



RESPONSIBLE CARE[®]
OUR COMMITMENT TO SUSTAINABILITY

Responsible Care[®] Advisory Panel
Report to the American Chemistry Council's
Board Committee on Responsible Care

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Background: Responsible Care[®], Strategic Review Process and Advisory Panel Charge

Responsible Care in the United States

The adoption of Responsible Care[®] in 1988 by the U.S. chemical industry has resulted in significant environmental, health, safety and security improvements as well as improved plant community relationships. Periodically, the ACC undertakes strategic review processes to identify and implement improvements to the initiative. The last strategic review was conducted in 2001 through 2003, with implementation of a new Responsible Care paradigm launched in 2003. The 2003 Responsible Care model included the following modifications:

Pre-2003 Responsible Care[®]	Post-2003 Responsible Care[®]
Voluntary reporting of four performance indicators with internal data sharing	Mandatory reporting of thirteen performance indicators with web-based company-by-company reporting
Six Codes of Management Practices	Integrated RCMS [®] /RC14001 [®] Technical Specifications
Voluntary Peer Review Process for Assessing Conformance to Codes	Mandatory certification of conformance to management systems at HQ and facility level
No security requirements	Responsible Care Security Code
No established governance process	Written formal governance process
No focused business value initiative	Staff and resources dedicated to generating business value and bottom-line benefits for members/Partners

Over the past six years, incremental changes to the program have occurred including:

- Strategic Review Board convened (2006)
- Governance Process revised (2006 and 2008)
- Performance measures expanded from thirteen to seventeen (2007)
- Guiding Principles revised (2008)
- Technical specifications revised (2008)
- Global Product Strategy embedded in RC (2008)
- Industry-wide performance targets established (2009)

2009-2013 Strategic Review Process

In late 2009, the American Chemistry Council's Board Committee on Responsible Care (BCRC) initiated a strategic review of Responsible Care[®], to result in recommendations to enable the chemical industry to achieve continued performance improvement and increased value through strengthened advocacy, greater brand recognition and bottom-line benefits to companies.

The strategic review process will include the engagement of external stakeholders through an advisory panel process, focus group testing, engagement of the full ACC membership through an executive contact survey as well as regional group discussions, sessions at the annual Responsible Care Conference, and formation of an executive taskforce to receive the advisory panel recommendations and generate final proposals to the BCRC. Close coordination with the ACC working-level Responsible Care Committee will also occur to assure alignment and ability to build out any changes that are approved by the ACC Board of Directors. The BCRC will govern the strategic review process as a whole. The Strategic Review process and timeline is shown below:



Advisory Panel Process

The Advisory Panel was formed in December 2009 and is comprised of seven individuals tasked with providing their strategic and individual perspectives on potential modifications for Responsible Care® in the future. These individuals have backgrounds in academia, NGOs, consultancies, chemical supply chain and organized labor. The BCRC developed the following questions for the Panel to consider, assuring feedback and focus on certain issues; however the committee fully expected recommendations beyond the bounds of the questions posed.

Guiding Questions for Panel Consideration

- What performance objectives should the chemical industry aspire to? How does the Panel define continuous improvement for the chemical industry?
- The Responsible Care Guiding Principles seek to provide the vision for the initiative. How can the initiative assure that progress is being made to fulfill the vision?
- Are there general performance areas that are not currently addressed explicitly in Responsible Care that require added emphasis, or existing disciplines that require added focus?
- In what ways can Responsible Care contribute to sustainable solutions and sustainability objectives?
- How can Responsible Care facilitate a stronger commitment to process safety and engrain recent industry learnings?
- How can industry facilitate public dialogue and understanding around the management of risks from chemicals while allowing for the benefits that chemistry brings to the quality of life? How can the chemical industry prove that its products are safe for their intended uses?
- What are the opportunities for ACC to enhance its communications about Responsible Care? How can Responsible Care be a vehicle for constructive partnerships and/or conversations with stakeholders? How can Responsible Care be used to engage employees and communities, as well as others within the chemical supply chain? In a time of limited resources, what type of outreach and conversations could provide the most benefit to all parties, and at what level (local, regional, national)?
- What is your perception of Responsible Care? What are the most important factors contributing to the credibility of Responsible Care? What are the least important factors contributing to the credibility of Responsible Care? Are there particular elements of the current program that do not add value from your perspective? How can the industry convince its stakeholders that initiative has integrity and drives real performance improvements?
- Are there other performance programs from which Responsible Care can learn and emulate?

Responsible Care[®] Advisory Panel Members

Charlie Auer

Charles Auer and Associates
17116 Campbell Farm Road
Poolesville, MD 20837
301.525.3467
Auer.charlesm@gmail.com

Karen Doyne

Managing Director, Issues & Crisis Group
Burson-Marsteller
1110 Vermont Avenue, N.W. Suite 1200
Washington, D.C. 20005
Karen.Doyne@bm.com
202.530.4523
www.burson-marsteller.com

Mike Flynn (partial participation)

Occupational Safety and Health Director
International Association of Machinists and
Aerospace Workers (IAMAW)
9000 Machinists Place
Upper Marlboro, Maryland 20772-2687
mflynn@iamaw.org
301.967.4704

Jack Linard

Head, Regulatory Affairs, Home and Personal
Care North America
Unilever
800 Sylvan Avenue
Englewood Cliffs, NJ 07632
jack.linard@unilever.com

Jennifer Nash

Executive Director, Regulatory Policy
Program, Harvard Kennedy School
79 John F. Kennedy Street
Cambridge, MA 02138
Jennifer_nash@harvard.edu
617.495.9379
<http://www.hks.harvard.edu/m-rcbg/rpp>

Chris Pinney

Director Research and Policy
The Center for Corporate Citizenship
Carroll School of Management
Boston College
55 Lee Road, Chestnut hill, MA 02467-3942
pinneyc@bc.edu
617.552.4299
www.bccccc.net

Terry F. Yosie

President and CEO
World Environment Center
734 15th Street, Suite 720
Washington, D.C. 20005
tyosie@wec.org
202.312.1210
www.wec.org

Executive Summary of Panel Recommendations

As we enter the 21st century, the marketplace, public policy and regulatory environment for Responsible Care[®] is significantly changing, posing new challenges and opportunities for the program. Key drivers behind this new environment include globalization, performance improvement pressures (particularly in product safety) and a growing sustainability business culture, driven in large part by consumer-facing organizations in the private sector.

The Advisory Panel has worked over the past 15 months to develop a comprehensive set of recommendations for the ACC Responsible Care program, to respond to these pressures and to create a unique value to the ACC membership in the process. These recommendations positively position ACC members in terms of competitiveness, customer relationships, globalization capacity, market innovation, recruitment of tomorrow's workforce and positive advocacy. The recommendations, organized in four major thematic areas, are to be implemented sequentially over the next six years, corresponding to the next two, three-year certification cycles.

The four major areas for improvement and expansion of Responsible Care are as follows:

Product Safety

Product safety is a fundamental public and customer-driven expectation and duty of the chemical manufacturing industry. Responsible Care should be, in practice, the industry's principal initiative for managing product safety throughout product lifecycles and across supply chains. Relative to the current program, Responsible Care must more directly address product safety issues and become more customer-facing to ensure that the needs and perspectives of chemical industry customers are incorporated into its future design and implementation, and that customers and business managers within ACC member companies see direct value from Responsible Care. Responsible Care should also be more directly applied as a platform for managing, assessing, and resolving common issues across the chemical industry's value chain.

Performance Improvement

ACC should take steps to assure and communicate company-level performance improvement results so that performance improvement outcomes are understandable and meaningful. ACC should also bolster performance fundamentals in the areas of process safety, security and natural resource management. Actual environment, health, safety and security performance improvement requirements should be set in the form of industry-wide and company targets, and verified through the certification process. To further align with other performance standards and reporting initiatives, ACC should work to create a "one stop shop" for its members, aligning with emerging global standards for sustainable business and performance reporting (e.g. ISO 26000, GRI).

Communications

The stakeholder engagement component of Responsible Care is weak, its requirements subjective and reporting vague. Effective engagement and communication with internal and external stakeholders is critical to building a successful Responsible Care program and is a characteristic of most successful industry self-regulatory initiatives today. Stakeholder engagement requirements within Responsible Care must be made clear and verified. Research has also revealed that awareness of Responsible Care is low among key industry stakeholders such as policymakers, media, and community leaders – *but that an increase in awareness leads to measurable improvement in stakeholder perceptions*. ACC should pursue a targeted approach to enhance brand equity and recognition among key constituencies. To support both brand and stakeholder recognition of Responsible Care, new forms of collaboration and partnerships should be pursued to ensure that Responsible Care is both more business relevant and socially accepted, including advisory panels and stakeholder forums.

Governance and Globalization

Responsible Care is currently implemented in about 60 countries, yet requirements vary considerably worldwide, thus undermining its brand. This is of critical interest to ACC's membership, where multi-national companies are at the leading edge of Responsible Care implementation. A major effort should be undertaken to harmonize the major elements of Responsible Care in all the countries where it is implemented, while expanding the program to key emerging economies. This action would provide global customers and stakeholders with the opportunity to evaluate the effectiveness of the initiative along a common set of performance measures. The accountability for improving the global design and governance of Responsible Care lies within both global companies and chemical industry trade associations.

Responsible Care[®]: The Case for Change

For over 20 years, Responsible Care has provided global leadership in the field of industry self-regulation. Responsible Care's codes, management system and best practices for environment, health, safety and security have been key assets for continuous performance improvement for American Chemistry Council (ACC) members and supported successful dialogues and negotiations with public policy makers on regulatory issues. In recent years, however, the public, regulatory and marketplace environment for Responsible Care has significantly changed, thus posing new challenges and opportunities. Key drivers behind these developments include:

Globalization: Implications for Responsible Care

Responsible Care was originally developed as a national platform in North America and has now been implemented, to varying degrees, based on this national standard model in approximately 60 countries. While this is a testament to Responsible Care's vitality and success, it is also proving increasingly inadequate in meeting the challenges of a global marketplace. As globalization has exploded and the influence of global companies continues to grow, so have marketplace, NGO and public expectations for comprehensive global standards for sustainable business practices. These business practices range from the development of newer, less resource intensive and safer products, to enhanced reporting of environmental and health impacts, and to greater responsibility for company sourcing and supply chain practices.

A variety of emerging "hard" and "soft" regulatory initiatives are beginning to set global standards for product safety, social responsibility and sustainable development. ACC must now decide how Responsible Care will compete with or complement initiatives such as the Global Reporting Initiative, ISO 26000, EU REACH, emerging regulatory initiatives in China, socially responsible investment indices (SRIs) and specific consortia organized by customers to improve performance, lower costs and spur innovation. These initiatives have the potential to provide significantly more global, comprehensive and publicly credible frameworks for managing corporate responsibility and sustainability on a global basis than the current ACC Responsible Care model.

In this environment, a Responsible Care approach based on a patchwork of different national standards and levels of certification is an increasingly inadequate platform for credible industry "self-regulation". This inadequacy is apparent both for large global chemical companies that will be the initial focus of these rising expectations (and are the "public" face of the industry) and for smaller public and private companies that manufacture key chemical and product contributions along the value chain.

Performance Improvement and Sustainability



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In the last decade, sustainability has emerged an increasingly important market driver and public policy issue for consumer-facing entities, and now for an expanding number of chemical companies. A growing number of chemical companies are adopting sustainability-related business strategies because they provide a pathway to greater innovation, stronger customer relationships, cost reduction opportunities, employee participation and brand differentiation. Customers and stakeholders (including policymakers) are expecting chemical manufacturers, distributors and marketers to take greater responsibility not simply for the safe management of their operations but for the full life cycle impacts of

their products. This expectation is translating into market and regulatory forces with direct implications for the chemical industry and its customers, as evidenced by:

- A growing public policy debate over sustainability nationally and internationally and a move by regulators outside the US (e.g. EU REACH and initiatives in China) to create new regulations for sustainable business operations that have the potential to become *de facto* global standards.
- Growing interest and demand for sustainable products and supply chains. This is putting new pressure on the chemical industry's downstream customers who are in turn channeling new performance expectations to their upstream chemical business partners.
- A strong interest in sustainability among tomorrow's business managers and college graduates who will be key to replacing the chemical industry's rapidly aging workforce.
- A rapid growth and mainstreaming of socially responsible investment, using screens that rate companies on their overall sustainability as well as economic performance.
- A growing frustration with "greenwashing" and a greater demand for documented, verifiable performance improvement results.

Towards a 21st Century Responsible Care[®] Platform—Managing the Business Future

To meet the challenges and realize the opportunities that this 21st century operating environment represents, the Advisory Panel recommends that ***Responsible Care should now expand its scope to become a more dynamic and comprehensive global asset for helping the chemical industry manage its U.S. and global business future.*** This approach builds on initiatives that have already yielded great success for chemical companies such as the adoption of the Responsible Care Security Code in 2002 and the 2008 adoption of ACC's Principles for TSCA Modernization—examples of business leadership that reshape the public debate and expand the strategic options that chemical companies possess to manage risks to their business and protect future growth opportunities.

Expanding the scope of Responsible Care creates a pathway for added membership value and a more credible platform for negotiating with regulators and building public trust and confidence. Equally important, is the ability to maintain the confidence and business of the industry's downstream customers. Advisory Panel members directly engaged consumer-facing chemical industry customers such as Staples and Unilever. These conversations provided compelling evidence of a rapidly evolving set of customer expectations for transparency and accountability around the impact of chemical industry products, making this upgrade of Responsible Care an urgent priority. Individual Panel members' discussions with other customer sectors confirm that these expectations are broadly shared, even beyond consumer products companies.

In responding to these challenges, the U.S. chemical industry has laid a powerful foundation through Responsible Care. Like any successful business strategy, the task is now one of responding to the newer business realities described above and developing a more robust set of Responsible Care commitments and practices for sustained performance in such areas as product stewardship, innovation and contribution to civil society. This expanded platform needs to ensure that ACC member customers across the value chain understand and are capable of using chemical products safely and sustainably. It needs to encourage and support innovation to move the industry towards "green" chemistry or alternatives wherever possible. It needs to ensure that members engage actively with stakeholders and continue to contribute to the communities where they operate and have an impact.

Global Sustainability Performance Improvement Principles

To succeed, a 21st Responsible Care platform must be built on principles that will enable it to be:

Transformative

Responsible Care must be capable of demonstrating to customers, policy makers and the public that the chemical industry is committed to the goals of more sustainable business operations and is

actively working to continually improve and maximize its positive impact on society while minimizing its negative impacts

Comprehensive

Responsible Care® must help members address the full spectrum of corporate responsibility/sustainability challenges facing the chemical industry. This includes:

- Products – a commitment to product safety and the journey toward “green” chemistry, and other innovations in product design and development
- Operations – responsible and safe management of operations and supply chains
- Society – a commitment to actively work with others to address sustainability challenges through unique partnerships

Inclusive and Global

- This platform must be inclusive for all members of Responsible Care and provide a developmental path for companies from large to small to move forward from the current foundation and achieve the 21st century Responsible Care scope
- Responsible Care must also provide for continued dialogue and discussion with key stakeholders to review progress and suggest innovation and improvement to the program

Transparent and Accountable

- To be credible and gain recognition as this transformation is realized, the progress of Responsible Care companies must be transparent and accountable to all stakeholders involved

The Panel recommends that ACC review the Responsible Care Guiding Principles and current governance structure against these Global Sustainability Performance Improvement Principles and revise them as appropriate.

To improve Responsible Care, the Advisory Panel sets out some key implementation recommendations, provided below, that activate the above principles and ensure that Responsible Care will continue to provide leadership and value to the chemical industry and to deliver on the commitment to sustainability, already embedded in the Responsible Care logo and brand. The recommendations are structured to be implemented in phases over the next two Responsible Care certification cycles.

Return on Investment

By taking a bold step now and ensuring that Responsible Care is aligned with emerging global standards and regulation, ACC will continue to be an industry leader in self-regulation, capable of protecting its members’ interests in regulatory reform discussions with policy makers. At the same time, the Advisory Panel concludes that, if properly executed, this expanded platform can provide new value to Responsible Care companies by providing a “one stop” solution for meeting expectations of customers, investors and regulators that these companies are being managed responsibly and sustainably, building public trust and confidence. Key benefits that could be derived from the recommendations of the Advisory Panel include driving innovation, strengthened customer relationships, business efficiencies, positive issue advocacy, thoughtful leadership, attracting the next generation of chemical industry talent, and creation of an enhanced insurance policy against major catastrophic failures within the industry. The alternative is that the value of chemical industry’s strategic investment in Responsible Care will dissipate over time (even among ACC’s member companies) if it is not successfully refocused and renewed.

Implementation Recommendations for Future Framework

The Advisory Panel recommends that Responsible Care® be strengthened to include comprehensive and future-oriented commitments. These commitments should be developed and realized in a way that represents the best practices of ACC member companies and fully embraces ACC's advocacy positions, most notably ACC's Principles for TSCA Modernization.

These recommendations are focused on four critical areas: (1) expanding the scope of Responsible Care to encompass product safety; (2) enhanced performance goals and achievements; (3) strengthened and broadened communications and stakeholder engagement; and (4) enhanced governance of Responsible Care and globalization. Specific recommendations in each of these areas are summarized below.

Broadened Scope Encompassing Product Safety and Delivering on ACC Policy Principles

Product safety is a fundamental public expectation and duty of the chemical manufacturing industry. Responsible Care should be, in practice, the industry's principal initiative for managing product safety throughout product lifecycles and across supply chains.

Relative to the current program, Responsible Care must also be more directly customer-facing to ensure that the needs and perspectives of chemical industry customers are incorporated into its future design and implementation, and that customers see direct value from Responsible Care. Responsible Care should be more directly applied as a platform for managing, assessing, and resolving common issues across the chemical industry's value chain. Responsible Care should realize a "no surprises" policy with regard to the downstream impacts of products and processes, by requiring the sharing of relevant information with customers and suppliers and assuring that the information is carried along the value chain. The achievement of these elements should occur throughout the global chemical industry value chain.

ACC should deliver on this broadened scope by strengthening product stewardship management system elements, developing new performance metrics, and expanding member requirements for information sharing and disclosure across the value chain and with the public.

Product Safety Recommendations for Implementation by 2014

ACC should:

- Build on Responsible Care's current risk-based focus to incorporate more directly and clearly concepts of product safety, green chemistry, and other forms of innovation into core goals and objectives.
- Include all facets of the product life cycle to activate member companies' life-cycle thinking. ACC should establish common approaches for life cycle analysis to enable comparisons and inform reporting, and embed them within the Responsible Care management system.
- Address environmental, health, societal, and economic impacts of the entire value chain of chemicals and products, from raw materials extraction to final commercial use, reuse, recycling, and disposal. Achieving this expansion of Responsible Care will require collaborative development and implementation of a mutual responsibility model across the value chain. ACC, by virtue of its industry leadership position, should take principal responsibility for articulating and realizing that model.
- Establish and apply principles for product selection and, where needed, product de-selection based on concepts of product safety, green chemistry, and other forms of innovation.
- Develop programs/policies/measurements to improve product recyclability rates and reduce packaging waste.

Members should:

- Adopt a policy of openness with respect to basic information relevant to environmental protection, health, and safety of chemicals and products and should not consider it confidential business information.

ACC should activate and realize its Principles for TSCA Modernization (see Annex II) by including them in Responsible Care, including specific requirements in the following areas:

- Chemicals should be safe for their intended use. The above discussion of product selection and de-selection is highly relevant here.
- Companies throughout the value chain are responsible for providing hazard, use, and exposure information to regulators, business-to-business customers, and ultimately the public. ACC's new chemical inventory database is an acknowledgement of industry's expanding role here. The types of information that companies should share include Screening Information Data Set (SIDS) endpoints (14 key health and environmental endpoints developed and internationally agreed by the Organization for Economic Cooperation and Development).
- Potential risks faced by children and other sensitive subpopulations should be an important factor in safe-use determinations.
- Companies and the US EPA should work together to enhance public access to chemical health and safety information.
- Companies claiming confidentiality in information submittals should justify those claims to government, ACC, and the public on a periodic basis.

Product Safety Recommendations for Implementation by 2017

ACC should:

- Apply life cycle approaches across the value chain of key products. Continuous improvement goals should be set for lowering the impact of products and processes.
- Publicly set goals, and assess progress, for adoption of "green" chemistry principles or other innovations that invest in new forms of chemistry that are less toxic, less carbon and resource intensive, less wasteful, and more recyclable.
- Report on improvement in product recyclability rates and waste reductions (including product packaging), with the objective of implementing industry goals for waste reduction.

Members should:

- Demonstrate the ability of mutual responsibility partnerships to assess and manage toxicity, exposure and risk issues across the value chain from raw material extraction to post-consumer use.

Strengthen Performance and Measurement

ACC should take steps to upgrade company-level performance commitments and results by establishing specific environment, health, safety and security performance improvement goals (not just RCMS or RC14001 improvement). Finally, ACC should work to create a "one stop shop" for its members, aligning with emerging global standards for sustainable business and performance reporting (e.g. ISO 26000, GRI), that is global in nature.

Performance Recommendations for Implementation by 2014

ACC should:

- Establish new or expanded company-level measures around product stewardship, process safety, energy efficiency, worker safety, stakeholder communications, and educating the workforce on Responsible Care to drive improved performance results.
- Establish goals/targets for all performance measures collected by ACC at the industry aggregate level and periodically publish progress toward achieving the goals.
- Establish company-specific improvement rates wherever possible. Where not possible, ACC should provide guidance to companies about their individual goal-setting process, with linkages to overall ACC targets.
- Identify natural resource management as an impact area for management and goal-setting through Responsible Care, in addition to environment, health, safety, and security.
- Provide guidance on appropriate consideration of inherently safer technologies (IST) under Responsible Care, including development of performance measures.

- Recognize the value of performance metrics developed by others by benchmarking and reporting additional performance metrics consistent with the Global Reporting Initiative. Consider creating the industry sector supplement for the GRI Reporting Framework for the chemical industry and at a minimum ensure RC reporting is consistent with the GRI reporting framework.

Members should:

- Improve Responsible Care performance and verify improvements within the certification process.

Performance Recommendations for Implementation by 2017

ACC should:

- Establish and publish short and longer-term sustainability goals, with a requirement that progress toward achieving goals is reported annually.
- Adopt the GRI framework; Extend Responsible Care beyond existing certification standards (e.g., ISO 26000, ANSI Green Chemistry Standard).
- Set goals for inherently safer technologies in business operations where ISTs are available and cost effective.

Improved and Expanded Communications

There are two separate, foundational communications components of Responsible Care: first, the stakeholder communications requirements for companies who participate in the program, and second, the communication and positioning of the Responsible Care “brand” as a reflection of industry responsibility, commitment, and progress. Both should be improved and expanded.

Stakeholder Communications

The stakeholder engagement component of the current Responsible Care program is weak, its requirements subjective and reporting vague. Effective engagement and communication with external stakeholders is critical to building a successful global Responsible Care program and is a characteristic of most successful industry self-regulatory initiatives today. It is also essential to building a Responsible Care standard that fosters trust and long-term understanding of and support for the industry from a variety of stakeholders from the public to government regulators.

Brand Communications

Research has revealed that awareness of Responsible Care is low among key industry stakeholders such as policymakers, media, and community leaders – *but that an increase in awareness leads to measurable improvement in stakeholder perceptions*. Granted, awareness may also raise stakeholder expectations, which we recognize may be a concern for some members, but the essence of Responsible Care is that transparency is crucial to building trust and confidence.

Informal focus group research with members has shown skepticism over the reputational value of associating with the Responsible Care program. Even some of ACC’s largest members prefer to emphasize their own branded EHS/sustainability programs, which go beyond core RC elements. It stands to reason that companies will be more inclined to join ACC and promote their involvement in Responsible Care if they see value in the brand.

Communications through Strategic Business Partnerships

To support both brand and stakeholder recognition of Responsible Care, new forms of collaboration should be pursued to ensure that Responsible Care is both more business relevant and socially accepted. New partnerships through Responsible Care could: add competencies in areas not generally possessed as “core” among Responsible Care professionals; help to expand application of Responsible Care within non-traditional disciplines (e.g., marketing, procurement) and across customer sectors; integrate the U.S.-based Responsible Care initiative with the global marketplace; and connect the chemical industry to other societally relevant initiatives and forums where a dialogue on the risks and value of chemical products is taking place.

Communications Recommendations for Implementation by 2014

ACC should:

- Define more clearly companies' obligations to identify and engage with stakeholders, including types of information to be shared and options/channels for engagement.
- Verify companies' activities and performance against those obligations as part of the certification process.
- Create two advisory groups to provide ongoing input and oversight in the development and implementation of an expanded vision for Responsible Care. The first group, comprising representatives of business, government, and community and environmental groups, should provide input on development and implementation of strategic changes to the initiative. The second, comprising chemical industry customers, should advise ACC on upstream and downstream value chain issues and development and realization of the mutual responsibility model for Responsible Care. The advisory groups should play a key role in developing strengthened performance measures and reporting.
- Undertake targeted Responsible Care branding and visibility activities, designed to increase stakeholder awareness and understanding of the program and, importantly, to increase the brand equity of the initiative for current and potential members. A starting point for this should be the use of the Responsible Care logo *by all members* on product safety information, such as Material Safety Data Sheets (MSDS), product safety summaries, and marketing materials; as well as on websites and other public-facing materials.
- Step up ACC's engagement with the professional communicators at member companies (both corporate and plant levels), including keeping them informed of their role in maintaining the Responsible Care brand and keeping them abreast of changes in elements of Responsible Care, especially those with implications on member communications functions.
- Further broaden efforts to hold national-level stakeholder forums on product safety, public policy, sustainability strategy and external expectations of the industry.

Members should:

- Include a stakeholder representative in all certification audits.
- Communicate their Responsible Care performance measures to stakeholders on an annual basis, particularly, local level data with local stakeholders.
- Ensure sustained interaction between Responsible Care leaders and professional communicators at the corporate and plant levels.

Communications Recommendations for Implementation by 2017

ACC should:

- Expand stakeholder forums to the regional and state level, working in cooperation with state-level chemical industry groups.

Members should:

- Establish formal stakeholder advisory processes to provide senior company executives with external input on a continuing basis.

Improving Program Governance and Responding to Globalization

A major effort should be undertaken to further harmonize the major elements of Responsible Care in all the countries where it is implemented. This action would provide global customers and stakeholders with the opportunity to evaluate the effectiveness of the initiative along a common set of performance measures.

Governance and Globalization Recommendations for Implementation by 2014

ACC should:

- Complete implementation of the 2006 Strategic Review Board's recommendations on Responsible Care Governance. This includes:

- Ensuring Responsible Care's Guiding Principles fully integrate concepts that support industry innovation and sustainable development and are consistent with global chemical industry policies and commitments.
- Begin a process to create one Responsible Care Management System[®] Technical Specification.
- Evaluate the state of Responsible Care within the 60 implementing countries to determine what progress has been made in each country toward a comprehensive program over time.
- Establish Responsible Care in major emerging markets through collaborative actions involving bilateral partnerships between ACC and national chemical manufacturing organizations.
- Survey membership to understand barriers to applying Responsible Care across global operations.
- Develop plans for expanding Responsible Care practices along the global supply chain.

Governance and Globalization Recommendations for Implementation by 2017

ACC should:

- Formally launch revised Responsible Care management systems and transition plan to integrate current RCMS and RC140001 standards.
- Propose to ICCA the adoption of a formalized, tiered approach to Responsible Care implementation as a means of transitioning to a comprehensive set of performance commitments within prescriptive timeframes, and whose goal is to globally harmonize, to the highest standard possible, the basic tenets of Responsible Care.
- Apply the experience and expertise of its large multi-national members to develop a plan of action for global implementation of Responsible Care that extends to encompass the domestic chemical industry in developing countries and throughout the value chain of chemicals. This effort should focus initially on major emerging chemical economies and then, applying the lessons learned, set the stage for working collaboratively with these countries to extend Responsible Care to other developing countries having significant chemical manufacturing operations.

Members should:

- Apply ACC Responsible Care globally.
- Consistently define and implement Responsible Care throughout the business operations and value chains of global companies and the national associations.

Annex I. Summary of Advisory Panel Recommendations

Changes by 2014

Changes by 2017

PRODUCT SAFETY

ACC should:

Incorporate its *Principles for TSCA Modernization* as requirements into Responsible Care, specifically:

- Chemicals should be safe for their intended use
- Hazard, use, and exposure information should be shared with regulators, customers, and the public
- Members should consider risks to children and other sensitive populations in safe-use determinations
- Members should work with US EPA to enhance public access to health and safety information
- Members should justify claims of confidential business information to government, ACC, and the public

Strengthen Responsible Care to fully address product safety, “green” chemistry and other forms of innovation into core goals and objectives; establish common approaches to life-cycle assessment and embed them within the Responsible Care management system; address impacts of products along the supply chain

ACC should:

Apply life-cycle approaches across the value chain of key products; Set continuous improvement goals for reducing the impact of products and processes

Establish and apply principles for product selection and de-selection

Publicly set goals and assess progress for adoption of “green” chemistry principles or other innovations that invest in new forms of chemistry that are less toxic, less carbon and resource intensive and more recyclable

Develop programs/policies/measurements to improve product recyclability rates and reduce packaging waste

Report on improvements in product recyclability rates and waste reductions, including those generated by packaging materials

Members should:

Adopt a policy of openness such that no member considers information relevant to environmental protection, health, and safety as confidential business information

Members should:

Create partnerships to openly share product risk information, as well as assess and reduce toxicity and exposures across the value chain from raw material extraction to post-consumer use

PERFORMANCE

ACC should:

Establish new or expanded company-level performance measures for: product stewardship, process safety, energy efficiency/greenhouse gas emissions, worker safety, stakeholder communication, educating the workforce about Responsible Care. Ensure that company-level performance reported on the ACC website is understandable and meaningful

Establish goals and targets for all performance measures at the industry aggregate level; Establish company-specific performance improvement rates wherever possible, including reduction targets for greenhouse gas emissions and water use	ACC should: Establish and publish short and longer-term sustainability goals; Establish “strategic” sustainability initiatives and goals through Responsible Care that involves both upstream and downstream participants in a company’s value chain
Identify resource management as an impact area for management and goal-setting through Responsible Care, in addition to EHS&S	
Provide guidance on appropriate consideration of IST, including performance measures	Set goals for ISTs in business operations where they are available and cost effective
Benchmark and report additional performance metrics developed by the Global Reporting Initiative; Consider creating a chemical sector supplement under the GRI	Link and extend Responsible Care beyond existing certification standards to incorporate other relevant standards (e.g., ISO 26000, ANSI Green Chemistry Standard)
Members should: Improve Responsible Care <i>performance</i> and verify improvements within certification process	Members should: Adopt the GRI reporting framework
COMMUNICATIONS	
ACC should: Define companies’ specific communications obligations and verify communications performance within the certification process	
Step up engagement with the professional communicators at member companies (both corporate and plant levels), including keeping them informed of their role in maintaining the Responsible Care brand and keeping them abreast of changes in elements of Responsible Care, especially those with implications on member communications functions	
Create advisory group(s) to provide continuous guidance on the overall Responsible Care program, as well as ongoing dialogue about supply chain issues and performance measures	
Further broaden efforts to hold national-level stakeholder forums on product safety, public policy, sustainability strategy and external expectations of the industry	ACC should: Organize regional stakeholder forums on community issues, public policy, sustainability strategy and external expectations of the company
Undertake a targeted Responsible Care visibility initiatives designed to increase awareness, understanding and external promotion of the program. One specific action should be the use of the Responsible Care logo <i>by all members</i> on product safety information, such as Material Safety Data Sheets (MSDS), product safety summaries, and marketing materials; as well as on websites and other public-facing materials	

<p>Members should: Include stakeholders in certification audits</p>	<p>Members should: Develop and effectively utilize new forms of collaboration such as strategic business partnerships to apply Responsible Care in marketing and procurement functions, work with downstream customer segments on life cycle assessments of products, expand Responsible Care globally, and link to other socially relevant issues</p>
<p>Communicate local performance data to local stakeholders</p>	
<p>Ensure sustained interaction between Responsible Care leaders and professional communicators at the corporate and plant levels</p>	
<p>GOVERNANCE AND GLOBAL</p>	
<p>ACC should: Complete implementation of the 2006 Strategic Review Board’s recommendations on Responsible Care Governance. This includes:</p> <ul style="list-style-type: none"> • Ensuring Responsible Care’s Guiding Principles fully integrate concepts that support industry innovation and sustainable development and are consistent with Global Sustainability Performance Improvement Principles presented by the Advisory Panel • Begin a process to create one Responsible Care Management System[®] Technical Specification 	<p>ACC should: Formally launch revised Responsible Care management systems and transition plan to integrate current RCMS and RC140001 standards</p>
<p>Evaluate the state of Responsible Care within the 60 implementing countries to determine what progress has been made in each country toward a comprehensive program over time</p>	<p>ACC should: Propose to ICCA the adoption of a formalized, time-limited, tiered approach to Responsible Care implementation as a means of transitioning to a comprehensive set of performance commitments within prescriptive timeframes</p>
<p>Establish Responsible Care in major emerging markets through collaborative actions involving bilateral partnerships between ACC and national chemical manufacturing organizations and through participation in the ICCA’s Responsible Care Leadership Group</p>	<p>Develop a global plan of action through ICCA to extend Responsible Care to developing countries and throughout the supply chain, with an initial focus on major emerging chemical economies</p>
<p>Survey membership to understand barriers to applying Responsible Care across global operations</p>	<p>Members should: Apply ACC Responsible Care globally</p>
<p>Develop plans for expanding Responsible Care practices along the global supply chain</p>	<p>Consistently define and implement Responsible Care throughout the business operations and value chains of global companies and the national associations</p>

Annex II. ACC's Principles for TSCA Modernization

1. Chemicals should be safe for their intended use.
 - Ensuring chemical safety is a shared responsibility of industry and EPA.
 - Industry should have the responsibility for providing sufficient information for EPA to make timely decisions about safety.
 - EPA should have the responsibility for making safe use determinations for high priority chemicals, focusing on their most significant uses and exposures.
 - Safe use determinations should integrate hazard, use, and exposure information, and incorporate appropriate safety factors.
 - Consideration of the benefits of chemicals being evaluated, the cost of methods to control their risks, and the benefits and costs of alternatives should be part of EPA's risk management decision-making, but should not be part of its safe use determinations.
 - Other agencies, such as FDA and CPSC, should continue to make safety decisions for products within their own jurisdictions.
2. EPA should systematically prioritize chemicals for purposes of safe use determinations.
 - Government and industry resources should be focused on chemicals of highest concern.
 - The priorities should reflect considerations such as the volume of a chemical in commerce; its uses, including whether it is formulated in products for children; its detection in biomonitoring programs; its persistent or bioaccumulative properties; and the adequacy of available information.
3. EPA should act expeditiously and efficiently in making safe use determinations.
 - Since a chemical may have a variety of uses, resulting in different exposure potentials, EPA should consider the various uses and focus on those resulting in the most significant exposures.
 - EPA should complete safe use determinations within set timeframes.
4. Companies that manufacture, import, process, distribute, or use chemicals should be required to provide EPA with relevant information to the extent necessary for EPA to make safe use determinations.
 - Companies throughout the chain of commerce should be responsible for providing necessary hazard, use, and exposure information.
 - EPA should be authorized to require companies, as appropriate, to generate relevant new data and information to the extent reasonably necessary to make safe use determinations without having to prove risk as a prerequisite or engaging in protracted rulemaking.
 - Testing of chemicals should progress to more complex and expensive tests through a tiered approach as needed to identify hazards and exposures of specific concern.
 - To minimize animal testing, existing data should be considered prior to new testing, and validated alternatives to animal testing should be used wherever feasible.
 - Existing data and information should be leveraged in EPA's safe use determinations, including data and information from other mandatory and voluntary programs such as REACH and the U.S. High Production Volume challenge.
5. Potential risks faced by children should be an important factor in safe use determinations.
 - Safe use determinations should consider the effects of a chemical on children and their exposure to the chemical.
 - Safe use determinations should consider whether an extra margin of safety is needed to protect children.
6. EPA should be empowered to impose a range of controls to ensure that chemicals are safe for their intended use.
 - The controls could range from actions such as labeling, handling instructions, exposure limits and engineering controls to use restrictions and product bans.

- The controls should be appropriate for managing the risk, taking into account alternatives, benefits, costs, and uncertainty.
7. Companies and EPA should work together to enhance public access to chemical health and safety information.
 - EPA should make chemical hazard, use, and exposure information available to the public in electronic databases.
 - Other governments should have access to confidential information submitted under TSCA, subject to appropriate and reliable protections.
 - Companies claiming confidentiality in information submittals should have to justify those claims on a periodic basis.
 - Reasonable protections for confidential as well as proprietary information should be provided.
 8. EPA should rely on scientifically valid data and information, regardless of its source, including data and information reflecting modern advances in science and technology.
 - EPA should establish transparent and scientifically sound criteria for evaluating all of the information on which it makes decisions to ensure that it is valid, using a framework that addresses the strengths and limitations of the study design, the reliability of the test methods, and the quality of the data.
 - EPA should encourage use of good laboratory practices, peer review, standardized protocols, and other methods to ensure scientific quality.
 9. EPA should have the staff, resources, and regulatory tools it needs to ensure the safety of chemicals.
 - EPA's budget for TSCA activities should be commensurate with its chemical management responsibilities.
 10. A modernized TSCA should encourage technological innovation and a globally competitive industry in the United States.
 - A new chemical management system should preserve and enhance the jobs and innovative products and technologies contributed by the business of American chemistry.
 - Implementation of TSCA should encourage product and technology innovation by providing industry certainty about the use of chemicals.