

CIAC Climate Change Principles

➤ Intro

The Chemistry Industry Association of Canada (CIAC) recognizes that climate change is an important global public policy issue and that sound environmental stewardship and management of natural resources are fully consistent with good business practices.

For decades the chemistry industry has been actively involved in efforts to reduce its GHG emissions. Since 1992, CIAC member-companies have collectively reduced their absolute emissions by 69%, 15% of which have been achieved since 2005.¹ The industry's ability to deliver further emissions reductions will depend in part on its capacity to work with governments to develop effective long-term regulatory policies that successfully minimize the impacts of climate change without impeding necessary innovation, investments and growth.

To meet the global climate challenge, Canada must fully develop the potential of the chemistry industry so it can deliver innovations and solutions that effectively reduce emissions both within the industry and throughout the Canadian economy. Already today, innovations from the chemistry industry have been effectively deployed to reduce emissions from areas such as housing, transportation, energy conservation, food and wastes. Building on an abundance of natural resources, a well-educated workforce and a low carbon energy grid, Canada is uniquely positioned to take advantage of the industry's continuous stream of innovations to build a safe, prosperous and resilient sustainable economy.

CIAC member-companies are willing and well-positioned to continue to demonstrate a proactive approach to environmental protection, to resource conservation and to product development consistent with the Responsible Care[®] Ethic and Principles for Sustainability so they can contribute to improving the life of all Canadians.

¹ These reductions are in addition to those associated with the use, by other industries, of chemically-derived products and technologies which have been shown to deliver emissions savings of more than two units for each unit of direct and indirect emissions coming from the chemistry sector.

➤ Principles for Climate Change Regulatory Policy Design

CIAC recommends the following principles be adopted by governments to assist in guiding the development of climate change regulation in the Canadian context. The Association supports evidence-based policy making that seeks to balance effective emissions reductions with the need to meet society's growing expectations for sustainable chemistry products and services.

1. Recognize that the chemistry industry has been effective in managing climate change for several decades.

- Through its products, the chemistry industry is contributing to reducing GHG emissions for the benefit of other sectors and general society.
- Through the Responsible Care® program's ethics and principles member-companies have already taken early action to reduce their own GHG emissions.
- CIAC will continue to work, where opportunities exist, to establish agreements that build CIAC member-companies' contributions to the reduction of GHGs.

2. Address the global competitiveness of the Canadian chemistry industry in the design and implementation of Carbon Policy to allow its member-companies to deliver the products and solutions needed to meet the climate change challenge domestically and abroad.

- The Canadian chemistry industry, as a leading exporting sector, is clearly an emissions intensive, and highly trade exposed (EITE) sector.
- Carbon policy impacts both domestic and Canadian producers' export markets.
- Re-investing revenues from carbon pricing schemes into sustainable and economically efficient, domestic emissions reductions opportunities delivers optimal results for society.

3. Define sustainable and economically efficient GHG emissions reduction objectives that are balanced with economic-driven growth objectives in the chemistry industry.

- Technological innovations for step-change emissions reductions and asset turnover are explicitly tied to long-term business planning and emissions reduction investment cycles.

CLIMATE CHANGE

- Specific approaches for new facilities, major modifications, and existing facilities will deliver optimal results.
 - The chemistry industry encourages government support for the use of technologies and facilities designed to conserve resources and energy.
 - Chemistry companies have been effective in developing and implementing flexible facility-specific tools and practices to sustainably reduce their GHG emissions.
- 4. *Provide certainty and predictability for continued operation and growth of the chemistry sector in federal, provincial and cross-border regulatory frameworks.***
- Market-based principles, administrative simplicity and transparency provide the necessary certainty and predictability, allowing companies to best evaluate their emissions reductions investment strategies.
 - Adequate consultation and transition time affords companies the opportunity to optimize their emissions reductions actions.
 - Harmonization with other jurisdictions, allows chemistry companies to develop global solutions and approaches that most effectively deliver emissions reductions while still meeting society's needs for the innovative and sustainable products that will be needed as we transition to a lower carbon and more energy-efficient economy.
 - By providing access to a range of flexible and affordable compliance mechanisms, including access to global emissions reduction instruments, Governments ensure that reductions occur throughout the entire economy.
- 5. *Build upon the Canadian chemistry industry's know-how to maintain our society's ability to innovate and to respond efficiently to climate change pressures and to the changing needs of a low-carbon economy.***

