



EHS MANAGEMENT SYSTEM

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Abstract

The EHS Management System establishes how the EHS Department sets objectives consistent with US Ecology's Corporate Priorities, monitors its initiatives, reports results and strives for continuous improvement.

A handwritten signature in black ink, appearing to read "Andrew Marshall", is positioned above the printed name.

Andrew Marshall
Executive Vice President

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Introduction

US Ecology's management system defines the Company's business processes and controls for:

1. **Setting Objectives, Initiatives and Targets** for the Company and Facilities/business units,
2. **Establishing Expectations** to meet objectives, initiatives and targets through concise documentation of Policies and Procedures and effective communication,
3. **Monitoring Performance** towards achieving our Objectives and implementation of Policy and Procedures,
4. **Reporting Results** and performance, and
5. Identifying opportunities for **Continuous Improvement**.

US Ecology's Environmental, Health and Safety (EHS) management system defines the business processes and controls for the EHS department support functions and integrates into the control framework for US Ecology's management system. The EHS Management System follows the Plan-Do-Check-Act cycle.



EHS Organizational Structure

The EHS department includes the following operational support functions:

- Environmental compliance
- Health and safety
- Laboratory compliance
- Transportation compliance
- Waste approvals
- Risk management
- Governmental Affairs

The corporate EHS department is responsible for establishing the company's programs in each of these technical areas, as well as, providing technical support and independent oversight to ensure consistent and effective program implementation across the company. The corporate support function provides support to operations, standardizes program elements where appropriate, establishes program expectations, and monitors and validates compliance.

EHS Program implementation is decentralized and managed within operations. The general manager of each operation is accountable for implementing the EHS programs at their facility.

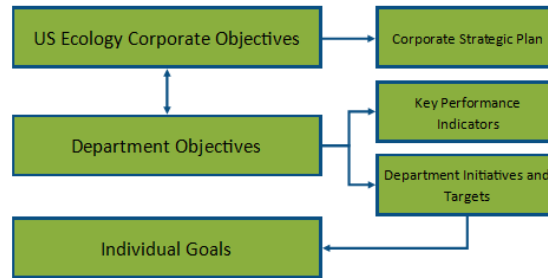
Indirect and Direct Reporting

EHS discipline managers working within operations generally report directly to an operations manager and are a critical and important member of the operations leadership team.

Site EHS discipline managers may also have an indirect relationship with a program manager within each discipline (Environmental, Health and Safety, laboratory, transportation, or waste approvals). The program manager is the site EHS discipline manager's conduit for technical support and direction on how to manage complex situations and seek validation to ensure consistent program implementation across the organization. It is the EHS discipline manager's responsibility to communicate both directly with their

supervisor and through their program manager regarding program challenges, compliance issues, incidents, or other non-typical events. This dual information flow ensures that Operational managers as well as the program managers are immediately well informed of challenges.

Setting Objectives, Initiatives and Targets



Corporate Objectives

Alignment between the Company's 5-year Strategic Plan and individual performance is an important element in the Company's management system. The Company's Strategic Plan and Strategic Priorities provide the framework for EHS Department objectives, initiatives, and Key performance indicators (KPIs).

Enterprise Risk Identification

An Enterprise Risk Management (ERM) survey is conducted annually among senior managers within the company to assess the business risk that could be disruptive to the company's success. The survey seeks input on many internal and external threats to the Company and considers the current controls that exist with the company's management system that mitigate the threat or risk. The survey responses provide prioritization to specific risks or threats that are considered in the development and updating of the Company's Strategic Plan. The risk evaluation is considered in the development of the Company's Strategic Plan.



Strategic Plan

The Company's Strategic Plan is updated annually and establishes 5-year organizational goals to drive organizational growth. The goals are balanced across Shareholder, Customer, People, Processes and Systems and take into account the risks or threats that could impede the Company's success.

Efficient Processes and effective systems combined with having engaged employees provides the base of our strategic plan. Satisfied and loyal customers through exceptional customer service will result in Shareholder value.

Initiatives and Targets

During the annual review of the Strategic Plan, one-year goals are developed that will promote incremental success towards the 5-year plan. In January, the leadership team reviews the Company's Strategic Plan and Strategic Initiatives with Company managers. Each Corporate department/business unit/support unit/facility

builds on Corporate Objectives and Targets to establish more specific initiatives and targets in support of the plan.

EHS Department Objectives, KPIs

Objectives

Every year, the EHS leadership team evaluates its 5-year vision and updates as necessary to align with the Company's 5-year Strategic Plan. The Objectives are identified for each of the EHS support functions.

Initiatives and KPIs

Key enterprise-wide EHS performance targets are established as part of the Corporate planning process. Each EHS support unit develops specific initiatives that contribute to meeting or exceeding the KPIs. Additional initiatives may be developed that drive incremental process improvements towards the 5-year vision.

EHS KPIs may change annually; however, they generally include numerical targets for:

- Safety Incident Rates
- Environmental Compliance inspection performance
- DOT Roadside inspection performance
- Over the road accidents
- Compliance training completion
- Corrective action resolution
- Laboratory analytical proficiency
- Waste approval turnaround

EHS Risk Identification

As part of the development of the Initiatives and KPIs, the EHS leadership team will evaluate the risk factors that may threaten the successful achievement of established targets and completion of the initiatives. Additional initiatives may be necessary to mitigate implementation risk.

Individual Goals and Performance

Management Incentive Program (MIP)

Managers determined to be instrumental in the success and accountability of our strategic plan participate in the Management Incentive Plan. The plan aligns the company performance in achieving the financial, Health and Safety, and compliance targets detailed in the strategic plan. It also identifies the specific individual goals that align with one or more of the Company's Strategic Initiatives. EHS MIP participants pull into their individual MIP goals the specific initiatives established for their support function.

Team Member Incentive Program (TIP)

The TIP incentivizes team members not participating in the MIP. Job Descriptions identify the tactical elements of everyone's job that are necessary for achieving Company goals. Effective tactical implementation of an individual's job, helps the department succeed in meeting its objectives. TIP participants receive mid-year and year-end reviews on the effectiveness of performing their job.

Performance Feedback for Indirect reports

It is strongly encouraged that operations managers coordinate and solicit feedback from program managers supporting their operations on the performance of their technical staff. Additionally, those supervising

corporate program managers should seek input from the operations managers and site technical staff on the performance of the program management staff.

Management of Change

Managing change is critically important to maintain effective regulatory compliance programs across the Company. Change within the organization may include Capital projects, organizational changes, new or modified processes, and potentially maintenance related events. Changes that impact our process or facilities are reviewed comprehensively to determine the regulatory impacts in accordance with the Company's Management of Change Program.

Establishing Expectations

Controlled Documentation

Policies

Company policies have a direct impact on the development of EHS programs. All of the policy documents are approved and supported by US Ecology's CEO and provide a concise overview of the expectations of our employees. The Corporate Policy's establish specific employee EHS behavioral expectations, are reflective of the companies vision and values and are the foundation of all company programs.

POLICY: A written statement that reflects the Company's position related to employee activities and employment related matters. A Policy establishes a standard or expectation for employment within the Company

EHS also maintains the following corporate commitment statements, which are maintained similarly to our Policy's:

- Commitment to the Environment
- Commitment to Health and Safety

These documents frame US Ecology's commitment in each of these important areas and are used both internally and externally to communicate and reinforce how we demonstrate our commitment in these areas.

Programs

Each EHS support department has a document that defines how the program is implemented within US Ecology. The document establishes the decision-making authority at a local level and those issues that require review at a corporate level. The programs define what processes are standardized across the organization requiring consistent/uniform implementation versus those that are developed and implemented in a site-specific manner at the local level.

PROGRAM: A plan of action that clearly describes how business objectives are obtained. A Program details what work is to be done, why it is important, how it will be implemented and what resources will be used.

Procedure

Procedures provide in-depth individual instruction to perform a task.

- Procedures may be created to support the implementation of a Program but are not required.
- Procedures can be developed and approved by managers within the organization responsible for the consistent implementation of a task.

PROCEDURE: A concise series of actions and best practices established to complete a task under standard conditions.

Forms

- Forms typically support a Procedure and establish a consistent way to collect or disseminate information.
- Forms used for internal purposes can be developed and approved by managers within the organization responsible for the consistent implementation of a task.
- Forms used to contract with a third party must be approved by the Legal Department.

FORMS: A formatted document with blank fields or placeholders, in which to write data or select content.

Policy and Procedures Library

The OnBase Policy and Procedures Library (PPL) is the document management system where all Controlled Documents for the EHS management system are retained. Document owners are the Department managers within the organization that are developing the processes. Each leader of an EHS support function has the responsibility of keeping the documents under their ownership concise, current, and affective in achieving the goal of clearly communicating expectations. The executive responsible for the department/business unit or facility must reinforce the use of the PPL and validate the effectiveness of the respective processes. The content of each document is reviewed annually and updated as necessary.

All Company personnel will have read-only access to all controlled documents in the system.

Training

Employee training is critically important to the success of the Company's regulatory programs. US Ecology's objective is to help all employees understand not only what they need to do, but to create an understanding of why the procedures are necessary. Training is not only required to ensure consistent implementation of processes; it is also a regulatory requirement for which the Company must demonstrate compliance. Training is provided through a combination of classroom instruction and online resources. Facility EHS staff establish a training matrix to clearly identify what training is required for all positions and appropriate recordkeeping to document training participation. Online training resources are vetted, and access is provided to all company personnel.

Communication

The EHS department generates information that is critical to the safe and compliant implementation of the company's mission. The processes for disseminating information are intended to differentiate information that is "need-to-know" from "good-to-know." "Need-to-Know" information is critical information that is necessary for operating safely and compliantly or necessary for team members to perform their job consistent with expectations. "Good-to-Know" information is helpful, but not necessarily critical for team members in the day-to-day performance of their job.

Distributing Information

Need-to-Know information is communicated across the Company or to a subset of team members. *Need-to-Know* information has an EHS sponsor that determines who in the organization needs to receive the information and prepares the necessary training or informational materials that will aid managers in the consistent and accurate messaging of the information. The sponsor is responsible for developing a Communication Plan detailing how the information should be distributed through the Chain of Command. The sponsor is also responsible for developing a method by which a recipient of information will acknowledge receipt; if acknowledgment is deemed necessary.

The sponsor will define the specific distribution requirements through the appropriate chain of command. The Communication Plan defines:

- 1) **who** needs to know and identifies appropriate attachments and training material necessary for successful communication,
- 2) **why** the information is important or why changes are necessary,
- 3) **how** and **when** the information should be communicated, and
- 4) **where** to access the information for later reference.

Company-Wide Email Communications

Team members may receive company-wide communication through emails from Safety360@usecology.com . The email address is used for distributing *Good-to-Know* environmental Health and Safety information and promoting a safe work environment at US Ecology

Intra-Company Social Media

The manager of each EHS support function maintains a Yammer social media site to distribute “Good-to-Know” information and encourage collaboration and dialog across the EHS support functions. All the Yammer groups are available to all US Ecology Team Members and moderated by the VP, Director, or Manager responsible for the respective corporate support function.

Monitoring Performance

Performance in achieving EHS KPI's is reviewed at least monthly. Whereas, review of progress towards the initiatives established to positively impact KPI's are reviewed weekly. Incidents or critical process failures are reported immediately through the chain of command.

EHS Leadership Team Weekly Check-in

The EHS leadership team prioritizes its initiatives to identify the top 10-15 most critical priorities. Weekly Check-in meetings are held to discuss obstacles or challenges for completion of initiatives. The priorities may change throughout the year, and as initiatives are completed, the next highest priority initiative is added to the weekly updates. During the check-in, the team discusses events that may contribute positively or negatively towards achieving KPIs.

Corporate Leadership Team Meetings

US Ecology's leadership team meets weekly to discuss obstacles or challenges in completing company initiatives. The Company's most critical priorities may include EHS initiatives. For these initiatives, challenges discussed during the EHS leadership team meetings may be raised by the EVP of Regulatory Compliance, Health and Safety for discussion with the Company's senior leadership team.

Monthly EHS Discipline Conference Calls

Monthly conference calls are hosted by support function leaders to facilitate interaction and discussion between discipline professionals. The calls review performance towards initiatives and KPI's, discuss incidents or challenges towards achieving corporate objectives and encourage sharing of experience.

Individual Performance Reviews

US Ecology's Human Resources Department has established a process in which Individual performance is discussed between employees and supervisors twice a year. Supervisors provide feedback on progress towards achieving goals, effectiveness of leadership and demonstration of company values.

Compliance Auditing Program

The EHS department is responsible for validating compliance and program effectiveness. An audit program focuses on areas of greatest compliance risk and evaluates regulatory compliance with state and federal regulations as well as company expectations. The program details are in the Regulatory Compliance Program Document.

Reporting Results

Monthly Activities & Status Report

The Corporate EHS support department produces a monthly activities and status report summarizing company performance towards KPI's. The report also includes an update on incidents, initiatives, and critical EHS activities. The report is distributed to the Executive Leadership Team, EHS team members, operational leaders and US Ecology's Board of Directors.

Regional EHS Performance Scorecards

A monthly summary report for each operating region presenting the EHS year-to-date KPI's compared to goal is presented to the Chief Operating Officer and the regional operational VP. The report provides a snapshot of the EHS performance of the facilities within each region and how they are contributing to the corporate EHS goals.

Monthly Operations Meetings

Operation teams hold monthly meetings to discuss operational challenges within a business unit, facility or operating region. Participation from the EHS staff responsible for supporting and advising the operations is strongly encouraged and discussion of EHS performance challenges are placed on the meeting agenda.

Quarterly Board Reporting

A report is presented quarterly to US Ecology's Board of Directors on progress towards EHS Objectives and Targets. Also presented is the status of critical initiatives and potentially material enforcement or compliance concerns.

Annual Compliance Report

On an annual basis and before the end of February each year, a comprehensive Facility Compliance Report is produced for the Executive Leadership Team and the Board of Directors. There is a consolidation of the [monthly\quarterly] compliance reports that have been distributed throughout the previous year. It will expand to include a Summary section by the Executive Vice President of Regulatory Compliance & Safety. The summary will be an overall assessment of environmental health & safety across the organization and a synopsis of any problem areas that occurred in the previous year.

Continuous Improvement

Incident Management

Analysis of incidents and experience within the company provides the greatest opportunity for continuous improvement. Incidents are reported, investigated, and appropriate corrective actions are identified and

implemented. Goals for timely completion of corrective actions are established and monitored to drive continuous improvement.

Immediate Notifications

EHS has a standard process for reporting incidents or critical process efficiently throughout the management of the organization. The notifications initiate decisions regarding the level of response, investigation and communication of the event. In most cases, the incident is managed completely by the facility, however, depending on the severity, additional resources or corporate support may be deployed.

Incident review and reporting

All incidents are reported into a company incident management system. Based on the type of incident, specific information is collected during the initial reporting process and throughout the investigation and development and implementation of corrective actions. A standardized root cause classification allows for a consistent evaluation of incidents and the ability for trending and data analysis that can be used to focus company-wide process improvements.

Sharing what we learn

Corporate Departments responsible for program oversight track process failures within their area of discipline across the company. The data is managed and analyzed to identify trends that can contribute to company-wide risk mitigation efforts. Lessons learned from significant individual events and trends are communicated back to the organization to contribute to implementation of appropriate risk controls. The communication occurs through the development of Safety 360 incident alerts that are distributed broadly throughout the company and distributing alerts or announcements from the Safety360@usecology.com email account. Additionally, learning topics are discussed on Monthly EHS Discipline Conference Calls.

Annual Review

An annual review of incidents and the overall EHS performance is presented in the Annual Compliance Report. This analysis is also used to adjust priorities and drive continuous improvement in the EHS programs.