

RESPONSIBLE CONDUCT IN THE CHEMICAL TRADE AND DISTRIBUTION



**Carl Hugo Erbslöh, President
Verband Chemiehandel**

All around the world, the hands protecting a chemical structure stand for the commitment to the „Responsible Care“ initiative (RC) and to its goal of improving safety, health and environmental protection in the handling of chemicals. With their commitment to the initiative, the RC member companies also describe the basis of their entrepreneurial activity, thus illustrating an important element of the chemical industry's „business ethics“. In this context, the firms taking part in VCH's RC Programme individually implement „responsible conduct in chemical trade and distribution“.

At an increasing rate, the public, consumers and politicians measure a company by the way in which it pursues the goal of a sustainable development. The public opinion rightfully values sustainability and „Corporate Social Responsibility“ (CSR) as a contribution to complying with social and environmental standards in the supply chain. The German chemical trade and distribution companies are fully aware of these important duties of present-day business policy, and for years they have been contributing their share through RC also in the sense of CSR. This year, three RC Coordinators representing the chemical trade sector will describe how they implement and „live“ RC:



To all industrial users, Krahn Chemie GmbH offers a broad range of chemical raw materials from international producers. Participating in the RC initiative has proven to be a key factor of its entrepreneurial success. In order to fulfil its customers' and principals' requirements with regard to quality, safety and environment, Krahn was one of the first trading companies to join the RC programme. Economy and ecology are not mutually exclusive! An integrated management system helps Krahn to utilize synergies and thus lastingly reduce the environmental burden and generate economic success. RC is incorporated into Krahn's DIN/ISO 9001 and 14001 management system. That all processes are subject to a continuous improvement process in the sense of the RC programme is also due to the fact that the firm went through the „European Single Assessment Document“ (ESAD II) as well – an assessment method developed for suppliers in order to provide an additional benchmark for RC commitment. By and large, environmental, safety and quality standards could be notably improved since RC was introduced. RC-related activities helped to increase efficiency and lower costs. And this is to the benefit of customers and principals, the environment and last not least Krahn Chemie itself.



**Thomas Drobisch,
RC-Coordinator
Krahn Chemie GmbH**

VCH's RC programme is a reliable component of CVH Group's business objectives, and it has proven to be an important instrument in the processes of the companies. Making use of the comprehensive professional knowledge of its staff, CVH puts the customer into the centre of its activities: Assuming co-responsibility e.g. in matters of occupational safety (transport and use of relevant products) should be mentioned first here. Safety is ensured, among others, by informing the customer about any danger potential of the supplied substances and compositions, by jointly establishing working instructions for optimum workplace safety, and by training the customer's staff and consulting them on the procurement of safety equipment. Safety data sheets and substance dossiers are updated promptly and communicated to the customer. Great importance is attached to the principle „innovation by substitution“ especially where chemical specialities are concerned: Wherever possible, products with labelling obligation are substituted by harmless products. Of course, CVH Group also uses the possibilities the VCH offers to its associates via a continuous exchange of experiences. As an aspect of RC, VCH information like the annual RC Report is passed on to respective regional cooperation partners, to authorities and politicians.



**Petra Rother,
RC-Coordinator
CVH Chemie-Vertrieb
GmbH & Co. Hannover KG**

In 1997, Brenntag GmbH started its RC activities by evaluating the actual status of all relevant items in relation to the main RC elements. Since then a lot of improvement measures have been introduced and put into practice by means of the „Three-Year Plans“. In addition to ESAD and a quality management system according to DIN EN ISO 9001, RC has become a central cornerstone in the fields of quality, occupational safety and environment. VCH's RC programme is specially tailored for chemical distribution: Contrary to DIN EN ISO 14001 or EMAS II, which clearly concentrate their strengths and focus on producing companies, the RC programme with its elements of Three-Year Plan, Indices of Performance, etc., „fits“ chemical distribution much better. Responsible Care also provides verification: The independent external expert assigned to supervise the RC programme checks and confirms that RC is implemented on the basis of the targets and measures defined with the management beforehand; this also corroborates that in selected areas more is actually done than required by law. To make sure that RC does not remain an „island“, ideas for RC's improvement are presented and discussed in VCH workshops, developed with the association's support and made available to all member companies. That RC is also up to date is illustrated by the fact that terms like sustainability and responsibility are gaining increasing public attention. And this is just what the RC initiative, which started in 1984 and has meanwhile spread to 53 countries, wants to achieve.



**Gerd Harpeng,
RC-Coordinator
Brenntag GmbH**



As illustrated below, the results regarding Responsible Care's implementation – data collection was again based on the „Indices of Performance“ (IOP)* – once more corroborate the companies' responsible handling of chemicals. The figures prove that despite an increasing regulation, especially in the wake of the EU Chemicals Regulation (REACH), RC makes a significant contribution towards more safety, health and environmental protection.

After the indicators were expanded in 2007 with regard to the „Key Performance Indicators“ developed by the European chemical distributors' association FECC for an EU-wide harmonization of RC activities, the questionnaire remained almost unchanged in 2008. Due especially to the companies' heterogeneous structure not all of the collected data invariably qualify for illustrating the statistical development of the sector. The data poll provides each individual company with the additional possibility to compare its figures to those of the previous year and thus detect potentials for RC improvement. By the way, as desirable as a continuous improvement of the results is, above all the following data are meant to illustrate how the sector strives to limit hazard potentials through professional risk prevention.



Statistics

In the reference period, the number of participants in the RC programme rose by 3 to 62 (= 60 % of VCH member firms) as compared to 2007. The data were collected from those (59) companies already in the programme since the beginning of 2008. Out of the 137 surveyed sites, 52 maintain warehouses with filling and 11 without filling. 10 companies focus their activities on foreign trade. With 5,548 employees (roughly 80 % of the sector's jobholders) the RC participants generated a turnover of 6.7 billion Euros.

Responsible Care - „Responsible Conduct in Chemical Trade“ – this comprises following elements:



Company organisation, assignment of responsibilities and supervision

As to RC's internal implementation, it is vital that the programme's standards must be effective already at management level and that „responsible conduct in chemical trade“ (as in the addition to VCH's RC programme) is set as an example from there. In this respect, monitoring by the „external expert“ again revealed a positive tendency in 2008: the triennial „on-site audits“ were carried out at 16 firms to verify the implementation of the RC programme on basis of the firms' continually updated „Three-Year Plans“. Due to the various intersections with RC these audits are increasingly combined with the „European Single Assessment Document“ (ESAD II) whereby an additional valuation standard for the companies' RC commitment is created. In 2008, communication

relating to the assumed RC obligations comprised 831 (14 per company) internal discussions with the management as well corporate functions with the staff. And in each firm one or several management employees attended about 13 trainings, educational, or informative meetings relating to their respective special subjects (dangerous goods, immission control, etc.).



Product responsibility

Safety data sheets (SDS) are supplying important information about safe handling and prevention measures to the professional user of chemicals, i.e. the customer of the chemical trader. The quality of the SDS is crucial for establishing workplace risk assessments in accordance with the Hazardous Substances Ordinance. Taking into account a delivery programme of 1,300 products on average, up-to-date SDS are obtainable for 85 % of the hazardous and non-hazardous substances and preparations, and for 2/3 of the products supplementary information (instruction manuals, technical data sheets) are at customers' disposal. In 49,000 cases SDS were newly established, their content revised and updated where necessary. Another proof of the chemical distributors' product responsibility is the fact that 3/4 of their suppliers and logistic partners (warehouses, forwarders) maintain an environmental, quality or labour safety management system, or have committed themselves to the RC initiative. The relevant quota for contractors (contract processors, recyclers) comes up to approx. 2/3.



Plant safety and danger defence

In 2008, the number of incidents and alerts remained on a pleasingly low level which, on the one hand, again proves the sector's high technical standards; on the other hand, it also illustrates the safety awareness of the employees who again managed to curb danger potentials by means of professional risk prevention. Seen against 1.7 million tons of handled liquid goods, the 63 stock-keeping companies recorded 24 incidents (1 incident per 71,000 tons) at their own sites or on the customer's premises. In 9 cases (1 case per 192,000 tons) these incidents involved – even if only in smallest amounts – contaminations or involuntary releases. 80 % of the recorded 150 alarms (2.3 per stock-keeping site) were false alarms. Half of the companies have installed an emergency plan with 24-hour emergency call system; on average, these systems undergo a content-related/technical inspection every half year.



Labour safety and health protection

As a precautionary protection measure, 1,091 (18 per company) risk assessments according to § 7 Hazardous Substances Ordinance and §§ 5, 6 of the Occupational Health & Safety Act were carried out at employees' workplaces to evaluate the dangers connected with their job. With these and further

measures the number of reportable accidents (126 in total) could be kept on the level of previous years. But even if 4 out of 5 incidents represented accidents en route, there were still 38 accidents involving chemicals. Therefore this field, which is foremost in the public's awareness, will require the continued attention and efforts of all concerned parties to control the risks emanating from handling chemicals even better.



Environmental protection

Suppliers and customers continue to appreciate RC as much as the other (certified) environmental management systems (ISO, EMAS, etc.). In addition to RC, 31 companies maintain their own environmental management system, 16 of them being certified according to ISO 14001. In the chemical trade sector's warehousing and transshipment facilities, emissions are only relevant for companies with own warehouse and own filling site. 71 % of the 52 filling sites, which bottled a total amount of 1.3 million tons of liquid chemicals, used gas-displacement devices or similar emission-decreasing systems.



Transport safety

Internal controls at the 30 companies with own vehicle fleet led to 70 complaints about transport-relevant incidents resulting in (documented) admonitions or instructions. Measured against the total mileage of the polled firms' trucks (just under 27 million km) the number of official complaints (104 = 1 complaint per 268,000 km) remained more or less on previous years' low level. Same goes for the number of accidents: 93 % of the reported 106 accidents resulted in material damage only, 5 cases involved personal injuries – environmental damages were not recorded.



Dialogue - Information of the public

Also in the last year the RC participants found many different ways to hold a dialogue with the public about RC topics. The present report, which gives an account about RC's progress in chemical trade and distribution already for the 12th time this year, is one of these means of dialogue. Communication takes increasingly place via electronic media, especially via company websites offering information about the sector's RC activities. In addition to printed versions, approx. 3/4 of company publications are likewise available as digital files. 13 firms organized one or more corporate events and presentations including information about RC.

* The IOPs for 2008 are available on the VCH website („Responsible Care“)
** see www.pharox.net/esad

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

Your chemical trading company: