Welcome to the December magazine, which is a special issue produced in partnership with the Society of Chemical Manufacturers and Affiliates (SOCMA) for their inaugural SOCMA Week conference and exhibition.

We are honoured to partner with this association, which represents the interests of the batch, custom and specialty chemical industry. SOCMA supports and fosters the growth of our industry by delivering legislative and regulatory advocacy, promoting the highest levels of safety, and strengthening business intelligence and manufacturing operations.

Similar to Chemicals Knowledge, which makes it our mission to connect Industry across the globe, SOCMA’s vision is to unite the specialty chemical industry by providing a forum for advocacy, operational excellence and commercial growth. This is reflected in the articles published in this issue, which focus on partnership and business growth, and all of which are written by the experts speaking at the SOCMA Week conference.

SOCMA Week is a demonstration of the recent transformation of SOCMA – a strategic progression and advancement in the lead up to the association’s 100th anniversary in 2021. In an industry resonating with disruptive technologies, economic and political upheavals, and associated challenges, the importance of associations like SOCMA – which work hard to unify our evolving industry and guide us through many of the obstacles that we might face – cannot be underestimated.

We hope that those of you reading this at the conference enjoy SOCMA Week, and we look forward to seeing you there!

Ellie Bruni
Publishing Director
Sarah Harding
Editorial Director
Welcome to New Orleans! For the past two years, SOCMA has transformed its foundation as the hub of the industry, providing solutions and intelligence to drive business growth. As a celebration of this evolution, SOCMA is showcasing its new strategic focus at SOCMA Week, a renewed annual conference, on 4–6 December in New Orleans, USA.

This transformation is founded on a three-year strategic plan that serves as a road map as we approach the association’s 100th anniversary in 2021. The new plan, which was approved by SOCMA’s Board of Governors in September, is built on four key pillars:

- Commercial Services & Business Development
- Manufacturing & Operations
- Policy Issues & Advocacy
- Association Excellence.

As we continue this path forward, we have intentionally set out to have an integrated reflection of the value chain, which has been shaped and validated by our members. These pillars provide a framework and clarity of purpose for all SOCMA programs, services and events.

In building the strategic plan, we kept what our members value most – networking, safety, collaboration and knowledge building – at its very core. We are building on this foundation and modernizing the way we offer our programs and services to meet the unique needs of our membership and industry. This is the new SOCMA!

From this strategic initiative, SOCMA Week was born. One of the key takeaways from our dialogue with members is that they value SOCMA as a convener, and SOCMA Week is the place where the speciality and fine chemical industry can come together once a year as a community to learn, share best practices, conduct business, meet potential business partners and enjoy time with colleagues and customers.

The SOCMA Week programming, which includes 20 educational sessions covering four distinct tracks – Policy, Manufacturing & Operations, Commercial and Industry Trends – mirrors our refined focus and is built on the association’s organizational pillars. These sessions provide key information chemical manufacturers and service providers can take back to improve operations and factor into commercial decision making.

We also have three roundtable discussions, facilitated by our SOCMA team, that provide a venue for attendees to share best practices, discuss common challenges and provide feedback as SOCMA prepares its course of work for 2020.

In addition, SOCMA Week is the home of our new networking dinner and recognition of our Performance Improvement, Emerging Leaders and Women in Specialties award winners. When we moved the Annual Dinner from New York to New Orleans, we wanted to keep the things our members valued most and continue to recognise the outstanding accomplishments of the facilities and individuals that are the heart of what makes this industry exceptional. Now with the launch of SOCMA Week, we are honouring that tradition in a fresh and modern way that provides a greater opportunity for the industry to connect and celebrate.

A new aspect of SOCMA Week is the inclusion of an exhibition area for industry service providers. SOCMA appreciates the value these companies bring to our manufacturers and distributors, and this is a platform for them to showcase their offerings and make key business connections with industry leaders and decision makers.

SOCMA Week indeed has something for everyone in the industry, and we couldn’t be more thrilled to once again own our role as the home for the speciality and fine chemical value chain.

I would like to personally thank you for joining us here in New Orleans. I look forward to visiting with you and sharing more about the vision we have for SOCMA.

Welcome from SOCMA President & CEO

Jennifer Abril, SOCMA President & CEO, explains how the new SOCMA Week conference is showcasing the association’s transformation.
Networking, Education and Best Practice Sharing

A preview of the inaugural event set for 4–6 December in New Orleans, USA.

We are excited to welcome you to New Orleans for the inaugural SOCMA Week! With the industry at the very heart of the association, this conference was developed and designed in coordination with a volunteer planning committee to ensure we had the right programming and event experience for all who join us. We encourage you to bring members of your team for networking meal functions, 20 educational sessions and three roundtables to learn more about issues and trends impacting your business.

Sessions have been developed into four distinct tracks – Policy, Manufacturing & Operations, Commercial and Industry Trends. These sessions will provide key information you can take back to your companies to improve operations and factor into your commercial decisions. SOCMA Week is also the home of our new networking dinner and our Performance Improvement, Emerging Leaders and Women in Specialties Awards ceremony.

SCOMA Week Sessions Overview

Commercial Track

Demystifying Toll Agreements
Melissa Davis Lux, Partner, Womble Bond Dickinson; Chuck Houston, President, Ethical Chemicals; John Poley, CEO, KRB2; Greg Gibson, President, Synalloy Chemicals; Larry Brotherton, President, Ortec

Inquiring minds want to know what contracting and producing companies are doing regarding toll agreements. In this 30 Min Agreements 101 session you will hear how companies are managing their agreements, what pitfalls they are seeing, and what steps and processes they take when a project does not meet specifications, including further examination of patents and ownership.

Stakeholder Engagement: Deepening Connections and Building Goodwill
Chris Lukach, President, AKCG

As specialty chemical manufacturers, we never lose sight of our customers. But what about those other audiences – from employees, to community leaders, to elected officials, to neighbours – that control our reputation and, in turn, our bottom line. This session offers guidance on how companies can create a plan for broader audience engagement that helps to solidify their positions in the marketplace.

Duty Drawbacks: Simplifying the Not so Simple
Alessandra Mediago, Senior Manager of Drawback, Charter Brokerage

In the wake of the Trump Administration’s new law, navigating ACE and folding the TFTEA includes provisions simplifying the drawback matching and claims process. As a participant, you’ll understand the pertinent legal framework where drawback is not as simple as it seems. This presentation will highlight those changes, what importers and exporters should be aware of in their drawback world and strategies for maximizing your drawback program.

Risk Mitigation in the Chemical Supply Chain
Andi St. Pierre, U.S. Sourcing Manager, EMD Performance Materials

Risk Mitigation is found in every company and throughout every part of the supply chain, from raw materials to transportation of finished goods. Business continuity plans are a great way to manage risk and recognize gaps while creating timelines to implement mitigation as quickly as possible. This session will explore examples of our company’s risk mitigation that accounts for a diverse portfolio of products that require varied business continuity plans and adaptable risk management.

Leveraging the Latest Tax Breaks for Chemical Manufacturers
Neil Shah, Technical Director, alliantgroup

This informative session will address the five steps that should be followed to plan for a successful compliance inspection or audit. Whether an internal audit, regulatory compliance inspection or quality audit, proper planning will yield a successful outcome.

Policy Track

The State of Chemical Facility Security Regulations
David Wolf, Director; Infrastructure Security Compliance Division, U.S. Department of Homeland Security

The Chemical Facility Anti-Terrorism Standards (CFATS) is a federal program that identifies and regulates high-risk chemical facilities to ensure security measures are in place to reduce the risk of a terrorist attack associated with more than 300 chemicals of interest (COI). The CFATS program has successfully regulated more than 3,000 high-risk facilities and continues to secure what could be dangerous chemicals on our homestead. This panel will discuss good security practices learned as a result of a decade of implementing chemical facility security regulations with applicable lessons-learned to security practitioners across all industries.

PFAS: the Fast-Changing Regulatory and Litigation Landscape
Jeff Civin, Senior Counsel, Hayes and Boone, LLP; Ann Al-Bahah, Partner; Hayes and Boone, LLP; Mary Mendoca, Partner; Hayes and Boone, LLP

Per- and polyfluoroalkyl substances (PFAS) are in the news. This session will focus on developing legal concerns associated with the manufacturing, use and presence of this family of emerging contaminants. As a participant, you’ll understand the pertinent legal framework applicable to chemical risk management, both regulatory and common law, appreciate the regulatory and legal implications associated with having PFAS manufactured, used, or present on property and obtain insights into steps that might be taken to reduce legal exposure.

The Latest on Recent Clean Air Act Rule/Guidance Changes
Amy Wachs, Partner, Husch Blackwell LLP

Although not changing the basic regulatory programs, the U.S. Environmental Protection Agency (EPA) has been very busy lately adjusting specific Clean Air Act regulations and guidances that businesses have found particularly difficult to implement. These adjustments have been announced at an increasing frequency and, if you aren’t paying attention, you could miss changes that will affect permitting for your next project. This presentation will alert you to recent changes affecting new source review permitting, source aggregation and more. We will also discuss our thoughts on the long-term prospects for such changes, given inevitable future administration changes.

Understanding the Paradigm Shift in the US New Chemicals Program and Importance of Supply Chain Communication
Kelly Mayo-Bean, Senior Regulatory Scientist, Knoell USA

Understanding the new chemical review framework in the U.S. assists companies with proper business planning and helps to ensure chemicals get to market in a timely fashion. This session will outline changes to the Toxic Substances Control Act (TSCA) Section 5, as amended by the Frank R. Laubenberg Chemical Safety for the 21st Century Act, and show how the U.S. Environmental Protection Agency (EPA) is now regulating new chemical notifications. The session will outline the paradigm shift in the new chemical review process and highlight the importance of supply chain communication and how it can improve a company’s chance for successful submissions and expedite the notification process.

Identifying and Safe-Cost-Effective Solutions for Process Safety Management
Joseph Persichetti, Technical Manager – Chemical Process Safety, EFPM, Inc.

Facilities with threshold quantities of Highly Hazardous Chemicals (HHC) must adhere to the Process Safety Management (PSM) regulation, which encompasses 14 different elements. This session details the importance of PSM by educating individuals on how to recognize Occupational Safety & Health Administration (OSHA) violations and identify safe and cost-effective solutions. The motivation to review OSHA PSM violations is to learn how to create solutions that may lead to safer and more reliable facilities.

Manufacturing/Operations Track

Networking: Bringing the Predictable to the Unpredictable
William Hubbard, Partner, Thompson Hine LLP

There is key evidence to be gained and preserved in the hours and days following a workplace accident or environmental release. Unfortunately, the call to action never comes at a convenient time. Smart companies plan ahead and have accident investigation protocols in place in advance of any incident. Hear about lessons learned from accident and workplace investigations, and how those investigations can inform a company’s accident investigation protocols.

Maximizing Your ChemStewards Management System
Art Gillen, Senior Associate, Verrico Associates

Are you maximizing your ChemStewards Management System (CSMS)? Attend this session to learn how to leverage your system to prepare for CSMS certification, re-certification and audits, as well as best practices for engaging the right stakeholders and support of utilizing the system.

Resilience is a Choice
Stephen Clark, Business Development Executive, FM Global

Resilience matters in any industry, but it is heightened in the chemical industry. This session will provide a detailed overview about why resilience is a sound defensive strategy to protect your ability to maintain your mission and stay on your business plan. But, it’s more than that. It’s also an offensive strategy because resilience is a competitive advantage and a choice that’s achievable.

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Chemical Trade Policy Tools
Julie Lugo, Director Global Quality, Trade and Compliance Solutions, Ashland

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Agenda at a Glance

Wednesday 4th December
10:00–12:00  Executive Committee Meeting
13:00–16:00  Board of Governors Meeting
17:00–18:30  Grand Opening Reception

Thursday 5th December
07:00–08:00  Networking Breakfast in Exhibit Hall
09:00–17:00  Demonstration of Chemical Operations Training Tool
09:10–10:00  Concurrent Sessions: Block 1
10:00–11:00  Networking Break in Exhibit Hall
11:10–12:00  Concurrent Sessions: Block 2
12:00–13:00  Networking Lunch in Exhibit Hall
13:10–14:00  Concurrent Sessions: Block 3
14:10–15:00  Concurrent Sessions: Block 4
15:00–15:30  Coffee Break in Foyer
15:40–16:30  Concurrent Sessions: Block 5
18:00–20:00  Networking Dinner and Awards Presentation

Friday 6th December
08:00–08:45  Breakfast
09:00–12:00  SOCMA Roundtable – Industry Development
               SOCMA Roundtable – Government Relations

Speciality Chemical End Use Markets Perspectives
Allen Roth, Senior Advisor, Government Affairs, American Coatings Association; Dan Jones, Vice President Global Procurement, Yara

The speciality chemicals industry feeds into many downstream markets that are impacted by many issues. Specialty chemical manufacturers can benefit from understanding the challenges of their downstream customers and find ways to help those customers succeed because those partnerships help both industries grow.

Emerging Digital Technology Trends in the Chemical Industry
Derek Jacobson, Practice Leader, Net at Work, Inc.; Mark Bradley, ChemDirect; Dan McCluskey, Vice President of Sales, Datacore

Digital Transformation is a buzz phrase circulating in hallways of businesses of all sizes and types these days. Company leaders, especially in sales, marketing and procurement, have already witnessed the changes in buying processes and customer awareness are impacting traditional and reliable approaches to conducting business. This informative panel will address challenges, risks and opportunities for the integration of new digital technologies and practices in chemical manufacturing.

Navigating Disruptive Innovations in the Chemical Industry
Flomming Bjornsson, Operating Partner, Virgo Investment Group

How can we navigate disruptive innovations in the chemical industry, and what are some best practices for managing change? How can small and large chemical businesses learn from one another, and what value can private investment firms add? Hear the latest perspectives on the outlook of chemical manufacturing in an era of disruption from senior chemical company executives.

End-Use Market Trends in Performance Materials
Melissa Hockstad, President and CEO, American Cleaning Institute; Jessica Benoit, Director, Marketing, Newell Brands; Maria Rodi, Head of R&D Operations North America, Hygiene Home, RB

End-product manufacturers in the performance materials space and customers of the specialty chemicals industry face many unique challenges. The burdens of purchasing materials to manufacture consumer goods can only be overcome by understanding the challenges faced by everyone in the supply chain.

Recession 2020
Vipin Sahijwani, CPA, FIRM, CEO & Chief Investment Officer, Lynx Investment Advisory; Heather T. Enigo, CPA, Managing Director-Consulting, Lynx Investment Advisory

Economic uncertainty is in the news. This session will not only provide an overview of the U.S. economic and capital market outlook but also look the likelihood of a recession in 2020 and factors that may influence it.

Homogeneous ester hydrogenation is an emerging technology for a challenging yet important transformation. At JM, we are committed to providing greener alternatives for your reactions. Our ester hydrogenation catalysts provide alternatives to the use of hydrides while enabling our customers to achieve highly chemoselective reductions at low catalyst loadings. With a wide substrate scope, our new ester hydrogenation catalysts provide higher reaction rates under milder conditions, allowing you to achieve more efficient and cost-effective processes.

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SOCMA’s BPTF tests before House Committee on Energy & Commerce

Edward Price, President and CEO of SEQENS and a member of SOCMA’s Bulk Pharmaceutical Task Force (BPTF), has called for reasonable regulations and increased collaboration between stakeholders. During a testimony before the House Committee on Energy & Commerce hearing on Pharmaceutical Supply Chains in a Global Economy on 30th October, the BPTF urged pharmaceutical ingredient developers and manufacturers, the U.S. Food and Drug Administration (FDA) and state and federal legislators to work together to expand capacities and facilities for U.S. manufacturing of APIs.

As of 2019, nearly 80% of APIs are manufactured overseas because of economic constraints in the U.S. and the need for specialized equipment, technology, science, training and skill not readily available in the U.S., Price said during his testimony.

With increased concerns about safety and reliability to prevent drug shortages, Price urged the FDA to ensure each pharmaceutical supplier is reviewed and audited on its own operations and current Good Manufacturing Practices (GMP) are followed.

The BPTF also asked the U.S. government to:

• Target “at-risk products” and sectors of the industry to address existing shortages and have the FDA partner with companies to develop and make sure there is adequate supply, safety of at-risk drugs, giving exclusivities, or expediting reviews.

• Improve the academic base for the pharmaceutical industry by promoting STEM education so industry can have a steady stream of qualified workers in the U.S.

AIC to distribute Evonik's alkoxides in the U.S.

American International Chemical (AIC), a subsidiary of LBS Specialties, has entered into an exclusive distribution agreement with Evonik for alkoxides in the U.S. pharmaceutical and nutrition markets.

Darren Birkelbach, President, explained “AIC has primarily been involved in supplying excipients and active pharmaceutical ingredients (API) to the finished dosage formulation (FDF) side of nutritional and pharmaceutical markets. The distributor agreement for this product line allows us to expand our sales and marketing coverage into the preclinical, early phase development, and API production that support these industries.”

As a leading importer, marketer and distributor of specialty products since 1972, this new distribution agreement will enable AIC to further their business mission to market specialty raw materials, ingredients and reagents of the highest quality to end users and distributors throughout North America.

Sumitomo Chemical America joins Greentown Labs as Terawatt Partner

Greentown Labs, the largest cleantech start-up incubator in North America, has announced Sumitomo Chemical America as its newest Terawatt Partner. Sumitomo Chemical America, Sumitomo Chemical’s regional headquarters for the Americas, is a member of a group of more than 160 companies operating in business sectors as diverse as petrochemicals and plastics, energy and functional materials, IT-related chemicals, health and crop sciences, and pharmaceuticals. The partnership will embed Sumitomo Chemical America within the start-up community.

“Greentown Labs is proud to have Sumitomo Chemical America join our community of corporate partners that are committed to climate action and science-based targets,” said Greentown Labs CEO Emily Reichert. “The combination of their chemical industry leadership across plastics, energy, and crop sciences along with their focus on sustainability aligns directly with our community’s focus areas and we’re eager to see how our entrepreneurs will collaborate with their organization”

Forthcoming Events

SOCMA Week
4–6 December 2019 • New Orleans, LA, USA
www.socma.com/socmaweek

Genesis
11 December 2019 • London, UK
www.genesisconfrence.com

Future of Polylefins Summit
22–23 January 2020 • Brussels, Belgium.
www.wplgroup.com/ac/event/polylefins-conference"

Specialty & Custom Chemicals America
10–13 February 2020 • Fort Worth, TX, USA
chemicalsamerica.com

European Biopolymer Summit
12–13 February 2020 • Zaragoza, Spain
www.wplgroup.com/ac/event/european-biopolymer-summit

Pharma Synergy Conference
24–25 February 2020 • London, UK
pharma-synergy-conference.com

CPH Japan
16–18 March 2020 • Tokyo, Japan
www.cphi.com/japan

Dcate Week
23–26 March 2020 • New York, NY, USA
dcateweek.org

Adhesives and Bonding Expo
24–26 March 2020 • Novi, MI, USA
www.adhesivesandbondingexpo.com

www.chemicalsknowledgehub.com
Givaudan acquires U.S.-based Ungerer

As part of its 2020 strategy to expand the capabilities of its global flavour and fragrance business, Givaudan has reached an agreement to acquire Ungerer, the U.S.-based flavour, fragrance and speciality ingredients company. Headquartered in New Jersey, USA, Ungerer is a leading independent company in the flavour and fragrance speciality ingredients business, most notably in essential oils, which provides a rich palette of natural ingredients. Givaudan also has an impressive local and regional customer presence for both flavours and fragrances in North America. Founded more than 125 years ago, Ungerer has developed a strong market position in all segments and a high-quality reputation with its customer base. With a presence in more than 60 countries, eight manufacturing facilities and six R&D centres, Givaudan’s capabilities will further extend Givaudan’s market leadership.

“I am very proud of all that Ungerer has accomplished throughout its 125 years as an independent company and we are confident that the Company will continue to flourish as part of Givaudan,” said Ungerer’s controlling owner, Barbara Voorhees. “I know that my late husband Gary Voorhees would have been immensely satisfied to see the company that he led with integrity for many years join forces with the industry leader, Givaudan.”

Volkswagen and BASF honour Caltech’s Dr Kimberly See

This year’s international Science Award Electrochemistry was presented to Dr Kimberly See of the California Institute of Technology (Pasadena, California, USA). Recognised by the six-member jury of experts for her outstanding contribution to research into multivalent ion and sulphur batteries, Dr See was honoured at the Science Award Electrochemistry & Science Dialogue held last month. The award has been presented seven times as a joint initiative of Volkswagen and BASF and is aimed at young scientists of excellence.

The award ceremony was preceded by a two-day event attended by top experts from science and industry, including this year’s Nobel Prize-winner for chemistry, Professor Stanley Whittingham. The experts discussed the battery materials of the future, alternatives to raw materials such as lithium, sustainable cell production for lithium-ion batteries and the role of digitalization in the development of new materials.

Professor Stanley Whittingham, believes lithium will continue to be the main material used for batteries for the next two decades. “But we need to be able to double the energy density and range with the same size of battery we currently have. And hopefully the price will stay the same as it is now. This means reducing costs, increasing energy density and increasing safety. Such battery cells will be available to everyone”, he said in an interview at the event.

Dr Detlef Kratz, President of Research for Process Research and Chemical Engineering at BASF, said “BASF is conducting intense research into innovative cathode materials for lithium-ion batteries that will help increase the range of electric vehicles and shorten charging times. In addition to the development of high-performance materials, we also have to consider issues such as suitable recycling options for batteries, the responsible use of resources and a sustainable supply chain.”

CPhI Worldwide announces 16th Pharma Awards

CPhI Worldwide announced the winners of the prestigious 2019 Pharma Awards – celebrating the industry’s top innovators, performers and outstanding achievements across the entire industry supply chain – at a ceremony in Frankfurt, Germany, last month.

The prestigious CEO of the Year award was bestowed upon Dr Fei Li, Founder, Chairman and CEO of WuXi AppTec, for his significant contribution to the global biopharma R&D industry. Under his leadership, WuXi AppTec has become a highly respected contributor to global healthcare innovation.

John Chiminski, Chair and CEO at Calient Pharma Solutions, won the Lifetime Achievement award for his accomplishments spanning more than three decades. These include the last 10 years at Calient, during which the company has become a true benchmark of advanced delivery technologies, development and manufacturing solutions.

- API Development: for the second time in three years, Cambrex won this category for their Crystallisation Screening and Process Development Service.
- Formulation: won by Nanoform for its controlled expansion of supercritical solutions (CESS).
- Manufacturing Technology and Equipment: won by Spraying Systems/FluxAir for their PolarDry cooler technology.
- Bioprocessing and Manufacturing: won by Univercells in recognition of its NeoLine Platform, a Bioproduction system for vaccines.
- Regulatory Procedures and Compliance: won by Merck Healthcare KGaA for ‘Project SARA’ (Smart Assistant for Regulatory Affairs).
- Analysis, Testing, and Quality Control: won by MedPharm for pioneering the regulatory approval of topical products using UV bioequivalence.
- Pharma Service Company of the Year Award: won by Lonza Pharma & Biotech for its integrated global services offering that spans the pharmaceutical, biotech, consumer health and speciality chemicals market.
- Contract Services and Outsourcing: won by Nanopharm (a Aptar Pharma company) for SmartTrack.
- Drug Delivery and Device: won by Phillips-Medisize for its Connected Health Platform.
- Supply Chain, Logistics and Distribution: won by Kemix AG.

Tara Dougal, Head of Content at Informa, commented: “The judges noted that this year our entries possessed an extremely high standard. All of the finalistas would have would have made outstanding winners in previous years. On behalf of CPhI Worldwide, I would like to extend my congratulations to all the winners and commend all of the finalists. What you are doing is of tremendous benefit to the industry, but more importantly, it is also directly contributing to improved patient experiences globally.”

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MFG Chemical is growing fast. Founded in 1979 in Dalton, GA, we now operate 3 plants in North Georgia and a 25 acre plant in Pasadena, Texas.

Specialty chemical products include Amides, Esters, Imidazolines, Water Soluble Polymers, Rheology Modifiers, Specialty Anhydrides and Diocyl Sodium Sulfo Succinates (DOSS).

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Contact Jack Drawdy
VP Sales & Business Development
jdrawdy@mfgchemical.com
Toll Agreements in the Chemicals Industry

Melinda Davis Lux, Corporate and M&A Partner at Womble Bond Dickinson (US), offers a guide to creating ‘win-win’ agreements between global manufacturers and toll contractors in the chemicals industry.

A global manufacturer that needs raw materials processed to specifications decides to outsource the processing function. Why decide to outsource? There could be a variety of reasons:

• The manufacturer has capacity constraints.
• A third-party processor has specialized expertise or equipment to perform the processing function.
• A third-party processor operates a facility in close proximity to certain of the manufacturer’s customers. For cost or logistical reasons (or both), it is efficient for processing to occur close to those customers.
• The manufacturer requires processing in small batches initially. The manufacturer’s operations are not designed optimally to process small batches.

A smaller manufacturer—which we’ll call the contractor—has the expertise to perform the processing function. The contractor has existing capacity, or is willing to purchase equipment and expand its capacity, to provide the processing function. This is an ideal situation for a toll arrangement.

Technically defined, a toll agreement is an agreement pursuant to which a manufacturer provides raw materials to a contractor, and the contractor processes those raw materials to meet the manufacturer’s specifications. Toll arrangements often become more complex, however, and may morph into custom manufacturing or commission manufacturing agreements. Instead of providing raw materials directly to the contractor, the manufacturer may direct the contractor to purchase raw materials from vendors identified by the manufacturer. Or, the manufacturer may provide some of the raw materials, and the contractor supplies some of the raw materials. The processing function is specific to the particular arrangement as well.

Tolling as a strategic partnership

In any commercial relationship, the parties can approach the relationship with a transactional mindset, viewing negotiations as a win-lose proposition. Alternatively, the parties can approach the relationship with a collaborative mindset, seeking to create a win-win situation.

Negotiation theory tells us that a transactional approach is appropriate for a one-time interaction, when the negotiation involves a discrete set of variables and the outcome—which as cost—is the most important factor. A collaborative approach, on the other hand, is appropriate when the parties place importance on the value of the relationship, and when the relationship is long-term.

In more complex, collaborative negotiations:

• There are many variables to be considered and negotiated.
• The parties are motivated to find common ground to align their interests.
• The parties discuss creative solutions that benefit both parties, resulting in a ‘win-win’ situation.

Many companies approach toll arrangements with a transactional mindset. The terms of the deal are win-lose—for example, the price is higher or lower, or the intellectual property enhancements are owned either by the manufacturer or the contractor. Most toll arrangements, however, are long-term, strategic relationships where ‘win-win’ outcomes should be the goal.

Identify the value that each party brings to the relationship

To provide proper orientation to the negotiation, the parties should identify the key reasons why they selected one another. The parties can then focus on the elements of the contract where they most want to elicit value.

Did the manufacturer select the contractor because of the contractor’s location? In that case, the toll agreement should require the contractor to process exclusively at that location. Did the manufacturer select the contractor because the contractor has capacity to meet specific volume requirements? In that case, the manufacturer should require that the contractor provide priority to the manufacturer’s needs. In return, the manufacturer may guarantee certain minimum volumes.

Collaborate on pricing

Often, the manufacturer provides its ‘playbook’ for the processes to be used by the contractor to meet the manufacturer’s specifications. The playbook may reflect processes utilized for a long time by the manufacturer, or the playbook may provide some of the raw materials, and the contractor supplies some of the raw materials. The processing function is specific to the particular arrangement as well.

The manufacturer brings intellectual property to the toll arrangement and continues to own its intellectual property. Similarly, the contractor comes into the relationship owning its intellectual property. Who should own intellectual property improvements developed as a result of the toll arrangement?

Many “standard” manufacturer toll agreements provide that all intellectual property developed as a result of the processing services is owned by the manufacturer. The parties should consider the substance of the arrangement, however, and whether to what extent the parties will collaborate to develop improvements. Both parties should be incented to invest in process improvements that reduce cost, increase yield, or result in other benefits. The parties will be better incented to make those investments when they are able to jointly exploit some or all intellectual property developed as a result of those investments.

A more nuanced approach is for the manufacturer to own intellectual property in improvements made by the contractor, and for the manufacturer to grant to the contractor a royalty-free license to use that intellectual property. The contractor’s right to use the intellectual property may be limited to a certain territory or field of use. In many situations, when drafted carefully and customized to the particular arrangement, the parties may both exploit intellectual property rights in a manner that protects the toll arrangement and simultaneously allows the parties to commercialize intellectual property in other respective business endeavors.

To protect the contractor when the contractor invests in process improvements, the contractor may ask for the toll arrangement to be exclusive for a set period of time. This prevents the manufacturer from terminating the relationship with the contractor and disclosing the improvements to another contractor replacement.

The extent to which valuable intellectual property will be created will depend on the nature of the processes and the specific toll arrangements. In most situations, both parties can benefit from the creation of new intellectual property, and there is a myriad of ways in which the parties can arrange to share those benefits.

Optimize equipment purchases

New equipment often must be purchased to support the toll arrangements. Who should purchase the new equipment? If the contractor purchases the new equipment, what assurances does the contractor have that the equipment will be fully utilized and that the contractor will recoup its investment?

One option is for the manufacturer to pay for the equipment cost over time by adding an equipment fee to the cost of the processing services. Because the contractor purchases equipment in anticipation of a certain contract volume over a certain period of time, the contractor should be protected if the volume or time expectations are not met. In that situation, the manufacturer may agree to pay for the shortfall as a result of a failure to meet those volume or time expectations.

 Conversely, the manufacturer may own equipment that it sells to the contractor if the manufacturer decides to outsource certain processing functions. The manufacturer may make a decision to outsource existing operations due to strategic changes in the manufacturer’s business lines or a facility closure, among other reasons.

In this situation, the contractor may agree to dedicate the equipment exclusively to the processing function for the manufacturer for a set period of time. The contractor may not pay for the equipment up front, and instead the processing fee reflects a discount to accommodate the mutually-beneficial transfer of equipment. The manufacturer should retain a security interest or other right to the equipment in the event that the contractor fails to provide the processing services at the volumes agreed upon for a set period of time.

Final thoughts

Successful long-term toll arrangements must benefit both parties. The manufacturer generally decides to outsource processing to benefit from the expertise and capacity of a contractor. The contractor benefits for exactly the same reason—the contractor’s ability to deploy its expertise and capacity. This strategic fit should be viewed as a “win-win” opportunity.

You can listen to Melinda Davis Lux talk about Demystifying Toll Agreements at SOCMA Week this December. Join the Commercial Track on Thursday 5th December at 9:10 am to hear more!

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December 2019
Melinda Davis Lux, Corporate and M&A Partner at Womble Bond Dickinson (US)
The past ten years have seen unprecedented economic growth in the United States. The chemical industry has thrived off of the shale gas boom that sparked a manufacturing renaissance and created numerous opportunities. However, disruption is becoming the new normal in today’s business environment. Now, the chemical industry has to face several major challenges at more or less the same time:  
- The digital transformation of the industry,
- Increasing innovation – and its associated challenges,
- Uncertainty in the outcome of the U.S.-China trade dispute, along with its impact on the industry’s economy.

Digital transformation  
Many agree that digital transformation – the use of new technologies – will offer opportunities for the industry. New products and processes will move faster to market, and there will be greater transparency in the value chain. However, these technologies will have an impact on the way we do business. In an industry that is already more capital-heavy than personnel-intensive, manual labour jobs will continue to decrease as digitalization takes over and more tasks. There will also be many more effects on specific parts of the value chain.

Procurement/supply chain  
Often the outlier within a company, procurement and supply chain have experienced a great deal of attention in recent years. Senior management now realize how crucial it is to have cost leadership along every step of the value chain. Digital transformation offers a unique opportunity to streamline steps by making key suppliers aware of the trends a company is seeing for their business, and subsequently giving them more time to prepare for the next generation of raw materials that their customers expect to need.

R&D and production  
One of the more prominent areas where digital transformation has accelerated is in the area of research and development (R&D). Previously, new chemical formulations were developed and tested according to a meticulous scheme over a lengthy period of time, in order to test durability, and other effects on a specific application, molecule or environment. With the advances in artificial intelligence (AI), we can now simulate these effects in a quicker manner and, therefore, significantly reduce the time to market.

Finance and administration  
Since the introduction of ERP systems 30 years ago, everybody, including smaller chemical companies, run some version of an ERP system today. Undoubtedly, this area of a company’s value chain will be less resistant to digitalizing and will see improvements in its operations.

Sales and marketing  
This part of the value chain has already seen a lot of digital transformation, most notably through the introduction of Customer Relationship Management (CRM) and e-commerce tools. However, the upick in use of IoT (Internet of Things) and AI will accelerate the digital transformation process and increase pressure on companies and employees in the chemical industry to adopt these technologies. Still, several studies indicate that a small percentage of companies within the chemical industry – especially small and medium enterprises (SMEs) – seem unprepared for the digital age. A large part of the challenge will be to overcome corporate culture and behaviour and embrace technological changes.

Innovation  
There are two areas of interest when it comes to innovation – product innovation and process innovation. From 1950 to 1970, we saw a high rate of innovation within the chemical industry. There was a constant flow of new products and processes to create better chemicals. Since the 1980s, however, that rate of innovation has slowed significantly. The larger chemical companies are focusing on conquering the emerging markets: Eastern Europe, Russia and, in particular, China. Increasingly, the return for building up these markets is higher than the return from new cost-intensive R&D initiatives.

However, the global financial crisis of 2008 marked a turning point in this development. Since then, the chemical industry has felt the volatility of the overall economy. Cyclical chemical sectors like polymers have become harder to predict. Even the specialty chemicals sector is facing disruptive elements. Interestingly enough, in recent years the majority of newer innovation in material science is coming from outside the chemical industry, according to consulting firm Strategy6 (the global strategy consulting team at PricewaterhouseCoopers). Emerging companies are often offshoots of university research groups that get paired with venture capital, and are free from the inertia of many legacy producers. The large chemical companies have recognised this pattern and are taking different approaches as a result. Some are investing in these start-ups, but keeping them outside of their traditional R&D programs. Alternatively, many of the incumbent chemical players are launching spin-off products and/or new entities which focus on targeted sets of molecules – or core businesses – to yield earnings.

The changes and volatility over the past few years have chemical industry members asking themselves about the innovation of their business models. Historically, the majority of business models were based on cost-plus or value-based methodologies. Now, companies are looking at introducing outcome-based models, sharing the risk with customers in
implementing new materials and products. By creating partnerships and new ecosystems, the increased differentiation lessens the challenges of becoming an increasingly commoditized model.

**US-China trade dispute**
According to Chemical & Engineering News, the trade dispute has already impacted $15.4 billion worth of imported Chinese chemicals and plastics and $10.8 billion of similar US exports.

Many see the dispute over tariffs as a way to level the playing field between the U.S. and China. We should not forget, however, that the western chemical producers helped China get to where it is today – going in at a time when there was enormous market potential and extremely low costs. Fast forward 25 to 30 years, and the Chinese are ready to pursue major business opportunities outside of their home turf – predominantly in Europe and North America.

What we have to bear in mind as we move forward is that these additional import duties will need to be passed on through the value chain, eventually ending up on the consumer’s bill for the final product. The extra costs on the supply chain, eventually ending up on the consumer's bill for the final product. The extra costs on the supply chain, eventually ending up on the consumer’s bill for the final product. The extra costs on the supply chain, eventually ending up on the consumer’s bill for the final product. The extra costs on the supply chain, eventually ending up on the consumer’s bill for the final product. The extra costs on the supply chain, eventually ending up on the consumer’s bill for the final product.

Further opportunities lie in the area of re-establishing manufacturing capacity here in the U.S. Starting at the top of the value chain, the Shell cracker plant in Beaver, PA is a great example. It provides relatively cheap, shale gas, and when combined with the fact that Shell will be able to reach 70% of the North American population within a 700 miles radius, it makes for a compelling story.

In the U.S. today, chemical manufacturing accounts for over four million jobs and more than 25% of GDP. According to the American Chemistry Council (ACC), there are currently 334 projects with a combined value of $204 billion. 53% of the investments into these projects have been completed or are under way and 40% are in the planning. While there are opportunities in every step of the chemical value chain, the majority of investments are upstream, in basic chemicals. This is also the area where we will see the largest growth rates – about 4.8% in 2019 and slowing down to below 3% in the following years as the projects move to a more normal pace. Within the specialty chemicals segment, the ACC projects a 2.2% growth rate for 2019, growing in line with industrial and construction sector gains in the years ahead. This means a certain slowdown in the automotive sector, which is currently below 2%. However, the construction sector is expected to be on a steady growth path above 2%.

The takeaway here is that the economics of cheap energy, reasonably low costs for raw materials, and a solid outlook on growth present an opportunity for companies to invest and expand their manufacturing and production capacity in the U.S.

**The value of a growth-capital partner**
During my 30 years in the chemicals industry, leading and managing through business transitions, the landscape for specialty chemicals has changed quite a bit. But even during the rocky times, the fundamentals for creating opportunities (whether through new products, molecules or commercialization processes) have not changed at their core. Understanding and analyzing business opportunities from a holistic perspective remains key to building successful and sustainable businesses that satisfy customers, employees, business owners and all stakeholders alike.

I am convinced that a growth-capital partner is the right choice for help in working through transition periods. A growth-capital partner can support a company by leveraging the team’s experience, providing a growth-centric perspective, and enhancing creativity.

In today’s business environment – where disruption is the new normal – chemicals companies can use the additional help in navigating through these business challenges and achieve the goal of creating new opportunities.

You can listen to Flemming Bjoernslev talk about Navigating Disruptive Innovations in the Chemical Industry at SICMA Week this December. Join the Industry Trends Track on Thursday 5th December at 1:10 pm to hear more!

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December 2019
The TSCA New Chemicals Program – A Closer Look

Since the Lautenberg Chemical Safety Act was enacted in 2016, outcomes of Premanufacture Notice risk assessments for new chemicals have changed dramatically. Jeffrey Hafer and Kelly E. Mayo-Bean, Senior Regulatory Scientists at knoell USA, provides suggestions on how to maximize the chance of a successful outcome.

The initial driver for amending the United States Toxic Substances Control Act (TSCA) was the perception that little was known about the risk to human health and the environment for the majority of chemicals in commerce. It was based on the fact that approximately 62,000 of the greater than 85,000 substances on the TSCA inventory at the time were added during the original inventory compilation in 1976–79 without a risk evaluation (known as “existing substances”). A major flaw in “old TSCA” was that it was extremely difficult for the U.S. Environmental Protection Agency (USEPA, the Agency) to take substantive action on existing substances, even those with well-known risks (e.g., asbestos).

The Frank R. Launenberg Chemical Safety for the 21st Century Act (LCSA) aimed to correct this deficiency, directing the Agency to systematically prioritize existing chemicals for evaluation and, if necessary, apply risk management measures up to and including an outright ban. Initially, it seemed that this component of LCSA would have the most significant effect on the chemical industry. However, as it turns out, the changes in the assessment of “new” substances that many thought were simple updates to the Section 5 language have had a much more immediate impact. This article will focus on the regulatory treatment of new substances under revised TSCA and will offer suggestions on how to develop a robust Premanufacture Notice (PMN).

LCSA has not changed the process for new chemical risk assessment, but it has incorporated several new concepts that have affected the outcome of the process:

- If the substance “may present unreasonable risk” and/or there is “insufficient information to make a determination”, the Agency must now regulate the substance or ban commercialization. Previously, USEPA could only justify regulation when potential unreasonable risk could be substantiated, but now “insufficient information” in and of itself may be used as the basis for regulation. The additional information that might be required to meet the “sufficient” standard could involve testing to better define the hazard, but in many cases the Agency is requiring more detailed information on chemical operations and uses to better understand potential human exposures and environmental releases.

- The use(s) of the PMN substance identified in the submission remain the focus of the risk assessment. However, other “reasonably foreseen” uses not intended by the submitter may now be included in the assessment and can increase the chances of a finding of unreasonable risk.

- In addition, any “potentially exposed susceptible subpopulation” that may be at greater risk than the general population from exposure to the chemical must also be considered (e.g., infants, children, pregnant women, workers, and the elderly). While consumer uses always received more rigorous scrutiny than industrial uses, the lower acceptable exposure limits for infants and the elderly for example can greatly increase the possibility that potential exposures might result in a finding of unreasonable risk.

Prior to a new substance being allowed into commerce the Agency must publish affirmation that the substance “is not likely to present an unreasonable risk” along with the basis for the finding. If risks are identified but can be controlled, USEPA must issue a regulation (e.g., a Consent Order and/or a Significant New Use Rule) that includes mandatory management measures to mitigate the risks before commercialization. Incorporation of the concepts mentioned above into the new chemical review has resulted in a significant shift in the outcomes of U.S. new chemical assessments. As a result, the percentage of submissions allowed without restriction has decreased from an average of 87% prior to LCSA enactment (Figure 1) to 31% (Figure 2). A significantly higher percentage of PMNs are now subject to regulatory action or are withdrawn.

Figure 1. Section 5 outcomes 1979 to 2015, prior to LCSA enactment.
In order to maximize the chance of a successful PMN outcome, it is essential to inform the risk assessment by assuming that the hazard and exposure information provided (including environmental releases) are as thorough as possible. The exposures and releases described must cover the entire lifecycle of the substance in question, namely from the moment the substance is created to the time it no longer “exists” (e.g. converted into another substance or is ultimately disposed). While generally not an issue when all manufacture and use sites are under the control of the submitter, the weakest component of most submissions is frequently the information on human exposures and environmental releases for downstream processing and use at sites either not currently known (markets still developing) or not under the control of the submitter. As the substance moves through the value chain to processors and end users, the available data typically becomes less and less granular. In the absence of sufficient exposure and release data, or to supplement the information provided by the PMN submitter, the Agency uses exposure models and generic use scenarios that incorporate conservative assumptions. This increases the probability of a “may present unreasonable risk” determination. To make the likelihood that information submitted is used in the assessment, detailed descriptions of operations and uses should be provided, always considering:

- How many people are exposed? What form is the chemical in? How often? For how long? If exposure is mitigated by extraneous factors, they should be described in detail (e.g. personal protective equipment for workers, ventilation). This is a particular challenge for consumer uses, often resulting in extremely conservative assumptions.
- How much is released to the environment from manufacture and use? How often? This includes equipment cleaning and transport containers. If released to water is there waste treatment prior to release? What is the efficiency of removal? If the substance is landfilled what is the location? Is the landfill lined? If there are releases to air what type of air pollution control technologies are used? If fugitive emissions are possible who is likely to be exposed?

Information for potential consumer exposure should include a detailed description of the types of products or articles that will incorporate the substance, the function of the substance in the products, the quantity in each formulation and a description of how and where the products would be used including information regarding consumption rates, frequency and duration of use. Here, it is essential to consider any “potentially exposed susceptible subpopulation”, especially infants and children. The route of exposure is also germane, i.e. the Agency is particularly concerned about the potential for lung toxicity from inhalation of respirable particles and aerosols.

When information is not available for uses not under the control of the submitter, one possibility is to ask the downstream user to supply the detailed exposure and release data for inclusion in the submission. If the downstream user has concerns about release of confidential business information (CBI), this information can be supplied directly to USEPA through a separate letter of support assuring that the CBI data is protected.

Representative data obtained under actual conditions is always preferable to estimates, but models can provide useful exposure and fate estimates where data gaps exist. The Agency provides a wealth of models and other tools to assist in generating these estimates. However, it is important to understand the limitations, default values, and embedded assumptions when using these models. Ultimately, to be useful in a risk assessment, the quantitative exposure information (concentrations or doses) must be compared to the toxicological endpoints associated with the hazards that are identified. In conjunction with the physical property, fate and toxicological information relevant to the substance (measured, estimated or read-across) these estimates of exposure and release allow the submitter to replicate the PMN assessment process and predict the potential regulatory outcome.

Changes to the PMN risk assessment under LCSA pose a challenge to submitters, but forewarned is forearmed. To avoid extensive delays and the potential for an undesirable outcome it is essential to determine whether sufficient information is included with the notice for the Agency to make a quantitative determination of risk from exposures and releases during the lifecycle of the substance. A proactive screening risk assessment prior to submission would help submitters anticipate regulatory actions or concerns and plan accordingly.

You can listen to Kelly E. Mayo-Bean, Senior Regulatory Scientist at knoell USA, talk about Understanding the Paradigm Shift in the US New Chemicals Program and Importance of Supply Chain Communication at SOCMA Week this December. Join the Policy Track on Thursday 5th December at 2.10 pm to hear more!

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SOCMA Week exhibitors are service providers to the specialty and fine chemical industry. Learn more about the value they provide the industry, and don’t miss an opportunity to visit with them at SOCMA Week!

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Haynes and Boone

Haynes and Boone’s Chemical Group is comprised of lawyers whose educational and technical backgrounds span across chemistry, biochemistry, materials science, chemical engineering, and more to help clients employing chemicals and chemical technology in their business. The cross-sectional Chemical Practice Group represents clients at the interface of chemistry and the law, and includes lawyers from our intellectual property transaction and litigation, environmental, OSHA, insurance recovery practice groups, and other legal disciplines. We provide clients with a holistic approach to help manage legal risks and issues affecting the chemical industry.

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Exhibitor Spotlight

NCEC (the National Chemical Emergency Centre) is a global provider of chemical emergency response support and advice to a diverse customer base, which includes more than 50 percent of the world’s top chemical manufacturers. We work with organizations who manufacture, manage or distribute chemicals, to help protect their staff, customers, or those involved in the chemical supply chain during a chemical incident. In the event of an emergency, our experienced and chemically qualified emergency responders provide detailed, specific intervention advice, tailored to that particular incident. We also support organizations with their regulatory compliance requirements, including REACH and European poison centre notifications, and wider GHS adoptions.

We regularly talk to numerous organizations about what they should think about when reviewing their own emergency response arrangements, and the three main points we highlight are:

• **True 24/7 availability.** Are your arrangements available, reliably, at all times? Can they be answered at all times (a switchboard number which is office hours only is not available 75 percent of the time, whereas a cell phone relies on the permanent availability of the person holding it)? Then, if the call is connected, does the responder have the knowledge, expertise and supporting information, readily to hand? Crucially, do they have the skills and experience to provide actionable advice to a caller in distress at three o’clock in the morning?

• **Supporting compliance.** Globally, regulations related to emergency response vary significantly, particularly regarding local numbers on SDS / transport documents and linked to local language response. Do your arrangements support compliance in all these areas?

• **Advice vs. information.** During an incident, does your arrangement provide information (e.g. the SDS, or information from the SDS) or is this contextualized into advice? Does the responder have sufficient chemical (and emergency response) knowledge to understand the context of the scene (conditions, other materials involved, equipment available, capability of the caller) to provide the specific support the caller needs? Do they take into account the skills and abilities of the caller?

A chemical incident can have serious impact on people, the environment, and assets (whether your own or third-party) and, therefore, the cost impact of a poorly managed incident can be significant. This is compounded by the wider impact of a poorly managed incident on your organization’s reputation, both with your customer and more widely within the communities in which you operate. Provision of basic information often lacks context and nuance and, therefore, cannot consistently mitigate these risks.

The European Chemical Industry Council (CEFIC) recently created a set of guidelines regarding the best practice of ‘Level 1’ chemical emergency response helplines. These can be used to measure both your own (in-house or external) arrangements, as well as measuring alternative providers. These can be accessed through the NCEC website.

Expanding on our third point above, you can also discover why receiving proportionate advice is superior to information by viewing our on-demand webinar on our website. Alternatively, why not visit us at SOCMA Week, in New Orleans on 4–6 December, where you can find out more about how to minimize your business risk and consider telephone emergency response as part of your cohesive response strategy.

NCEC
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• **True 24/7 availability.** Are your arrangements available, reliably, at all times? Can they be answered at all times (a switchboard number which is office hours only is not available 75 percent of the time, whereas a cell phone relies on the permanent availability of the person holding it)? Then, if the call is connected, does the responder have the knowledge, expertise and supporting information, readily to hand? Crucially, do they have the skills and experience to provide actionable advice to a caller in distress at three o’clock in the morning?

• **Supporting compliance.** Globally, regulations related to emergency response vary significantly, particularly regarding local numbers on SDS / transport documents and linked to local language response. Do your arrangements support compliance in all these areas?

• **Advice vs. information.** During an incident, does your arrangement provide information (e.g. the SDS, or information from the SDS) or is this contextualized into advice? Does the responder have sufficient chemical (and emergency response) knowledge to understand the context of the scene (conditions, other materials involved, equipment available, capability of the caller) to provide the specific support the caller needs? Do they take into account the skills and abilities of the caller?

A chemical incident can have serious impact on people, the environment, and assets (whether your own or third-party) and, therefore, the cost impact of a poorly managed incident can be significant. This is compounded by the wider impact of a poorly managed incident on your organization’s reputation, both with your customer and more widely within the communities in which you operate. Provision of basic information often lacks context and nuance and, therefore, cannot consistently mitigate these risks.

The European Chemical Industry Council (CEFIC) recently created a set of guidelines regarding the best practice of ‘Level 1’ chemical emergency response helplines. These can be used to measure both your own (in-house or external) arrangements, as well as measuring alternative providers. These can be accessed through the NCEC website.

Expanding on our third point above, you can also discover why receiving proportionate advice is superior to information by viewing our on-demand webinar on our website. Alternatively, why not visit us at SOCMA Week, in New Orleans on 4–6 December, where you can find out more about how to minimize your business risk and consider telephone emergency response as part of your cohesive response strategy.
Net at Work
A full-service technology and business consultancy, Net at Work provides the vision, leadership & support of a Virtual CIO, and implements solutions that unleash new levels of efficiency, performance and success. They represent Sage X3’s all-in-one Enterprise Resource Planning (ERP) web-based solution built to automate the processes that support regulatory compliance, quality control and safety. Sage X3 for chemical manufacturers is GHS compliant and includes process-specific functionality, advanced manufacturing, distribution, warehousing, CRM and accounting. If you have outgrown your existing ERP solution or your technology is old, visit with Net at Work to see the newest ERP for Chemicals.

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knoell USA is a contract research organization serving the regulated scientific communities. Founded in 2001, knoell USA has been providing scientific consulting, analytical services, technical writing and document management services for more than 15 years.

NCEC
For more than 45 years the National Chemical Emergency Centre (NCEC) has been supporting organizations across the world through multilingual 24/7 emergency response and crisis notification services. This makes us one of the most experienced and trusted services in the world in supporting responses to chemical incidents and emergencies. We work with more than 50 percent of the world’s top 100 chemical companies by helping them to achieve chemical regulatory compliance and implement best practice for the safety of their operations on a global scale. We also support organizations through our chemical hazard database software, SDS authoring, REACH compliance, DCSA services and training.

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We are a full-service B2B marketing agency that specializes in the science and technology industries. We combine our deep scientific understanding with meaningful strategy to help companies, both large and small, to differentiate their position and become brand leaders across the global life-science sector. Our unique combination of scientists and marketers ensures that we can fully understand our clients’ innovations and then take them to market with maximum impact. We do this through brand strategy, powerful creative, integrated global marketing, customized PR, advertising, digital and social media campaigns, and we have the results to prove it.

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Pace Analytical can assist companies of all sizes with domestic and international regulatory needs. The Regulatory Services team can provide assistance through on-site and off-site staffing, Regulatory Consulting and Safety Data Sheet Authoring. With expertise in Hazard Communication, Product Stewardship and Regulatory Data Management, Pace can provide an array of product compliance services.

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Nation Ford and VanDeMark leading the charge in plant safety

Companies to be honoured with SOCMA Gold Performance Improvement Awards in New Orleans.

Plant safety and operational excellence don’t just happen at a chemical facility; it takes hard work and buy-in from the president’s office to the plant floor. In 2019, two SOCMA member companies have been recognised for their exceptional efforts to create a safety culture within their facilities that includes implementation of procedures, processes and training that are strengthening their environmental, health, safety and security programs.

Nation Ford Chemical and VanDeMark Chemical have been awarded SOCMA’s highest honour – the Gold Performance Improvement Award, which will be presented at the association’s annual dinner during SOCMA Week, 4–6 December 2019, in New Orleans. They will be recognised along with Silver and Bronze Performance Improvement Award winners and Sustainability and Educational Outreach Award recipients.

“Safety is a core value and high priority for our members and our association,” said Joe Dettinger, Senior Director of Compliance and Stewardship at SOCMA. “SOCMA’s 2019 Gold Award winners – Nation Ford Chemical and VanDeMark Chemical – have made exemplary strides and steadfast efforts to provide safe work environments for their employees, as well as the quality of life in the communities where they live. By fully embracing EHS&S excellence, they are setting a standard for the industry to follow.”

VanDeMark Chemical wins first Gold Performance Improvement Award

Exceptional stakeholder communication and a commitment to a strong safety culture are among the outstanding EHS&S efforts that led to VanDeMark’s first-ever Gold Performance Improvement Award.

A crucial part of VanDeMark’s stakeholder communication is the company’s interaction with community groups, providing critical information on a routine basis. Community members are also invited to participate in an outreach event, both of which are “significant and deserve recognition,” the judges said.

Underpinning the company’s strong safety culture, VanDeMark has a Stop/Call/Wait policy, where employees are encouraged to stop operations for any concern. The company also has an incentive-based program that targets leading indicators as a mechanism to drive 100 percent compliance on key safety procedures. This has greatly heightened awareness to getting it right the first time.

Product Stewardship is also of the utmost importance to VanDeMark, and a matrix is utilized to aid in identifying highest risk chemicals. A product stewardship survey must be completed by clients before an order can be taken. The survey creates awareness and verification to ensure the client has proper storage and handling arrangements in place before VanDeMark considers the sale and delivery of its products.

“Acknowledging excellence and learning from those companies going above-and-beyond industry standards are how specialty and fine chemical manufacturers will continue to excel in environmental, health and safety efforts,” said Jennifer Abril, SOCMA President & CEO. “Nation Ford Chemical and VanDeMark Chemical are truly setting a standard that all companies can learn from. We look forward to celebrating their success and the success of our Silver and Bronze Award winners at our annual dinner in New Orleans. Congratulations again on these outstanding accomplishments and well-deserved honours.”
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