to respond to any type of emergency incident involving sodium chlorate, whether or not it has been produced by Chemtrade.

This commitment to sustainability is one of the reasons Chemtrade continues to be an industry leader and seeks to improve in all areas of safety and environmental performance. Chemtrade's enviable position in the global industry has been the result of its desire to meet the needs of its customers and is deeply rooted in the talent of its employees – its success is truly driven by its values!



