



National Advisory Panel

Tuesday, May 30, 2023, 8:30 to 4:30 pm (ET)

In-Person: Marriott Downtown at CF Toronto Eaton Centre - Trinity 4 Room

Attendance

National Advisory Panel

Jacob Westfall

Jane Lister

Nadine Blaney

Nadine Gudz

Ron Ormson

Other Participants

Bob Masterson

Danielle Morrison

Daniella Muhanzi

Devon Babin

Greg Moffatt

Helder Botelho

Kara Edwards

Shawna Bruce (Facilitator)

1. Welcome Remarks

Shawna thanked NAP members for travelling to Toronto and participants provided their own personal welcome messages, including a summary of their focus areas and how long they have been with the NAP/CIAC.

Greg Moffatt provided a personal welcome from CIAC, noting that the association had expected significant participation in this week's meetings, however, now understand that companies are not travelling much. CIAC will revise how they can make this more practical and encourage participation. Greg also thanked Shawna for remaining dedicated to her NAP work while juggling Alberta wildfire response and personal circumstances, while noting that Isabelle could not attend this meeting due to her participation in International Plastics Treaty negotiations (INC-2) in Paris.

In terms of situating CIAC, it has been a fast-paced environment, both federally and provincially. Bill S-5 is near complete, and CIAC is proud of the collective and collaborative role they have played, with direct recognition of CIAC in House of Commons debates. The Plastics Division is currently conducting a strategic review and business plan process. The plastics file continues to be top priority, especially with INC-2 and Canada's plans to host the next round of negotiations in 2024. Domestically, CIAC has been working closely across governments and stakeholders, leading to Canada signing an MOU with the Canada Plastics Pact. Focusing on climate change and investment, all projects currently under discussion are envisioned as low-carbon or net-zero and waiting for a final investment decision. There is potential through Budget 2023, and CIAC is working with government to make these investment supports real.

Generally, the chemistry business environment is stable. Many global chemical companies with assets in Europe are facing extreme headwinds due to feedstock constraints, presenting an opportunity for companies in North America. Globally, there is hesitation to move towards China as companies look towards decarbonization opportunities. The next two years will be crucial in moving Canadian projects across the finish line to ensure investment comes to Canada rather than other countries, like the U.S. For more details, NAP members were encouraged to watch CIAC's [Decarbonization Webinar](#).

Finally, Greg highlighted the Responsible Care® (RC) team reorganization, with Kara expected to move into the VP, RC after her maternity leave and the hiring of a RC Officer with Daniella Muhanzi leaving CIAC to start her master's degree in September.

As part of the RC moment, Devon Babin shared a communications update, focusing on CIAC's new digital campaign. The focus of the campaign is to instill the importance of the chemistry and plastics sector in the lives of Canadians and connect with the Ottawa political ecosystem. The new Responsible Care® video was also presented: Responsible Care®: the made-in-Canada chemistry industry ESG. NAP members also received the print version of CIAC's 2022 Sustainability Report. The May 2023 agenda and February 2023 minutes were approved.

QUESTION (NAP) / ANSWER (CIAC)

Q: How does CIAC see advisory group contributing to association goals, given your comments on member participation?

A: This third-party group provides an accountability mechanism for industry. CIAC is currently doing a committee refresh to ensure time is being used valuably. This is a valid question for NAP, and we need to make it compelling enough to be here and make the trip.

Q: How do investment decisions get made? Is it political?

A: It is about politics and population. Ontario and Quebec matter as they are chasing the electric vehicle (EV) value chain. The EV story is about transition and electrification. Dow is the first for decarbonization and heavy industry, but at the end of the day, it's still about carbon molecules.

Q: Can you provide a CIAC membership status update (new members, lost members, etc.).

A: CIAC has lost some members because they no longer produce chemicals. There are no new high-profile members, but CIAC has, however, brought in new revenue over the past few years as members become RC-verified and begin paying full fees. CIAC is pushing for one new member, whose Canadian lead will attend the CIAC Board dinner tomorrow night. Overall, no major high-profile losses and some high profile on the horizon. We have not been actively recruiting transportation partners.

2. Community Engagement Update

Daniella Muhanzi¹ provided an update on the CIAC Community Engagement Project, including priorities, tools, and continuous improvement. With the Virtual World Café, collection of CIAC member practices and summary document completed, the focus now shifts to existing tools and guides and creating new resources. CIAC has reviewed the three existing documents that provide guidance on the accountability code, providing feedback in terms of feasibility/effectiveness, successful practices, improvement opportunities, and communication gaps.

A key deliverable for this project is a community engagement toolkit (i.e., resource library) on CIAC's member website. Once reviews are completed, CIAC is aiming to have this toolkit populated and available to members by end of year/early next year. The NAP will also have the opportunity to review the new resources.

¹ Note: with Danie leaving CIAC in August, CIAC is actively recruiting a replacement to take over this project.

3. Community Engagement Product Review

Daniella and Shawna provided some guidelines for the community engagement product review, with the overall intention to make the material understandable for individuals that have no background in the chemistry sector.

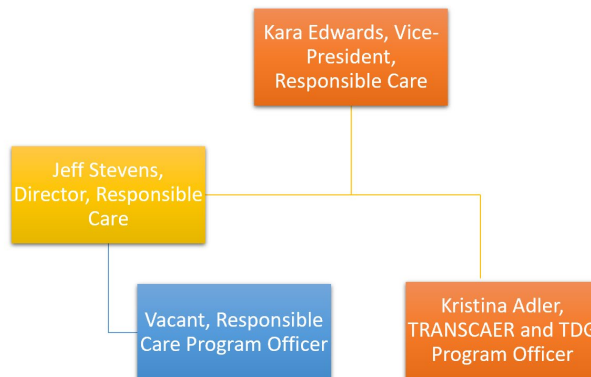
The following feedback was received from the two breakout groups:

| Group 1 | Group 2 |
|--|---|
| <ul style="list-style-type: none"> • Discussed how different columns aligned with AC code elements. • Opportunity to add additional column about how they could align with audits. • “Identify and maintain” is the language used – perhaps focus on “establishing” and “keeping up to date” (emphasis on maintenance). | <ul style="list-style-type: none"> • A preamble to the table is needed. • AC154 lacks development on specifics, including for those who are not co-located with Indigenous communities (e.g., land acknowledgement, education) • An evaluation piece and feedback loop are needed for stakeholder engagement. • Plans should be in place with evidence of implementation. • Suggested a contained drop box for audits to help consolidate information – i.e., a directory and library of evidence, which also provides an index of what members should have in place. |

4. Responsible Care® Update

Bob Masterson provided an RC update, beginning first by acknowledging the passing of Jean Belanger – the pioneer of RC, and his broad influence on public policy. Other key updates included:

- Highlighting the RC component of CIAC’s 2023-2025 strategic plan, with a focus on demonstrating global leadership on the program.
- New Board structure, which includes an RC Board Committee made up of long-standing CIAC members.
- RC team reorganization (see below)



- The second ‘cycle’ for RC assurance 2020-2022, with increasing transition to RCMS/RC14001 observed and all verifications completed on time this cycle, with some reports sent back for improvement re: Canada-specific aspects.

- Note: RC Board Committee provided direction to build Board confidence in process to support full transition for 2026-2028 cycle (including emphasis on unique Canadian elements, EDI, etc.) and for CIAC to initiate an external review (recommendations to be made to RC Board Committee in Fall 2023).
- International Council of Chemical Associations (ICCA) self-assessment tool: CIAC has volunteered as one of three associations to pilot test tool, CIAC has cautioned ICCA to focus on expansion of verification/certification in all jurisdictions.
- RC Awards: nominations are closed with a good response rate.
- Recognition of RC both federally and provincially, with a desire to pursue additional recognition opportunities to increase visibility and value proposition to members.
- The following John Holden [video](#), which describes RC as ESG standard for the global chemistry industry.

Helder Botelho provided a separate update on the RC Board Committee, indicating that this Committee gives the opportunity for increased member participation and emphasis on RC. This is the Committee that should be dialoguing directly with the NAP and providing regular feedback. One NAP member expressed their support for the previous practice of providing Challenge Letters directly to the Board and wondered how that could be incorporated within the new governance structure. Generally, there was agreement that the NAP should allow the relationship with the Board and RC Board Committee to evolve.

QUESTION (NAP) / ANSWER (CIAC)

Q: Are there any other transitions to be aware of at CIAC?

A: This is Bob's last cycle at CIAC, with Isabelle expected to retire shortly afterwards. Greg is an internal candidate for CEO. To prepare him, Isabelle and Greg will be swapping roles in January 2024.

Q: Can you reflect on the role of the NAP with evolving issues and focus areas?

A: The value to members and the NAP will improve when they have more engagement with each other rather than CIAC staff. The NAP was encouraged to visit member sites, etc. The NAP could model themselves after other association panels, such as the Mining Association of Canada's advisory panel, which gets into the details of their assurance process. Overall, the panel should retain autonomy and not become an association-driven panel.

Q: Can you share details on the Plastics Division strategy discussion?

A: The Plastics Division membership is not as engaged as CIAC chemistry members. Smaller companies that are purely operational do not have staff that can participate and as a result, they see less value. CIAC is trying to increase member engagement and attract new members, with a focus on building the policy environment for a circular economy – that is what has brought in members like P&G and 3M.

Q: Is there an effort underway to sell RC to members?

A: Yes. For example, the new RC video highlighted in today's opening remarks went to members first. Additionally, the VP, RC generally spends a great deal of time visiting member sites and telling the story of RC. Kara will take responsibility for this when she assumes the role.

Q: Is the Canadian chemistry industry looking at supply chain risk and where chemistry lies in the chain?

A: Members in Canada are not overly impacted by global supply chains. For example, CIAC members saw limited impacts during height of COVID-19 pandemic.

Q: What are the supply chain risks?

A: Current interests are not in hydrogen (which is a difficult material to transport), they are in ammonia. There are proposals to use electricity or natural gas to make hydrogen, sequester emissions, then transform hydrogen into ammonia to be sent to Asia to blend into coal power plants. However, this comes with risks. In Canada, more than 85 per cent of ammonia produced is consumed on-site to create nitrogen fertilizers. There is an extensive marine shipping industry to transport ammonia. However, with most facilities located in Alberta and the closest port being the Port of Prince Rupert, Canada does not have pipelines to transport Ammonia to ports for marine shipping. There are eight publicly proposed hydrogen/ammonia facilities in Alberta and five pending. That will be a lot of ammonia to transport and will create radical changes in how we transport ammonia. The federal government is aggressively talking about the environmental benefits to Asia; however, it must be done safely. If transportation safety is not put first, the project will fail.

5. Discussion regarding TRANSCAER and Rail Transportation

Kara Edwards provided an introduction and noted the increasing emphasis on growing and greening the economy, with increased anticipated transportation volumes of products through communities to get to export markets/customers, including TDGs.

Supply Chains

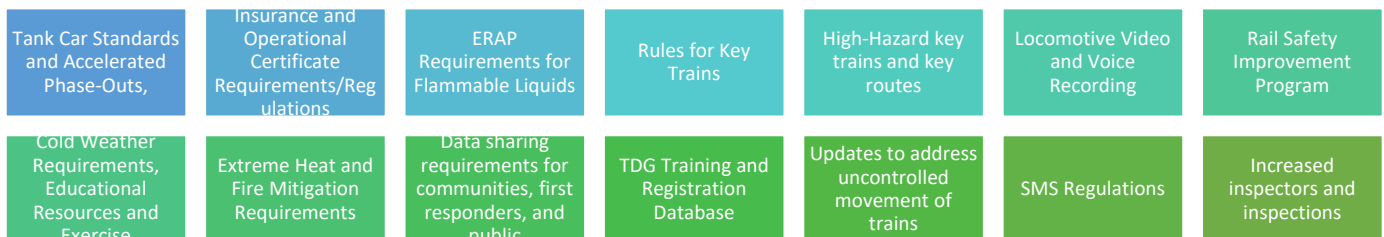
The CIAC supply chain survey report was presented and the following statistics were highlighted:

- 76 per cent of operations having been negatively impacted supply chain disruptions;
- 79 per cent shipping reliability is a serious issue;
- 83 per cent increased transit times;
- 55 per cent lost sales; and
- 76 per cent rail as major pinch point.

Kara also highlighted the recommendations in the [final report](#) of the National Supply Chain Task Force 2022 and legislative developments in Canada and the US, including Budget 2023, which had several positive components from the transportation perspective.

Safety

Kara set the context by touching on the East Palestine derailment and U.S. legislative updates (i.e., the Rail Safety Act 2023), the 10-year Anniversary of Lac-Mégantic, and rail safety. Specifically in relation to Lac-Mégantic, Kara reviewed the incident and noted improvements that have been made since then, which are highlighted below:



TRANSCAER

Kara also provided an update on TRANSCAER and engagement with a variety of stakeholders along the routes through which dangerous goods are transported, including who is part of TRANSCAER, challenges associated with the pandemic, etc. CIAC has undergone an effort to modernize and advance the tools available for the

TRANSCAER Team (RSIP, headsets, online webinars, new safety train). The current messaging/talking points on TRANSCAER were shared and the NAP had the opportunity to identify gaps and areas for improvement, including:

- Including a section on “Why do we need TRANSCAER?”
- Noting contact information or link to learn more/ask questions.
- Statistics – i.e., how many communities has TRANSCAER training been brought to?
- Add risks associated with right to know (e.g., risk of planned attack).
- Trim the talking points down to one page with links to more information.
- Add FAQs:
 - Is this program unique to Canada / how does it differ from the U.S.?
 - How does this impact my specific community (e.g., how often does it come through my community)?

QUESTION (NAP) / ANSWER (CIAC)

Q: Regarding the East Palestine incident, the U.S. Department of transportation had recommendations for rail safety but did not go as far as implementing policy changes. Why?

A: Their recommendations provide a signal and direction in the absence of resources; however, the American Chemistry Council (ACC) may have more insight and Kara will seek additional intelligence from them.

Q: Is there only one rail line that reaches the Port of Prince Rupert?

A: Yes, CN operates one rail line that has a number of potential barriers, including a river, fault lines, beaver dams, etc.

Q: There are countries experimenting with artificial intelligence (AI) in trains as a labour-saving move. This is something to keep an eye on from advocacy standpoint.

A: That is a good policy discussion to take to future meetings. Initial reaction is that trains should have at least two staff, especially AI will not save money when potential incidents are considered.

Q: Does the public perceive any difference between rail operations in Canada and the U.S.?

A: The North American railway system is becoming more and more Canadian-dependent. Railway tracks do not stop at border; however, it is unclear what the public perception is.

Q: Rail gets a lot of the attention, but are communities as concerned about road or marine transport?

A: Communities generally do not pay attention to road transportation.

Q: What else can the chemistry sector do to build key relationships with communities? Are there other partners CIAC should be working with?

A: Indigenous communities are a key focus, as well as strengthening existing work with Transport Canada.

6. Strategic NAP Selection Deep Dive

Due to time constraints, Shawna sought to discuss this topic with NAP members individually throughout the week’s meetings.

7. In-Camera Session

The panel entered an in-camera session and then adjourned the meeting.