

May 8, 2024

Hon. Andrea Khanjin
Minister of the Environment, Conservation and Parks
College Park 5th Flr
777 Bay Street
Toronto, ON M7A 2J3

Dear Minister Khanjin,

We urgently request a meeting with you and your senior staff to discuss a matter of utmost importance to the local Sarnia-Lambton and provincial economy.

We are requesting a pause to the ongoing activities until we can thoroughly evaluate the safety and economic ramifications of implementing the new benzene emissions benchmarks and regulations mandated by the Ministry's order to our INEOS Styrolution site in Sarnia, Ontario on May 1, 2024. It is imperative that we engage in dialogue with you before proceeding further. The current timeline for compliance is not only unfeasible but also poses environmental safety concerns. The newly imposed standards are impossible to meet and will undoubtedly create confusion within our community.

We are currently grappling with uncertainty regarding the regulatory authority governing our operations, whether it is the Ministry or our neighbours, the Aamjiwnaang First Nation. The directive we have received suggests that the Aamjiwnaang First Nation holds ultimate authority over the fate of our site, irrespective of the Ministry's directives.

We require certainty on the future regulatory framework to determine if we are able to justify further investment into our Sarnia site and resume operations.

Our INEOS Styrolution site in Sarnia, Ontario, plays a critical role in supplying styrene to numerous commercial operations across Ontario and throughout North America. Our production of styrene monomer serves as a vital raw material for various industries, including automotive, electronics, medical and construction, among others. The Sarnia-Lambton cluster represents a successful, integrated industrial complex, characterized by a diverse array of producers and seamless integration of facilities along the chemistry value chain. Here, the output from one producer seamlessly transitions into the input for a neighbouring complex, creating a dynamic environment of increased value-added manufacturing.

This intricate system of cooperative manufacturing is exemplified by the case of benzene, where INEOS Styrolution's Sarnia site holds a unique position as the sole consumer of benzene within the cluster. Despite the existence of alternative markets and uses for the benzene produced in Sarnia-Lambton, they come with significant drawbacks and potential consequences and there are severe logistical challenges for the movement of benzene, which are magnified during the Winter.

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On May 1, 2024, we received a “Suspension and Amendment to Environmental Compliance Approval Number 8903-AD5HPV (Notice 1 and 2)” from Ministry staff. Provincial Officer’s Order Number 1-358096039 dated April 18, 2024, states that our site had exceeded December 2023 internal MECP interim advice for toxicological interpretation of short-term benzene exposures. In the same document, it states that exceeding the concentrations “does not mean that an adverse effect will occur but does mean that risks increase as concentrations increase above these protective levels”.

Despite the Ministry's repeated imposition of orders to implement emissions reduction projects, some of which initially stemmed from voluntary initiatives by INEOS Styrolution, along with the imposition of progressively lower emission benchmarks, we have consistently demonstrated a track record of compliance with our Environmental Compliance Approval (ECA) and previous Ministry orders.

We would like to emphasize that up to April 18, 2024 (prior to the Provincial Officer’s Order 1-358096039) the Ministry’s short-term benzene benchmarks in effect were 580µg/m³ over 1 hour and 320µg/m³ over 24 hours. The new benchmarks imposed by the Ministry are 90µg/m³ over 1 hour and 30µg/m³ over 24 hours; a dramatic reduction.

The Ministry has seemingly applied these interim benchmarks as emissions limits retroactively and arbitrarily, without engaging in due process or seeking public consultation regarding the toxicological assessment it conducted.

Furthermore, effective May 1, 2024, the Ministry has suspended our ECA permit and imposed unrealistic and unsafe conditions and timelines for its reinstatement. For example, 1.3 (b) of Amendment to ECA Number 8903-AD5HPV Notice No. 1 does not contemplate the necessary planning, process hazards assessment, equipment mobilization, and execution timelines to safely cease the storage of benzene at the facility by May 15.

The Sarnia plant is currently shut down, the flow of all products into and out of the site is currently stopped (other than movements of benzene to a neighboring dock for export out of Sarnia) and the plant cannot be restarted until all of the requirements set forth in the May 1, 2024, ECA Amendment are satisfied. Our engineers and technical teams have raised significant concerns about the site’s operational stability, safety, elevated emissions impacts, and the potential for broader economic impacts if the Ministry insists on the ill-informed actions and unrealistic timelines contained in its May 1, 2024, ECA Amendment.

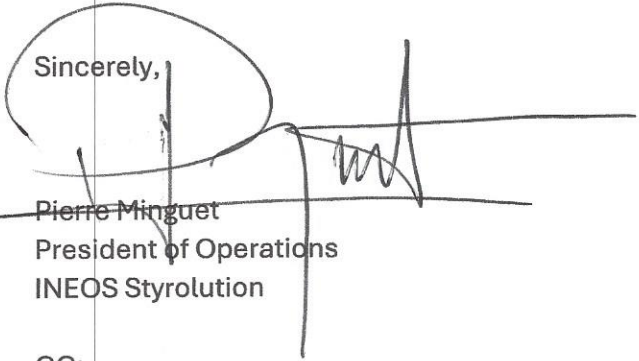
We have made efforts to explore alternative strategies for temporarily shutting down our Sarnia site in a methodical and safe manner, aiming to minimize off-site impacts on the Aamjiwnaang First Nation, the local community, and our industrial partners within the cluster. This approach is intended to facilitate the installation and implementation of benzene controls and monitoring measures as outlined in the Ministry’s orders. Unfortunately, Ministry staff have not shown openness to engaging in constructive dialogue with us. We kindly

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request the opportunity to meet with you at your earliest convenience to provide a comprehensive briefing on the progress we have made thus far in addressing the concerns raised by the Ministry, our local community and our close neighbours, the Aamjiwnaang First Nation. Additionally, we aim to offer further insights into the indispensable role that the INEOS Styrolution site plays within the Sarnia-Lambton cluster. As a chemical company, we fully acknowledge the profound responsibility we bear toward our community, with safety serving as the cornerstone of our corporate culture and commitments. Our Sarnia site holds Responsible Care® verification, and we steadfastly uphold the ethical principles of "doing the right thing and be seen to do the right thing." and ensuring transparency in our actions.

We do not shy away from our obligations and responsibilities. We stand ready to thoroughly detail our plans, initiatives and the transparent framework guiding our interactions with the Aamjiwnaang First Nation and the wider community during our meeting with you. We eagerly anticipate the opportunity to expediently address these matters together.

Sincerely,



Pierre Minguet
President of Operations
INEOS Styrolution

CC:

Minister of Environment, Conservation and Parks, Ministers Office

Andrew Dowie, Parliamentary Assistant (MECP)

Amanda Brodhagen, Director of Communications

Brock Hamley, Chief of Staff

Juliana Wilson, Senior Communications Manager

Premiers Office of Ontario,

Rahul Bedi, Deputy Chief of Staff, Policy

Cody Welton, Deputy Chief of Staff, Issues Management and Legislative Affairs

Caitlin Clark, Director of Media Relations

David DiPaul, Executive Director of Stakeholder Relations (Premier's office)

Hon. Vic Fedeli, Minister of Economic Development, Job Creation and Trade of Ontario

Heather Potter, Chief of Staff (MEDJCT)

MPP - Sarnia-Lambton, Bob Baily, MPP Sarnia-Lambton

MP - Sarnia-Lambton, Marilyn Gladu, MP Sarnia-Lambton

Mayor of Sarnia, Mike Bradley