Chemical Safety / Risk Management Position Statement

EHCMA promotes the health, safety, environmental and economic well-being of our industry and of the communities around our facilities. Our member companies are committed to conducting business in a manner that protects the environment and provides for the safety and health of employees, contractors, customers and the public. We also work to enhance communication and address community and industry issues and concerns.

EHCMA member plants all have something in common – a determination to keep our employees, plants and communities safe through a series of programs and processes to identify and reduce risks in our daily operations.

We dedicate a tremendous amount of time and resources to safely and effectively manage risk, as we deliver products that enable modern living.

What is Risk?

In industry, we view risk as a combination of the *hazard* itself (e.g., the presence of toxic or flammable chemicals), the *possibility* that something will go wrong and the *consequence* if something goes wrong.

Our industry works hard to control any hazards at our facilities and implements processes, systems and training programs to minimize risk to protect the workforce, the public and the environment.

Managing Risk

Risk management covers all aspects of a manufacturing facility from design construction, through start-up and operation, to maintenance and training. It's an ongoing process requiring continuous monitoring and testing of equipment, management systems and people to ensure the safety of workers and the community and to protect the environment.

Risk management includes the following layers of safety activities:
- Eliminate or reduce hazards
- Prevent incidents
- Minimize or contain impact of incidents
- Prepare employees and the public for possible incidents
- Respond promptly to emergencies

In addition, our member companies utilize comprehensive process safety management systems, procedures and operating practices that are designed to achieve, sustain and continuously improve operating safety. Member companies regularly share safety and security best practices and continually assess the hazards and risks associated with their operations, the loading and unloading of products and storage of chemicals onsite. We understand that the public wants to have confidence that our industry is operating responsibly, which is why we have multiple layers of safety protection in place to address potential safety risks.

Some examples of common preventative measures include the following:
- Operator and maintenance craft training

- Vessel, piping and other safety critical equipment programs
- Overpressure protection (Pressure Safety Valves)
- Equipment strategies for preventative maintenance
- Emergency isolation valves
- Hazard and operability studies to identify potential risk associated with the operation of the equipment
- Corporate design standards and practices
- Emergency procedures and drills
- Warning systems (onsite and community)
- Gas, fire, and smoke detection and alarm systems (individual and within facilities)
- Emergency preparedness plans
- Fire prevention systems
- Emergency response teams and equipment (onsite and mutual aids)

Working in our industry, there are thousands of employees who are dedicated to safety, security and environmental compliance. Our facilities utilize state-of-the-art technologies along with highly skilled and trained employees to operate safely without impact to our communities.

Communicating with our Communities

Nothing is more important to our industry than the safety of our employees, contractors, the people who live and work around our operations and our environment.

That is why our industry proactively works with local and state officials as well as federal agencies to ensure we have practices and standards in place to safeguard our operations. Additionally, our member companies regularly meet with neighbors and public officials through community advisory panels and local planning committees.

Risk management plans are an important focus of ongoing dialogue with our communities and local response authorities. We emphasize plans that include robust policies, procedures and sophisticated safety systems to manage and control chemical products used at our facilities. Additionally, these plans outline coordinated emergency response for our industry with local response agencies and industrial mutual aid associations.

At the forefront of our organization's mission is promoting the health and safety of East Harris County. With this is mind, EHCMA works to inform surrounding communities about the protocols and procedures that are adhered to in order to ensure the safety of what we value most, people. Because the well-being of our communities and people are of the utmost importance, we've put into place programs and processes that support the continued safety and security of our employees and neighbors.

To provide area residents with opportunities for input on community issues and to learn more about local industry, EHCMA member companies have organized eight **community advisory groups** in the region. These groups include members from all walks of life, such as teachers, small business owners, environmentalists, healthcare professionals and senior citizens. Facilitated by a third party consultant, many of these groups have discussed topics such as risks related to plant safety, effects of chemicals on human health and the environment, transportation of hazardous materials, emergency preparedness, the area's economic ties to the

plants and the needs of local schools. This ongoing dialogue between EHCMA members and nearby neighbors has provided industry with valuable feedback and has built a foundation for discussing plant risks in an open and honest way.

We also work closely with the **Local Emergency Planning Committees (LEPCs).** Created by federal law in 1986, there are currently nine LEPCs in Harris County. LEPCs focus on the development, training and testing of local emergency response plans for hazardous materials incidents and educate local residents about what to do during an emergency event. A typical LEPC includes industry representatives, emergency responders, elected officials, school and medical personnel and community residents. All LEPC meetings are open to the public.

In addition, with meeting with the community and local officials, we have established the **Community Awareness Emergency Response (CAER) line**. Community members can call this hotline to listen to recorded messages or view posted messages online from EHCMA member and non-member facilities or local offices of emergency management. Messages provide emergency and general information about facility, rail car, tanker truck or pipeline incidents or other information about flaring, smoke, noise, firefighter training or minor incidents not requiring public protective action.

Through ongoing dialogue with our community, we recognize the expectation for transparency about our manufacturing processes, the chemicals we use and the products we make. As such, industry is currently working with regulatory agencies to identify additional ways to reduce risks associated with hazardous chemical incidents and ways to improve how safety information is shared with emergency responders and our communities.

Compliance with Regulations

Rigorous government regulations along with robust industry standards help ensure the safety and security of manufacturing facilities throughout our region. Several federal and state facilities committed to regulate the safety and security of chemicals include the U.S. Environmental Protection Agency (EPA), U.S. Occupational Safety and Health Administration (OSHA), Department of Homeland Security (DHS), U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA), Texas Commission on Environmental Quality (TCEQ), Texas Department of State Health Service (TDSHS), and Texas Department of Transportation (TXDOT) among others.

The refining and petrochemical industry has for many years invested in a variety of well-established, well-defined programs for identifying, prioritizing and reducing potential hazards to workers and community. A number of these programs are overseen and regulated by federal and state agencies. These programs include the Risk Management Program (RMP), Process Safety Management (PSM), the Process Hazard Analysis program, the Chemical Facility Anti-Terrorism Standards, Toxic Substances Control Act, Disaster Review and TIER II Chemical Reporting Program.

- **Risk Management Program (RMP):** This EPA regulation requires companies of all sizes that use certain listed regulated flammable and toxic substances to develop a RMP, which includes a hazard assessment that details the potential effects of an accidental release, a prevention program that includes safety precautions and maintenance, monitoring, and employee training measures and an emergency response program that spells out

emergency health care, employee training measures and procedures for informing the public and response agencies (e.g., the fire department) should an accident occur.

- **Process Safety Management (PSM):** To help ensure safe and healthful workplaces, OSHA has issued the PSM of Highly Hazardous Chemicals standard, which contains requirements for the management of hazards associated with processes using highly hazardous chemicals. OSHA's standard emphasizes the management of hazards associated with highly hazardous chemicals and establishes a comprehensive management program that integrates technologies, procedures, and management practices.

- **Process Hazard Analysis (PHA):** PHA is a key requirement of RMP and PSM and is a thorough, orderly and systematic approach for identifying, evaluating and controlling the hazards of processes involving highly hazardous chemicals. Facilities perform a PHA on all processes covered by the EPA RMP rule or OSHA PSM standard.

- **Chemical Facility Anti-Terrorism Standards (CFATS):** The CFATS program identifies and regulates high-risk chemical facilities to ensure they have security measures in place to reduce the risks associated with these chemicals. The program uses a dynamic multi-tiered risk assessment process and requires facilities identified as high-risk to meet and maintain performance-based security standards appropriate to the facilities and the risks they pose. DHS chemical security inspectors work in all 50 states to help ensure facilities have security measures in place to meet CFATS requirements.

- **Toxic Substances Control Act (TSCA):** TSCA provides EPA with authority to require reporting, record-keeping, testing requirements and restrictions relating to chemical substances and/or mixtures. TSCA addresses the production, importation, use and disposal of specific chemicals.

- **TCEQ Disaster Review:** Similar to the RMP, TCEQ requires for certain chemicals, a worst-case scenario review, along with a review of process features, equipment design, instrumentation, safety redundancies and operating procedures that minimize risk. Emissions modeling is often completed as part of this review as well.

- **Tier II Chemical Reporting Program:** Under the control of DSHS, this goal of the program is to protect the public health and environment by providing current and accurate information about hazardous chemicals stored on-site. This Community Right-to-Know Program has been established under the federal Emergency Planning & Community Right-to-Know Act, and the Program is the state repository for state-required hazardous chemical inventory reports called Texas Tier Two Reports. The Reports are submitted electronically annually to DSHS and paper copies are submitted to Local Emergency Planning Committee, (LEPC) and local fire departments. Emergency response personnel, such as fire fighters and healthcare providers, can use Tier Two data during a hazardous chemical emergency. Citizens may request and receive copies of the electronic Tier2 Submit (DSHS electronic reporting software) data from DSHS.

Industry adheres to rules and regulations for proper disclosure of types of materials and quantities at its sites. Sensible regulations help ensure that we don't provide terrorists and other bad actors with the information to cause catastrophic damage to human life and property.

Working Together as an Industry

Our member companies work together to exchange best practices that promote reductions in health, safety and environmental incidents. Companies work hard to prevent incidents, but also are prepared to respond if an incident occurs. Many companies have emergency response organizations within their facilities. We also have a robust regional mutual aid, Channel Industries Mutual Aid (CIMA), to respond quickly if the need arises.

Our industry utilizes hazardous materials that require careful handling by trained personnel. While not perfect, the industry has made noteworthy strides on individual and process safety throughout the years.

We implement lessons learned from past industry incidents to prevent recurrence at our facilities. Whether it's improving processes or implementing new training, relocating buildings nearest to operating units or investing in new technology, we are always striving for improvement.

That commitment to continuous improvement has led many member companies to become involved in the American Chemistry Council (ACC) **Responsible Care** program. This program has helped member companies significantly enhance their performance, discover new business opportunities, and improve employee safety, the health of the communities in which they operate and the environment as a whole, moving us toward a safer, more sustainable future.