

RESPONSIBLE CONDUCT IN THE CHEMICAL TRADE AND DISTRIBUTION



**Uwe Klass, President
Verband Chemiehandel**

More than ever before, the activities of VCH's (Verband Chemiehandel) member companies in 2010 were characterized by the duties arising from meeting legal requirements: With the first registration deadline of the EU chemicals legislation REACH ending on 1 December 2010, and at the same time having to adapt the labelling and classification of substances to the new GHS/CLP system, manifold new challenges arose also for VCH concerning the implementation of its Responsible Care programme. With this comprehensive programme, started in 1996 and aimed at improving safety, occupational, health and environmental protection, Germany's chemical distribution companies have committed themselves to sustainability and responsible conduct beyond these and other legal requirements. Communication within the supply chain, labelling and safety data sheets are the key aspects of putting product responsibility into practice. In this connection, chemical trade and distribution also take on the totally new challenges accompanying the preparation of extended safety data sheets according to REACH. Before turning to the results of the RC data collected for 2010 on page 2, three RC Coordinators - on behalf of all RC member companies - are once more portraying the individual implementation of the world-wide RC initiative from the German point of view.

TER HELL & CO. GMBH, the TER GROUP's operative holding company in Hamburg, is a globally active distributor and trader of chemical raw materials. In December 2009 TER HELL became a member of the VCH's RC programme. This symbolizes our intention to continuously improve our company according to the programme's elements, foremostly with regard to product responsibility, occupational safety, health protection and transport safety. Today, "Responsible Care" is part of our Integrated Management System (IMS) based on the process-oriented quality standard DIN EN ISO 9001:2008. TER HELL has set itself demanding tasks in every individual section. We now establish a 3-year plan, then monitor and assess the continuous improvement in yearly intervals and communicate it internally as well as externally. All measures taken within the frame of the RC programme are recorded and documented by the RC Coordinator. TER HELL consciously honours the ensuing obligations. Reaching our self-set goals is only possible with the dedicated efforts of all our employees. They are trained accordingly so that they can make their contribution to implementing the necessary measures. You can always improve even more - that's what we try to do each day!



**Responsible Care -
Verantwoordliches
Handeln im
Chemiehandel**



**Dr. Wilfried Rattay
RC-Coordinator
TER HELL & CO. GMBH**

A. + E. Fischer-Chemie GmbH + Co. KG, an owner-operated chemical distribution company situated in Wiesbaden, joined VCH's RC programme in 1997. Right from the start the programme became a code of conduct for us, constituting "business ethics" for all our entrepreneurial activities. Our implementation tool is a management system integrating the areas quality, environmental protection, occupational safety and health protection, safety and accident prevention. All business processes are planned, the organisation of internal structures and procedures is documented and monitored. Regular training and education measures take place for our employees with regard to the mentioned topics. We know our customers and their application areas, therefore our chemicals will not fall into the wrong hands. Transshipment, storage and forwarding of our goods are effected in a safe and lawful manner, and beyond the applicable legal regulations and requirements we are participating in voluntary agreements arising from our RC membership. We keep close contact to public authorities and other supervisory bodies and involve them in our decision-making processes already at an early stage, often even prophylactically. Satisfied customers, constant improvement of our operational organisation, safety at our Wiesbaden site and the safety of our employees, our neighbours and the environment are our goals. RC is a prerequisite for reaching these goals.

The continuous optimization of safety, health and environmental protection - beyond legal requirements - is the goal C.H. Erbslöh KG, Krefeld, has set for itself and all its employees. To meet these targets we joined the RC initiative already in 1997. Following the integrated management system model, we incorporated RC into our existing quality management system in order to combine the monitoring of all processes related to quality, safety and environmental compatibility, thus allowing a process-oriented approach. After being coordinated with the managing board, the measures necessary for realizing the determined improvement potentials are laid down in a 3-year plan which is regularly updated. Additionally, we use the European Single Assessment Document to support the RC programme: The ESAD II assessment system provides an additional benchmark for assessing the RC commitment, resp. a basis for assessing safety, health and environmental standards. Among others, adequate workplace design, medical examination, instruction and training, fire drills, energy saving and waste prevention brought about a reduction of operational disruptions, work-related accidents, and costs. Within the frame of RC, the Krefeld Fire Brigade helped us to develop a crisis management system which enables us to act quickly and effectively in case of an emergency situation. As an internationally active company, we also want to increase the safety, environmental and health protection levels of our European subsidiaries by way of implementing the RC programme run by the European umbrella association FECC.



**Roswitha Ziethmann
RC-Coordinator
A. + E. Fischer-Chemie
GmbH + Co. KG**



**Michael Dost
RC-Coordinator
C.H. Erbslöh KG**



As participants in the VCH RC programme, and thus in the world-wide RC initiative, the firms commit themselves to strive for a constant improvement of safety, environmental and health protection as well as occupational safety in respect of handling chemicals. Another obligation assumed with RC is the dialogue with the public, ultimately symbolized by the present report - the annual report describes the results ascertained via the "Indicators of Performance" (a catalogue



**Responsible Care -
Verantwortliches
Handeln im
Chemiehandel**

of 109 questions in total), based on the exemplary programme elements

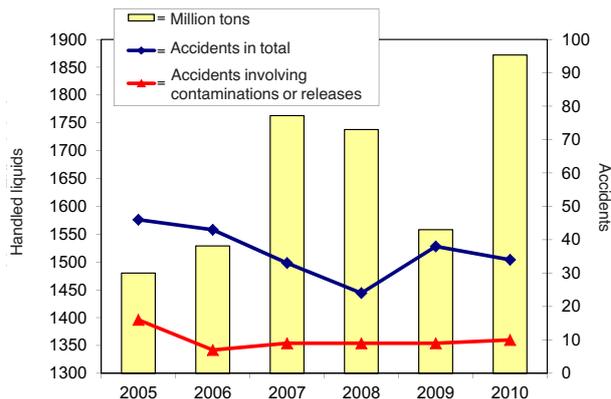
- Plant safety - Danger defence,
- Product responsibility,
- Transport safety.

Please turn to VCH's website (vch-online.de / „Responsible Care“) for a detailed account of the results for the other programme elements „Company organisation“, „Assignment of responsibilities and supervision“, „Labour safety and health protection“, „Environmental protection“ and „Dialogue“. There you will also find previous years' reports as well as additional information about chemical trade and distribution.

At the end of April 2011, 67 companies (= 61% of VCH members) took part in VCH's RC programme. Data were collected from those (64) firms that were already part of the programme at the beginning of 2010. Among their 139 surveyed sites were 54 warehouses with and 12 warehouses without filling facilities. 73 sites are distribution resp. sales businesses; 11 companies focus their activities on foreign trade. With 6,385 employees, the RC participants generated a turnover of 6.5 billion Euros (roughly 80 per cent of the sector's turnover) in 2010. Around 70 per cent of employees belong to the commercial staff, while the remainder works in warehouse/vehicle fleet.

The „Lost Time Injury Rate“ (LTIR), the prevailing international accident index, describes the number of occupational accidents involving time lost due to injuries in relation to 1 million work hours. Based on accidents reported in 2010, the LTIR value for the past year comes up to 11.15 (2009: 13.31; for comparison: Employer's Liability Insurance Association BG Handel und Warendistribution in 2009: 15.87)

Your Chemical Trading Company:

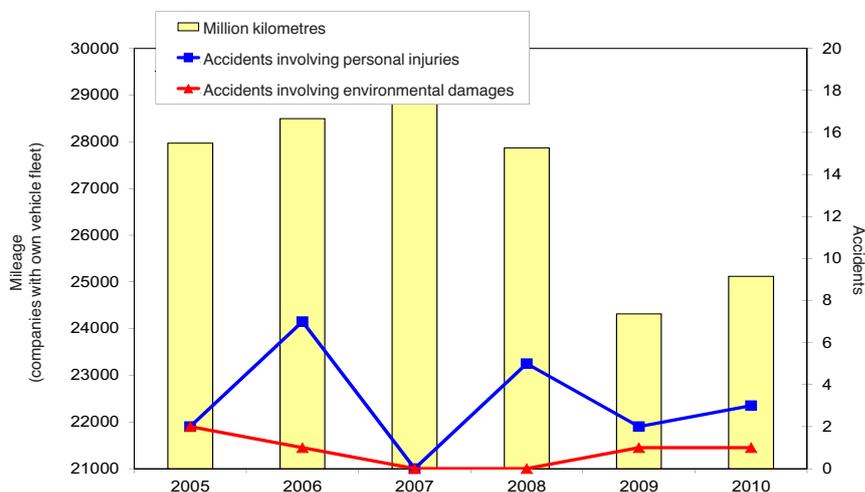


In 2010, the 54 sites with own warehouse and own filling handled 1,872 million tons of liquid chemicals. **34 accidents** were reported, three causing soil/water contaminations and 7 involving accidental releases (here also smallest amounts were considered). This corresponds to one accident per 55,090 tons of handled liquid chemicals.

An important evidence for the chemical distributors' **product responsibility** is that roughly ¾ of their suppliers and logistics providers have an own certified environmental, quality or occupational safety management system, or are also committed to the RC initiative.

In 2010, the 27 firms with an own vehicle fleet (all in all 392 lorries) stated **124**

reportable traffic accidents. Only three of these led to personal injuries. One case involved an environmental damage while all other cases caused only property damage. Measured against a total mileage of a good 25.1 million kilometres this equals one accident per 202,000 km of vehicle mileage.



Not all activities carried out with reference to RC values can be quantified, thus they elude statistical evaluation. Besides it is not always clearly recognizable that individual projects are at the same time a contribution to implementing RC. That's why it is also important to form one's own opinion about responsible chemicals handling at a distributor's site: Contact your chemical trader's „Responsible Care Coordinator“ who will be happy to answer all your questions about the implementation of the RC programme.