American Chemistry Council

# Responsible Care®
# SECURITY CODE

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# Why develop a Separate Security Code?

Need for a clearly defined security initiative given a fast moving political debate after attacks on New York and Washington on September 11, 2001

- Code development began January 2002
- Board Adoption in June 2002

Code concept well understood with in the industry

Security implementation timetable different than remainder of Responsible Care®

- Full implementation by June 30, 2005

Integrates security management practices into broader Responsible Care® management system

RESPONSIBLE CARE®
OUR COMMITMENT TO SUSTAINABILITY

# Public Concerns Addressed by Security Code

**Physical security of manufacturing locations**

- Potential terrorist attacks.
- Other types of violence which could impact local populations.

**Security of product in the supply chain**

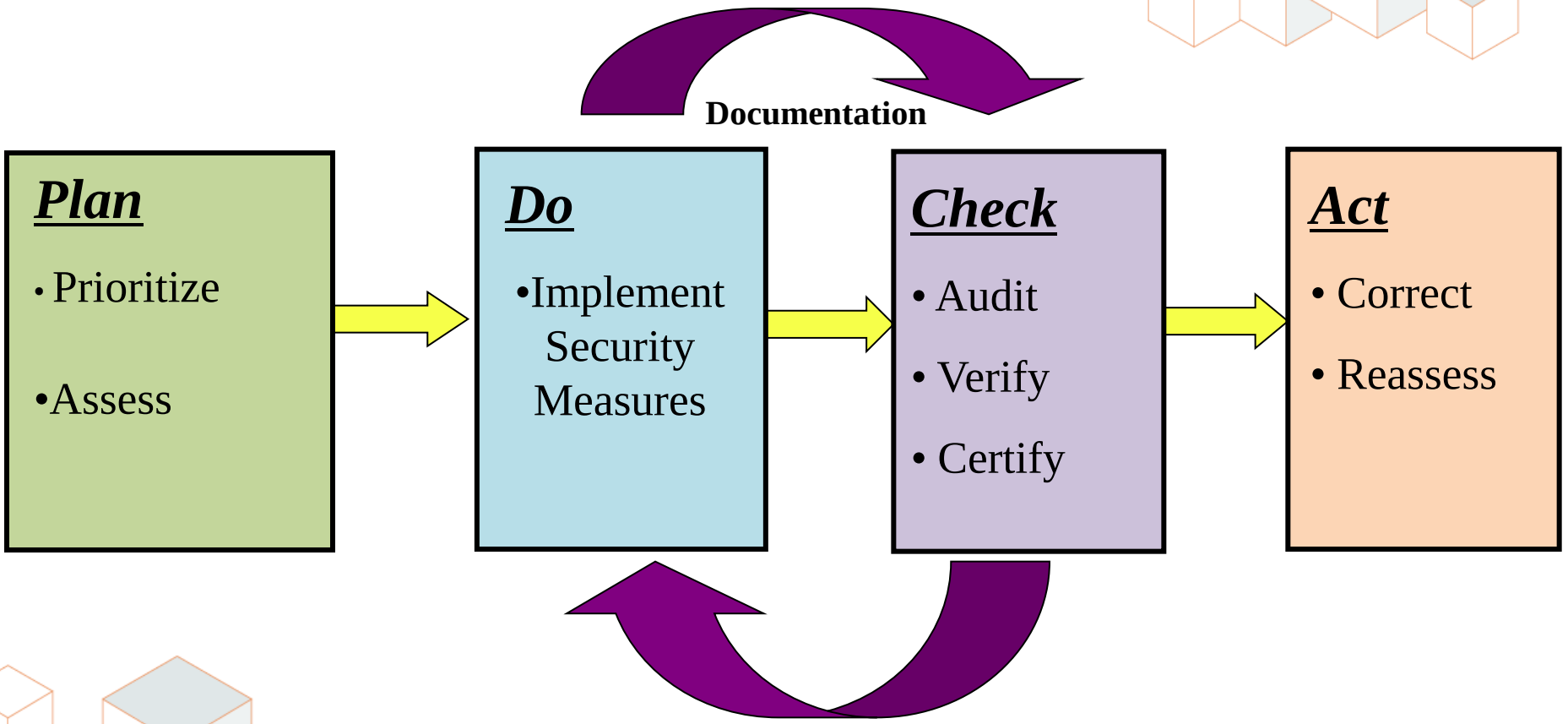
- Diversion of products.
- Sabotage of products.

**Securing cyber assets**

- Prevent hacking to disrupt operations.
- Unauthorized purchase/diversion of product.

# Code Framework:

## *Protect People, Products, Property and Information*




13 Management Practices

Senior Leadership

Training, Drills, and Guidance

Stakeholder Communications, Dialogue, and Information Exchange

Systems for Threat and Incident Responses

# Site Security Requirements for Member Companies

# Prioritize Facilities…

## Into Four “Tiers”

- Based on:
  - *Attractiveness* of a target
  - *Severity* of an attack (off-site impacts)
  - *Difficulty* in reaching target (layers of protection)

- Use ACC or CCPS Prioritization Tool

***Result: 2,000 ACC Facilities Prioritized by June 20, 2002***

# Assess Vulnerabilities and Implement Enhancements

Understand *Security*-Related Risks through SVA

Approved SVA methodologies: Sandia National Lab VAM-CF; Center for Chemical Process Safety (CCPS) SVA; “Modified SVA” for Tier 4 Facilities

Implement enhancements with consideration of site conditions; consideration of inherently safer technology (IST) is mandatory

# Verify Actions

All facilities with potential off-site impacts (Tiers 1-3)

Physical site security measures

Independent, credible third-parties, e.g.,

- *Local law enforcement or first responder*
- *Security professional or consultants*
- *Insurance company*

Company selects appropriate verifiers

# Initial Progress on Security Code SVA and Third Party Verification Status

| | Tier 1 | Tier 2 | Tier 3 | Tier 4 |
|---|---|---|---|---|
| **SVA Progress** | 112 facilities; 100% completed on schedule | 376 facilities; 98.4% completed on schedule | 546 facilities; 99.8% completed on schedule | 1005 facilities; 99.4% completed on schedule |
| **Third-party verification Progress** | 99.0% completed on schedule | 90.5% completed on schedule | 96.3% completed on schedule | Not applicable |

99.3% SVAs completed on schedule
94.7% third-party verifications completed on schedule

# Security Code Benefits

ACC was able to proactively support national security legislation

Early establishment of model for security which provided strong inputs for state and federal laws and regulations (CFATS and RBPSs)

Strengthened existing supply chain relationships creating greater efficiencies

ACC companies were able to get ahead of legislative curve and take advantage of provisions in state and federal laws

Public concerns were addressed through proactive implementation

Strengthened industry-government relationships, which continue today

# Security Code

# Return on Investment

Security Code implementation is recognized by US Customs for its Customs-Trade Partnership Against Terrorism (C-TPAT) Program

Liability protection – DHS SAFETY Act Designation

- Security Code was approved as an anti-terrorism "technology" by Department of Homeland Security under the SAFETY Act
- User of "technology" is not held liable in the event of a terror incident
- ACC members not liable for damages in case of terrorist attack

Strong relationship with DHS; consideration of streamlined regulatory process for some facilities (inspection and approval of site security plans for Responsible Care companies)

# 2010 Security Survey of ACC Membership

- 17% apply RCSC at non-dues sites in US
- 20% apply RCSC globally
- 23% require RCSC of their commercial partners
- 31% of members expect to comply with CFATS with minimal difficulty.  ACC Security Code has eased the transition to CFATS.
- ACC members comprise only 10% of CFATS facilities
- Conversely, within the ACC membership, the Security Code covers four times as many facilities as fall under the CFATS regulation

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# Future Considerations…

**Within ongoing Responsible Care Strategic Review Process…**

- Inherently safer technology (IST): definition and consideration
- Connection between security and process safety
- Linkages between Code and regulations (new SVA methodologies)
- “Periodic” SVA re-assessment
- Enhanced performance measures