



RESPONSIBLE CARE®
OUR COMMITMENT TO SUSTAINABILITY

INNOVATING TO CREATE THE **CHEMICAL INDUSTRY OF THE FUTURE**

2021 YEAR IN REVIEW



CEO'S MESSAGE

Our industry is at a pivot point. There is increased pressure for regulation and legislation that could restrict the products of chemistry. Yet our industry is ground zero for innovating the products and technologies that can lead to a more sustainable future. The year ahead likely will be as challenging as the last. And ACC will continue to help our members navigate the changing landscape and transition to a cleaner, safer chemical industry for tomorrow.

Chris Jahn, President & CEO
AMERICAN CHEMISTRY COUNCIL

THE NEXT GENERATION OF RESPONSIBLE CARE®

For decades, Responsible Care® has been the cornerstone of our industry's commitment to product safety and sustainability. In 2020, ACC initiated a strategic review of the program as part of our efforts to continually improve. After months of work, the Board approved enhancements to the Responsible Care® Process Safety Code and the Responsible Care® Security Code.



The beefed-up Process Safety Code emphasizes leadership, accountability and culture, and is aimed at driving performance improvement. The Code is action-oriented and identifies expectations for both senior leaders and facility leaders. It calls on them to demonstrate with both words and actions the importance of process safety.

The enhanced Responsible Care® Security Code increases the emphasis on cybersecurity and provides more clarity on expectations and desired outcomes. New management practices related to crisis and emergency planning have also been added.

DEPLOYING A FULL-COURT PRESS ON CHEMICAL MANAGEMENT

ACC is working to develop a collaborative relationship with the new team at EPA, including meeting regularly on TSCA implementation to clarify Agency positions, highlight issues and identify workable solutions. We are actively leading the engagement on nine risk evaluations for TSCA high priority substances and are also leading efforts on two of the first-ever Manufacturer Requested Risk Evaluations.

We also launched several new testing consortia to successfully navigate implementation of the first-ever Test Orders under the new TSCA, including efforts to improve EPA's policy regarding certain accredited laboratory practices. We continue to build on this work by exploring opportunities for more information sharing with EPA, scientific experts, other federal agencies and value chain stakeholders to refine risk evaluation exposure scenarios, industrial hygiene education and more. EPA's new chemical program has continued to face increased scrutiny, which has exacerbated delays in the review process. Despite this, we worked with EPA to complete publication of approaches for evaluating four critical chemical categories, which is expected to cover dozens of chemicals.

ACC worked to advance exemplary practices and improve EPA's processes for reporting of chemical data by developing a Summary of Key Lessons Learned, Issues and Recommendations putting forward approaches to improve their Tiered Data Reporting Proposal. We also launched a blog series aimed at sharing constructive recommendations to improve federal agency chemical management and TSCA implementation.

CHEMICAL PRODUCTS

ACC manages over 100 self-funded, chemical product groups that focus on specific chemistries and technologies.

Information on the important work and successes of each of these groups is available at americanchemistry.com/industry-groups.

PLASTICS IN THE CROSSFIRE

The politics around plastics heated up with the change of administration, and the Plastics Division and ACC Federal Affairs worked overtime to advance sustainability initiatives and beat back extremist proposals.

- ✓ We pushed forward on advanced recycling initiatives. 14 states have now enacted our model legislation and 5 new states were adopted in 2021 alone.
- ✓ We developed model federal plastics legislation to advance plastics circularity and recycling. The proposal would establish a 30 percent recycled plastic standard in plastic packaging by 2030; regulate advanced recycling technologies to support their growth and help eliminate plastic waste; organize stakeholders to develop minimum standards for recycling; and call on the National Academy of Sciences to study the GHG impact of all materials, including plastics.
- ✓ We expanded our advocacy reach by enlisting the support of the value chain.
- ✓ We entered into an MOU with Oak Ridge National Labs to advance circularity in the automotive industry.

URGING BOLD CLIMATE POLICIES

ACC has long supported market-based carbon price policies as part of our climate platform. In 2021, we issued a set of policy recommendations to enable dramatic reductions in GHG emissions. We called on Congress to:



Increase government investment and scientific resources to develop and deploy low emissions technologies in the manufacturing sector

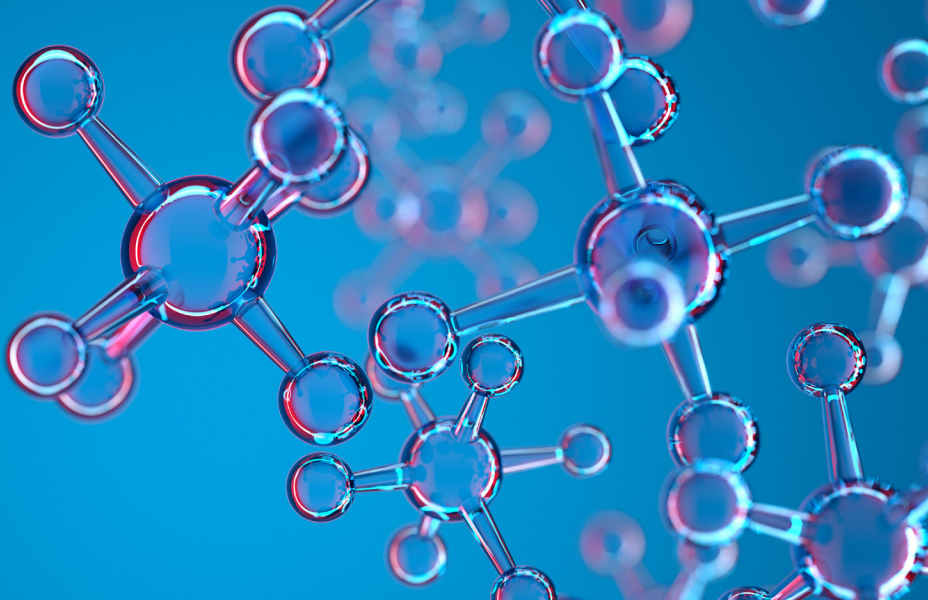


Adopt transparent, predictable, technology- and revenue-neutral, market-based, economy-wide carbon price signals



Encourage adoptions of emissions-avoiding solutions and technologies throughout the economy to achieve significant emissions savings

Several of the ACC's climate policy recommendations were included in the Infrastructure Investment and Jobs Act, signed into law by President Biden in November 2021, as well as the House-passed Build Back Better Act, which remained pending heading into 2022.



LEADING TOWARD A SUSTAINABLE FUTURE

The chemistry industry has been at the forefront of innovating to solve the most serious sustainability challenges for over a century. That's our history.

Our future is even more exciting. ACC is advancing initiatives to support our members' efforts to become more sustainable throughout their operations, even as they continue to develop and produce technologies that are essential to our world's sustainable future.

ACC's Board approved five areas of sustainability focus for ACC where we've already achieving progress.



CLIMATE

Conducting a lower emissions landscape analysis



WATER

Helping members to identify at-risk watersheds and conducting water body risk assessments



PRODUCT SAFETY

Updating the Responsible Care Product Safety Code and building out a Product Safety Innovation Program



AIR

Launching a groundbreaking air monitoring initiative in Harris County



CIRCULARITY

Undertaking efforts to increase recycling and promote advanced recycling technologies through the Plastics Division



**The Future of STEM
Scholars Initiative**

BIG NUMBERS. BIG IMPACT.

In late 2020, ACC partnered with the American Institute of Chemical Engineers, Chemours and the HBCU Week Foundation to create the Future of STEM Scholars Initiative (FOSSI) and it's off to an exciting and impactful start. We exceeded our initial goals and raised \$7.2 million to fund \$40,000 scholarships for each of the 151 FOSSI recipients, who are attending 26 HBCUs and majoring in 17 STEM disciplines.

ACC and our partners are taking FOSSI even farther with our new ambitious goal of funding 1,000 scholarships through 2025. We're grateful to report that, to date, sponsors have invested almost \$15



million which will support 316 scholars. We look forward to building on FOSSI with next year's launch of the Emerging Leaders Pilot Program.

FOSSI has the potential to transform our industry by creating a pipeline of skilled professionals that is diverse and inclusive.

FEDERAL AND STATE AFFAIRS ADVANCES TAX FIX

Tax policies aimed at the business community and chemical industry have been ACC's top legislative priorities.

We welcomed passage of the bipartisan infrastructure bill, which is important to our country and will create opportunity for our industry. The bill, however, imposed new Superfund Taxes on 42 chemicals – the very items needed for infrastructure development. ACC Federal Affairs was successful in working with key senators to moderate the impact of the reinstated Superfund Tax on our members' competitiveness, as well as to introduce legislation to repeal this tax, which will have far-reaching consequences for our country's economy.

We also worked with House members to secure introduction of the Ethylene is Essential for Chemistry and Manufacturing Act, which would exempt ethylene from the new Superfund taxes.

In addition, ACC successfully opposed congressional efforts to raise corporate and international taxes, which would have dramatically raised the tax burden on the industry, and in some respects would have singled out the industry to ultimate detriment of U.S. competitiveness, U.S. consumers who rely on our products, U.S. jobs and U.S. investment.

Our Political Mobilization team deployed digital grassroots campaigns to urge opposition to

the Superfund tax and a proposed plastics tax, resulting in thousands of letters to targeted members of Congress.

We also carried out a seven-figure corporate tax campaign through the Coalition for American Jobs, an industry coalition chaired by ACC.

State Affairs Action:

- ✓ Engaged on 540 bills in 49 states
- ✓ Supported model AFFF legislation in three states
- ✓ Won plastics recycling victories in (5) states
- ✓ Ran 23 campaigns with over 110,000 legislative contacts

TRADE PROGRESS DESPITE TENSIONS

ACC Federal Affairs made progress on key trade priorities, and trade certainty increased even though the full-scale reboot on trade that many had hoped for didn't materialize with the new Administration.

We engaged with Congress and the Administration, and our advocacy contributed to key successes. Most notably:

- ✓ The Administration reached agreement with the EU on bilateral steel and aluminum trade, including the EU lifting the harmful retaliatory tariffs impacting the transatlantic chemical industry.
- ✓ The Administration resolved the 16-year Boeing-Airbus dispute, which removed the threat of tariffs on chemicals and plastics.
- ✓ The Administration reached agreement with Vietnam on illegal lumber and currency issues.
- ✓ The Administration agreed to prioritize standards and regulatory practice issues with India.
- ✓ The Administration also launched a narrow product exclusion process for products subject to the Chinese tariffs. We continue to press the Administration to implement a broad product exclusion that covers all products, including chemicals and plastics.



FREIGHT RAIL PROGRESS

Access to safe, competitive and reliable freight rail service is vital to the chemistry industry, American consumers and the nation's economy.

We pursued these priorities with the new administration, and we're pleased that President Biden's Executive Order on Competition specifically urged the Surface Transportation Board to adopt reforms to increase access to competitive rail service. We will continue to advance our goals as the STB takes up competitive access and rail reform in 2022.



LRI: CATALYZING INNOVATIONS IN CHEMICAL SAFETY SCIENCES

LRI supports research to advance cutting edge methods to promote more efficient and accurate risk-based chemical safety decisions.

LRI's 2021 research, published in leading scientific journals, focused on improving exposure modeling, accelerating new chemical safety testing technologies, and advancing

approaches to integrate mode of action and exposure to more precisely assess potential risks from chemicals.

In addition, with the modernization of TSCA, exposure assessments have gained new prominence in all aspects of TSCA — new chemical evaluations, prioritization, scoping

conditions of use and detailed risk evaluations. To meet ACC members' needs to keep pace with these exposure methods and tools, the LRI enrolled over 250 individuals from ACC member companies and ACC departments into the LRI designed "Exposure Assessment 101" webinar training course.

STREAMLINED ACC WEBSITE

ACC launched a new flagship website aimed at streamlining and organizing it to deliver what audiences value most.

The redesigned site clearly positions ACC as the steward of a responsible, sustainable, and valuable industry. The improved structure was driven by data and geared toward our key audiences. Our stakeholders can now easily maneuver through the site to find and share information while easily understanding what drives our work here at ACC.

4 NEW FEATURES



**Micro-Shareable
Content**



**Connecting
Chemistries to
End Products**



**Dynamic Charts &
Data Display**



**Streamlined
Navigation**



HAPPY ANNIVERSARY CHEMTREC

Back in 1971, The Manufacturing Chemists' Association – now ACC – created CHEMTREC to provide timely information during chemical and hazardous materials incidents.

50 years later, CHEMTREC's world-leading call center operates on a 24-hour basis, seven days a week, providing emergency response information wherever hazardous materials are manufactured, stored, transported or used.

CHEMTREC has built a solid and valuable relationship with various stakeholders over the years which includes the US Department of Transportation who has recognized their public service mission to the nation's first responder community.

CHEMTREC now also offers a suite of services aimed at streamlining the process of shipping and transporting hazardous materials to give customers peace of mind and professional support.



CHEMTREC[®]
ANNIVERSARY

CHEMTREC has been a valuable partner in the helping ensure the safe handling and transportation of hazardous materials. Congratulations, CHEMTREC. ACC looks forward to valuable support for the next 50 years!

On behalf of ACC,
**thank you for your
continued support.**



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