

## RESPONSIBLE CONDUCT IN THE CHEMICAL TRADE AND DISTRIBUTION



C.H. Erbslöh,  
President Verband Chemiehandel

Acting as interface between chemical producers and downstream users, Verband Chemiehandel (VCH) represents chemical distributors with own stock-keeping, foreign traders of commodities and distributors of specialties, distributors of laboratory/fine chemicals, and recycling companies connected to chemical trade. Within the scope of these activities, VCH members are subject to a large number of national and international safety regulations and environmental

laws. But beyond those legal provisions the companies participating in VCH's **Responsible Care (RC) Programme\*** have committed themselves to adapt their activities to the principle of sustainable development. With the present report, the chemical distribution sector renders an account of its efforts towards that goal – for the eight time since 1996.

Responsible Care – this stands for a company's intention, beyond legal requirements, to seek constant improvement with regard to safety, health and environmental protection. And that commitment to **Product Stewardship** illustrates the core element of the world-wide RC Initiative: From the cradle to the grave – the chemical trader/distributor assumes responsibility for the products handled by him all along the supply chain from production to recycling/disposal of the goods.

For the chemical distributor, Product Stewardship also means that he advises his customers in all chemico-physical aspects relevant for the safe handling of a chemical substance. However, to deliver this service the distributor must work with the data provided by his supplier concerning development and application of the product in question.

In this connection, the „**Product Stewardship Guidelines**“\* jointly drawn up and adopted by the European chemical associations FECC and CEFIC are of special importance. These guidelines show how product responsibility may be shared between distributor and supplier so that both can meet the high standards desired within the frame of RC and fulfil their respective duties throughout a product's life cycle.

Among other tasks, the chemical trader/distributor will

- follow up customer complaints concerning service or product defaults, especially in view of unsuitable applications,
- discuss and coordinate with the customer the possibilities for using multi-way packaging, as well as possible disposal and recycling routes,
- clarify the intended product application with the customer and check whether same is in conformity with laws and industrial codes of conduct (e.g. use as drug precursors),
- make sure, as far as appropriate and economically practicable, that the customer will be able to safely handle the product.

The distributor keeps close contact with his supplier/manufacturer in all above-mentioned matters and further aspects. Thus he makes sure that Product Stewardship works for the customer's benefit and that all concerned parties become involved in promoting the RC guidelines.

In his advisory capacity, the chemical trader/distributor plays an important role for his customer. He renders manifold services such as safety audits, product trainings, assessment of substitute materials, and consultancy, for example concerning the new Hazardous Substances Decree which came into force at the beginning of 2005.



The importance of these services becomes also clear before the background of the Future European Chemicals Policy („REACH“) stipulating that, in the interest of the customer, uses and application scenarios have to be laid open to the producer/importer (being responsible for the registration)\*. In future, chemical distributors and producers will therefore cooperate even more closely in terms of Product Stewardship. And



*Competent chemical trading staff offers comprehensive advice in all product-related matters*

the distributor's part in ensuring the information flow between customer and supplier will gain further importance.

Successfully implementing the RC Programme and making Product Stewardship work is crucially depending on the management's support of the **RC Coordinator**. He organizes adherence to RC's key aspects within all corporate divisions and is responsible for reporting the programme's development to the management. He also establishes the indices of performance submitted as basis for the RC Report on Page 2 of this leaflet.

\* you will find further information at [www.vch-online.de](http://www.vch-online.de)



Again, the number of companies entering the RC Programme has risen by 2 to a total of 59 (65% of VCH member companies). The 57 firms that had participated in the programme for all of 2004 were asked to fill in the "Indices of Performance" questionnaire. That way, 100 operational sites generating a turnover of 4.1 billion Euro and employing a workforce of 4,690 (1,397 of these in warehousing and vehicle fleet) were covered. Two thirds of the participants are companies with own stock-keeping conducting business via their own warehouses and with their own workforce. The remaining companies have no or only very limited own warehousing capacities; their activities could therefore not be included into the present scheme.

As in the years before, it must be noted that due to the sector's heterogeneous structure and the numerous company reorganisations many RC activities can only be partly recorded with the questionnaire, and a comparison to previous years' results is therefore difficult.

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



### Company organisation, assignment of responsibilities and supervision

To "live" Responsible Conduct means, above all, that there is an internal communication on the subject of RC involving all corporate divisions. This interaction is principally arranged by the RC Coordinator. Last year, 10 consultations or discussions with the management were held per company. In an average of 21 trainings or corresponding events the staff was introduced to the principle of "Responsible Conduct in the Chemical Trade". Moreover, 208 company and departmental meetings dealt with RC topics, as well as 10 miscellaneous events where responsible staff received advanced training regarding laws on hazardous goods and substances or other special issues.



### Product responsibility

Material safety data sheets represent a central element of product responsibility. In addition to compiling and updating these legally required product data, the chemical distributors have supplementary information ready for 73% of their constantly available products (such as instruction manuals, technical data sheets, etc.). This way they inform their customers about further chemico-physical properties of a certain substance and about its

safe handling. Product responsibility is also demonstrated by the distributors when they choose their contractors, i.e. suppliers and logistic partners: In 2004, 70% of these were certified according to ISO, EMAS or RC. The share of certified service providers (e.g. recycling, subcontracted processing) came up to 50%.



### Plant safety and danger defence

Last year, the number of recorded incidents resp. alerts remained on the satisfyingly low level of the years before. Still, the public watches this sector with a critical eye, and constant efforts will be necessary also in future if the present high standard is to be maintained or even improved. Of the recorded 203 alerts (2 per operational site), 94% were false alarms. Seen against an amount of 1.6 million tons of liquid products received in stock, only in one case a contamination of soil/water was reported. 22 incidents with accidental releases of chemicals (including also smallest amounts) were reported – this makes one accident per 72,000 tons of incoming liquid products.



### Labour safety and health protection

For people employed in chemical trade, labour safety continued to be a topic of foremost importance. Measured against the number of customers and goods supplied, 2004's notifiable accidents remained on previous years' low level. Roughly three quarters of the recorded 132 incidents were accidents en route or accidents caused by mechanical influence and not related to the use of chemicals. Only 33 accidents involved chemical interactions.



### Environmental protection

VCH members' regular exchanges on RC clearly confirm that the commitment to this world-wide initiative is gaining increasing importance among chemical trade contractors. Unfortunately, this development cannot be measured by statistical figures – but the number of participants in environmental management systems (ISO/EMAS) can: with 20% of certified companies the figures remained on the level of preceding years.

Just under 1.04 million tons of liquid chemicals were bottled, and for 62% of bottling procedures gas-displacement devices or similar emission-decreasing systems were applied. In the remaining cases such measures either were inappropriate

due to substance-specific reasons, or could not yet be used because of e.g. technical reasons.



### Transport safety

The new security regulations in Chapter 1.10 of ADR (European Agreement concerning the International Carriage of Dangerous Goods by Road) have further stressed the importance of transport safety for hazardous goods, just as its significance as one of RC's key activities is ever increasing. In the last year, implementation of this element was best demonstrated by the efforts undertaken with regard to the training of hazardous goods officers, authorized personnel and dangerous goods drivers. Records of the 27 companies with own vehicle fleet show an average of 10 hours p.a. of professional training or further education for each of above-mentioned persons. Transport safety's high standard is also reflected by the continually low number of official complaints (84) and administrative fines (33): Measured against the total mileage of the 523 company-owned commercial vehicles (2004 = 26 million km), both figures remained on a satisfyingly low level. Same goes for the number of traffic accidents (97): There was only one case involving personal injuries, all other accidents merely resulted in material damage. 2004's accident rate comes thus up to one accident per 270,000 km, with no records of environmental damage caused by loaded goods.



### Dialogue – Information of the public

Chemical companies use the dialogue with the public as a tool for initiating target-oriented contacts to suppliers, customers or people in their neighbourhood, and the present report is one means of communication. About 66,000 company brochures (approx. 1,100 per company) were distributed last year, containing not only respective delivery programmes but also information about RC. Each firm established 7 contacts to teachers, journalists, etc., generally via their RC Coordinator, in order to build up confidence in chemicals and knowledge about RC.

\* \* \* \*

The initial reason for compiling internal RC data is that they are needed for presenting the activities of the chemical sector as a whole. But at the same time it promotes internal communication between all divisions affected by RC, and it strengthens the awareness that only the combined efforts of all employees make a high-level RC performance possible.

A more **detailed presentation** of the results can be found at [www.vch-online.de](http://www.vch-online.de) ("Responsible Care") or ordered from VCH. Here, you can also find the RC Reports for the last few years as well as further information about chemical trade and distribution.

Your chemical trading company: