

RESPONSIBLE CONDUCT IN THE CHEMICAL TRADE AND DISTRIBUTION



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The companies organised in Verband Chemiehandel (VCH) constitute an important link between raw-material manufacturers and users. They supply to hundreds of thousands of industrial enterprises which have need of larger or smaller amounts of chemicals at a certain point of their work routine or production process.

By entering the programme „Responsible Care – Responsible Conduct in the Chemical Trade“, the chemical trader/distributor accentuates his responsibility towards people and environment in all activities connected with the distribution of chemicals. The programme commits the companies to improve their performance – and that is crucial – beyond legal requirements and duties especially in the areas of product responsibility, environmental protection and plant safety, dedicating themselves to sustainable development.

It is essential to emphasize this once more against the background of the future EU Chemicals Legislation („REACH“), which mainly aims at having all chemicals registered before production is started resp. before they are imported and to assess and verify their safe handling also in the downstream user chain.

The chemical distribution sector herewith presents its latest Annual RC Report in order to inform about its efforts within the frame of „Responsible Care“ (RC). Distributors are addressing the public's justified questions and high demands concerning environmental protection and safe handling of chemicals – also, and especially, after the events of September 11, 2001.

One of RC's core elements is transport safety. This does no longer just stand for minimizing substance-related risks (e.g. toxicity, flammability) by way of organisational and technical methods, but now also means taking active measures to minimize, if not eliminate, the danger of chemicals' misuse in the event of terrorist attacks.

After the occurrences of September 11, 2001, chemical distribution finds itself confronted with the question how to react to international terrorism threatening its logistic processes.

For obvious reasons, the transport of chemicals is in the fore here. Accordingly, a new chapter 1.10 (security regulations) shall be incorporated into the laws on transport of dangerous goods.



Identifying driver and cargo at incoming goods inspection

According to this, following guidelines will be applicable for all transports:

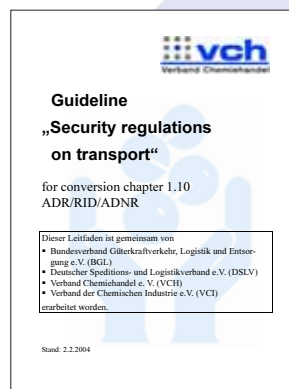
- hazardous materials will only be handed over to carriers whose identity has been verified beforehand,
- safety at trans-shipment centres and loading stations must be guaranteed at any time,
- vehicle crews will be identified via photo identity card,
- official and internal supervision methods and requirements, as well as compulsory employee training, will be expanded.

Moreover, special security plans will have to be established for dangerous goods with high danger potential. These plans must determine responsibilities, evaluate safety risks and describe measures for minimizing the risks.

In cooperation with Bundesverband Güterkraftverkehr (German Road Haulage Association), Deutscher Speditions- und Logistikverband (German Association for Freight Forwarding and Logistics) and Verband der Chemischen Industrie (Chemical Industry Association), VCH has created guidelines to aid concerned economic sectors in realizing above-mentioned objectives.

tors in realizing above-mentioned objectives.

VCH contributed to shaping viable detailed provisions with regard to the new national laws on security clearance for employees fulfilling so-called „safety-sensitive functions“. Finally, VCH supports European activities for the improvement of securing transports against terrorist attacks.



So today Responsible Care – Responsible Conduct in the Chemical Trade – above all also means to do what is sensible and feasible to eliminate as far as possible the dangers posed by the misuse of chemicals.



The number of companies participating in VCH's RC Programme kept on growing in 2003: from 38 firms (38% of VCH member companies) at the programme's start in 1997 it rose to 57 (61%) to-day.

This year's inquiry was again based on the „Indices of Performance“ ascertaining the activities for each of the programme's different elements. As the number of participating companies increases, it becomes ever more difficult to gather their heterogeneous structures (e.g. companies with/without own stockkeeping) into one questionnaire. As there were also several company reorganisations last year, the figures determined for 2003 cannot always be compared with those of previous years.

Nevertheless, the results are once again giving an encouraging signal that demonstrates the responsible way in which chemicals are handled.

Responsible Care – „Responsible Conduct in the Chemical Trade“ – this comprises following features:

Product responsibility

The chemical distributor incurs part of the responsibility for his products already with regard to upstream manufacture and offers only products which, to present-day knowledge, can be safely transported, used and disposed of. He gives information about the product primarily in a comprehensive safety data sheet which he holds available – surpassing legal requirements – for non-hazardous substances as well. RC member companies have safety data sheets ready for 78% of constantly available products, additional product information (instruction manuals, substance dossiers, technical leaflets) for 63%. This way they meet information requirements and growing attentiveness related to the safe handling of chemicals.

Company organisation, assignment of responsibilities and supervision

RC has meanwhile become an on-going topic with widespread employee involvement. So, if 2003's figures for this element show an altogether declining tendency, this must be explained by the fact that RC has by now taken hold in all operational areas and is "alive" throughout the companies. Last year, an average of 11 internal RC events (2002: 14) with executive participati-

on was recorded per company; the management dealt with implementing the programme in 11 (14) discussions/consultations. It will remain an important task for management and RC Coordinator to further sharpen the awareness of RC's goals within the company.

Plant safety and danger defence

Production and working conditions in Germany's chemical sector are among the safest and most strictly supervised in the world. High technical standards and safety awareness have shown themselves also last year in the low number of accidents recorded for stockkeeping companies: Per stockkeeping unit, there was an average of just two incidents with incoming liquid products that involved accidental releases (and this includes also the release of smallest amounts of chemicals). This comes up to one accident per 55,000 tons of goods delivered. None of the accidents brought about a contamination of soil or waters.

Labour safety and health protection

As stipulated by Occupational Safety and Health Act (ArbSchG) and Hazardous Substances Decree (GefStoffVO), each employer has to carry out occupational safety risk assessments and evaluate what measures may have to be taken to guarantee health and safety at work. In 2003, averagely 4 such risk assessments according to § 5 ArbSchG and 3 risk evaluations as per § 16 GefStoffVO took place per stockkeeping company.

Also in 2003, the number of reportable accidents remained on the pleasantly low level of previous years: Only 2,3 occupational accidents happened per stockkeeping site; only one quarter of these accidents involved chemical interactions. 92 (2002: 131) on-site inspections were carried out by the responsible authorities last year. In 19 cases (33) one or more occupational safety instructions were given. The decreasing tendency shown by these results hints at an extremely high level of safety at work, which is also acknowledged by the supervising authorities.

Environmental protection

With 10 (=21%), the number of companies certified according to environmental management systems (ISO 14001, EU Eco Audit, EMAS) remai-

ned on a constant level compared to previous years. Regular on-site audits carried out by the external expert supervising the programme clearly showed that this relatively low number of certified companies is a result of the still growing importance participation in the RC programme has gained: To a large extent, the chemical distributor's contractors attribute the same status to an RC participation as to an environmental management system.

Transport safety

Chemical logistics' safety is, among others, mirrored by the number of official as well as documented internal complaints regarding transport-related incidents. 68 official complaints were recorded for the 25 companies with own transport fleet in 2003, 29 of those resulting in legally valid penalty notices. The importance of 152 internal complaints lead to documented admonitions, recommendations and instructions. Road accidents remained on a low level: Apart from one case involving personal injury, the recorded 116 accidents (one accident per 200,000 km) only lead to material damage. Environmental damage caused by the transported goods was not registered.

Dialogue – Information of the public

Society has a generally critical attitude towards chemistry. An intensive dialogue with the public as well as inside the companies shall therefore encourage trust and understanding for chemical distribution's function and activity. Last year, each company handed out an average of 1,300 publications/company brochures informing not only about their standard delivery programme, but beyond that also about "RC". This is a decreasing number, just like that for selective contacts promoting a better understanding of chemical trade (6 per company). The main reason for this is the solid degree of recognition that RC resp. chemical distribution's activities based upon it are meanwhile receiving. Since the RC Programme's start the dialogue with the public has massively advanced understanding for chemical trade and distribution, and therefore it is often only possible to further improve the results by disproportionate efforts.

A more detailed presentation of the results can be ordered from VCH and can also be seen directly in the internet: www.vch-online.de
There, you will also find the RC Reports for the last few years as well as further information about chemical trade and distribution.

Wishing for a further positive development of Responsible Care on European as well as on international level, i.e. by the joint efforts of all parties involved in the global RC Initiative, we remain:

Your chemical trading company