

RESPONSIBLE CONDUCT IN THE CHEMICAL TRADE AND DISTRIBUTION



**Uwe Klass, President
Verband Chemiehandel**

Mr. Klass, it has now been five years since the REACH-Directive, the most comprehensive regulation in environment policy in the history of the EU, came into force. Which part has been played by „Responsible Care“ (RC) is the implementation of REACH in chemical trading?

A key element of the worldwide RC initiative for more occupational safety and health and environmental protection is product responsibility. This means first and foremost communication – both within the company itself as well as outside to our customers. Already in the RC annual report for 2006/2007* it was stated that the companies of the VCH, from the very beginning, consider the communication of the tasks involved in REACH to their customers and suppliers as a central element of their obligation in RC. In retrospect, it is evident that chemical trading has provided a decisive contribution during the past years towards the realisation of the REACH stipulations – also within the business operations of their customers. Since 2007, the industry has fulfilled the obligations required by RC and REACH in that the customers are informed comprehensively about the new chemicals management. They are thus also placed in a position to inform their customers in their turn. More interest across the board for further information about REACH has been aroused in the past years and unfounded fears overcome. Also, a contribution was made towards more objectivity in some REACH debates. To the extent that the customer, before being supplied, informs his chemicals supplier of the intended downstream users for purposes which deviate from those registered in the dossier, then the supplier passes this information on to the manufacturer or registrant. The chemical trader advises the customer in all questions which arise from his customer-specific uses. The importance of this and other tasks will certainly increase, especially with regard to the registration periods for the smaller volume ranges which terminate in 2013 and 2018.

How can evidence of activities within the scope of RC and also REACH be demonstrated?

The question as to how RC can be “seen to be done” is as old as the initiative itself. From the beginning, with this in mind, the VCH's RC programme arranged for a monitoring of all activities by an external expert. In about 300 on-site audits, since 1997, this involves a comparison of the actual situation of the participating companies with the prerequisites of RC on the basis of the annually updated “three year plans”. Subsequently, the VCH awarded a corresponding number of certificates which confirm publicly conformity of the company with the specifications of the RC programme. The conformity with these RC specifications is also expressed by the use of the RC logo by certified companies. Finally, the “indicators of performance measurement”, determined annually at the participating firms, also serve the goal of creating evidently resilient RC activities - regarding the results here, they are again presented on page 2 of the report.

Regarding the realisation of the REACH regulations, many member companies of the VCH have also already undergone monitoring by the authorities within the scope of the EU-wide coordinated project „REACH-en-force“. This has demonstrated convincingly that the chemical trading industry has been successful in realising the REACH regulations to a very high standard.

Which challenges does the industry expect to meet in the near future with REACH in the light of the comparison with RC?

Some participants along the supply chain still display a certain lack of information and occasionally downright ignorance towards the targets being followed by the REACH-Directive. Here, the RC concept can and will become an important starting point in the near future for jointly achieving the REACH targets which continue to be supported by the chemicals industry. Furthermore, understanding must continue to be promoted for the fact that the industry must carry more responsibility for the control of risks originating from chemicals and thus improve the protection of human health and the environment. Incidentally, the chemical traders will be providing increased aid to ensure their customers



RESPONSIBLE CARE

Supply chain communication

report their uses (for inclusion in the registration dossier) in future in a more coordinated manner, e.g. taking the so-called “mapping tables” into account which were developed by the industrial associations. Furthermore, it will also be the task of chemical trading to advocate the presentation of the “exposure scenarios”, shown in the appendix of the safety sheet, in future in such a way that the “average” downstream user can use them for his work. To date, there has been no clarification as to how these, usually unstructured and highly complex, appendices with exposure scenarios are actually useful for making the handling of chemicals safer. A contribution to a solution here must be provided by the tools and IT structures currently under development. The target must be to design the content and structure of the appendices in a standardised way, as has already been carried out for the actual safety data sheets themselves. Currently, there is reason for cautious optimism that the European chemical industry will be successful in finding practical solutions in the coming years. A subject of REACH communication of growing importance will eventually be consultations regarding substitution of substances which, as a result of REACH, will no longer be available or only to a limited extent.

* www.vch-online.de / “Responsible Care”



The figures calculated for 2011 are based on the questionnaire (almost unchanged since the previous year) with the "indicators for performance measurement". With this questionnaire, the companies were again asked about the programme elements such as „occupational safety and health“, plant safety and hazard reduction“ and transport safety. The reported results within the scope of the worldwide RC initiative show the companies' exemplary commitment here.



**Responsible Care -
Verantwortliches
Handeln im
Chemiehandel**

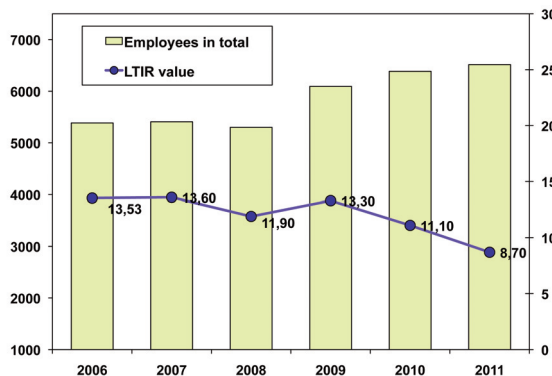
The results of the further programme elements "operational organisation", "transmission of responsibility and supervision", „environmental protection“ and "dialogue" can be taken from the detailed presentation on the VCH website („Responsible Care“).

As in previous years, due to the partially heterogeneous structures of some companies (locations with/without own warehouse or vehicle fleet), and due to operational reorganisations within the industry, the figures for this year cannot in all cases be compared directly with the results of previous years. Due to the questionnaire, however, the companies have the possibility of making comparisons with their own previous results and thus recognising their potential for RC improvements.

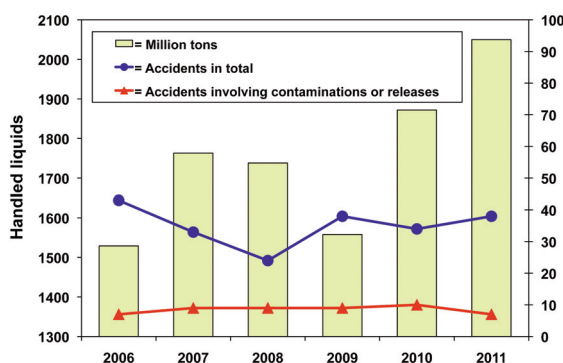
In September 2012, 67 companies participated in the RC programme of the VCH. This corresponds to a share of 62 % of the VCH's member companies whereby, with 7.4 billion Euros, 80 % of the turnover of the industrial sector was represented. Requests for data were sent to the (63) companies which have already participated in the programme since 1.1.2011. Thus 137 operational sites were recorded. Of these, 55 had a warehouse with, and 9 had a warehouse without filling. 73 operational sites were sales offices without their own warehouse. 11 of the companies focus on export/import activities. From the total of 6,514 employees, 1,380 work in the warehouse and vehicle fleet area and 289 in the QM/QS/laboratory/technology field.

Via the „Lost Time Injury Rate“, the authoritative international accident index, the number of accidents at work with a notification obligation (absence from work due to injury of more than three days) is placed in relation to the total number of working hours. Of the 104 accidents already reported for 2011 only 20 were related to chemicals.

Your Chemical Trading Company:



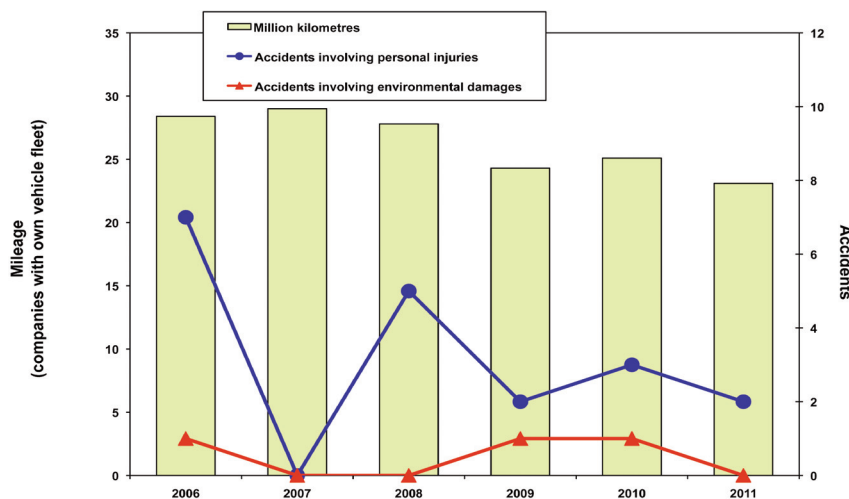
65 accidents resulted from stumbling, slipping, falling, trapping etc. and 25 cases were motor vehicle accidents in transit – also without a specific connection to the industry. This amounts to a LTIR value of 8.7 for 2011 (in comparison the figures for the professional association for commerce and the distribution of goods in 2010: 16.78).



Of the 55 sites with their own warehouse and filling operation, in 2011, 2,050 million tons of liquid products were transhipped. Here, 38 accidents/incidents occurred. There were releases of gas/fumes in only 7 cases. Fortunately, contamination of soil and waters did not take place during this reporting period.

26 companies have their own vehicle fleet with a total of 354 lorries. These travelled

a total distance in 2011 of about 23.1 million kilometres. In the process, 58 road traffic accidents occurred which averages at only one accident every 399,000 kilometres. Only two of the accidents resulted in personal injuries – damage to the environment or releases of hazardous materials did not occur. The other cases merely resulted in some damage to property.



The data extracts shown here and the figures in the overall presentation help to show the way this sector of industry is trying to achieve the highly desirable goal of a continuous improvement in RC results, thus reaching the final target of overcoming potential hazards by professional management and handling. With regard to the company-specific realisation of RC, please contact the RC representative(s) of your chemical trader – he/she is available to answer all questions concerning the internal company implementation of the RC programme.