

RESPONSIBLE CONDUCT IN THE CHEMICAL TRADE AND DISTRIBUTION



**Uwe Klass, President
Verband Chemiehandel**

In the implementation of the worldwide Responsible Care (RC) Initiative, as well as in the classical fields such as environmental protection, plant-, transport- and working safety, how chemical traders should comply with the demands of clients/ suppliers concerning RC, and also how traders deal with universal environmental and social concerns above and beyond a narrowly defined RC concept, are becoming increasingly relevant.

Here, there is a growing call for the concept of corporate sustainability as an integral part of "Corporate Social Responsibility" (CSR). I am very pleased, especially with regard to the RC partnership agreement between the German Chemical Industry Association (VCI) and the German Chemical Traders Association (VCH), renewed in 2007, that the industrial association is contributing a guest article to this year's "Responsible Care Report".

Dr. Romanowski, the chemical industry associations and the Chemical Workers Trade Union have launched an initiative for sustainability. Is this the end of the partnership agreement between VCH and VCI from 1996 on Responsible care?

Responsible Care is an important contribution to this new initiative of the chemical industry in Germany. Also, the partnership agreement between the German Chemical Industry Association (VCI) and the German Chemical Traders Association (VCH), which was explicitly renewed and strengthened in 2007, remains here a mainstay of responsible cooperation. A good partnership with chemical trading is particularly important for the chemical industry. Our sustainability initiative does strike out in a new direction however: this is the first initiative within German industry where industry associations and trade unions are working together for more sustainability. All participants are aware here however, that they are not really breaking new ground. Operating responsibly and good cooperation as social partners has decades of tradition and was also sustainable in the traditional sense.



RESPONSIBLE CARE

At the inaugural session in March 2012, a workshop was held with more than 50 representatives from chemical manufacturers, industry associations and the trade union. The results of this workshop are contained in the policy paper „The Concept of Sustainability of the German Chemical Sector“. In this, for the first time, a joint understanding by the alliance partners of sustainability was formulated and fields of action were identified where we wish to forge ahead towards sustainability. Important goals in this con-

nection are the development and adoption of sustainability guidelines and establishing a sustainability reporting schedule for our industrial sector. Here, in dialogue with important stakeholders, we are determining the expectations placed on the chemical industry with regard to sustainable business activity. Important for us, here, however, is that the three pillars of sustainability: economy, ecology and social commitment are treated equally.

What role does Responsible Care play in this sustainability initiative?

Some sustainability programmes from other chemical manufacturing nations have arisen directly from Responsible Care or were based on the Responsible Care Global Charter which was published in 2006. The VCI, the Association of Chemical Employers (BAVC) and the industry trade union Mining, Chemicals, Energy (IG BCE) decided to take a different approach. In our interpretation, RC has retained the classical form: The core focus is directed onto environmental protection, health protection, working safety, security and the dialogue with neighbours. The employees of our industry find that this clear profile reflects the corporate culture at their workplaces, and they can contribute on a daily basis to doing more than just the minimum legal requirement. Ultimately, this identification is also expressed in the cooperation with chemical trading.



**Dr. Gerd Romanowski,
VCI-Director for science, technology and the environment**

The truth is: anybody who talks about sustainability cannot leave out responsible care. In chemicals, we understand sustainability however as a wide cross-cutting issue, a wide arc, so to speak, which we wish to span over RC, but also over other themes and aspects. Among these are the great challenges of the future with which mankind is faced and which cannot be overcome without substantial contributions from the chemicals sector: nutrition and water supply, climate-friendly energy supply, health services and disease control or resource-efficient mobility. Already today, the chemical sector is providing an important contribution towards sustainable development. And this will be even more so in the future.

The successful cooperation between manufacturers and traders continues on a base of responsible activities by the parties involved. Thus, through the partnership agreement on responsible care, the member firms of the VCI and the VCH are also providing a very special contribution towards more sustainability.



The results gathered for this annual report are, as in previous years, based on the "indicators to measure performance". The programme elements which are included individually are



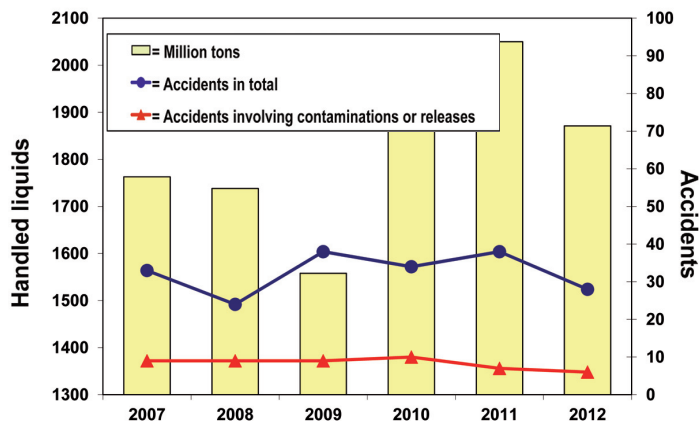
Responsible Care - Verantwortliches Handeln im Chemiehandel

„company organisation – transfer of responsibility and supervision“, „product responsibility“, „plant security – averting danger“, „occupational safety and health protection“, „environmental protection“, „transport safety“ and „dialogue - information of the public“. Using the data concerning accidents regarding the elements „plant security / averting danger“, „product responsibility“ and „transport safety“ – these also are particularly important especially from the aspect of public interest – in the following, again an exemplary* account is provided of the efforts of the industry in the realisation of the worldwide RC initiative. The current report is also part of „dialogue with the public“, as a further element of RC, and is also an invitation for you to make further contact with the „Responsible Care Representative“ of your chemical trader.

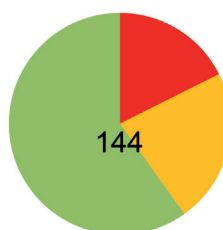
The questionnaire acquired data from 67 participating companies involving 138 operating sites of chemical traders during the 2012 reporting period. 53 of these locations have their own warehouse and filling operation and 9 sites have a warehouse without filling. The other 77 sites are sales offices without their own warehousing function. The participating companies with a total of 5,763 employees generated a revenue in 2012 of about 7.2 billion Euros (about 80 % of the industrial sector). About 70 % of the employees work in the commercial field and the rest in warehouse and transport operations or in quality management/security, laboratories or technical installations.

Last year 2,255 million tonnes of chemicals (of these 1,187 million tonnes of liquid) were transhipped at the 53 operating sites with their own warehouse and filling activities. Here, 28 accidents occurred. This represents an accident for every 66,800 tonnes of liquid chemicals shipped. There were only 6 cases of irregular release of chemicals (even the smallest amounts are included here). None of the accidents caused ground or water pollution.

Your Chemical Trading Company:



The number of accidents at work requiring notification remained at the low level of previous years: of the 144 notified accidents only 25 had an industry-specific context. From this, the „Lost Time Injury Rate“ (LTIR) is calculated as the standard international accident index: taking the accidents recorded in 2012 as a basis, the figure for last year is 13.8 (in comparison, the association for trade and goods distribution figure in 2011: 16.9).

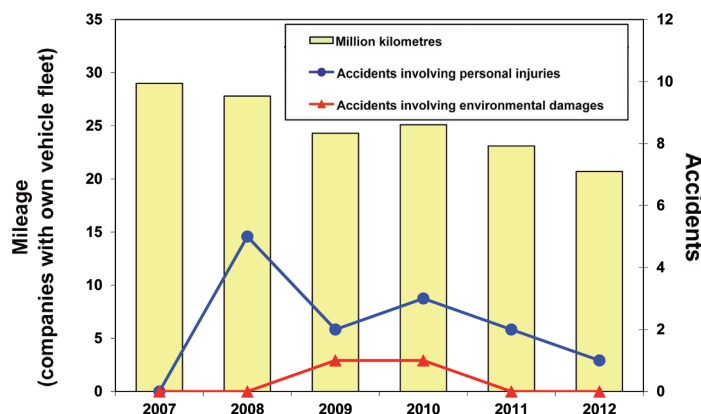


reportable occupational accidents 2012

- Accidents involving chemical interaction
- Accidents en route
- Accidents caused by mechanical influences

Among the firms who have their own vehicle fleet (in total 331 lorries) there were 49 road traffic accidents. Only 1 case involved personal injury – there was no environmental damage from any of the accidents. The other cases

were merely material damage. With a total distance travelled by all vehicles of 21.5 million km, this represents an accident every 438,000 km.



In recent years, it became increasingly clear that many company activities, which are also seen internally as the implementation of responsible care, are not perceived as such by outsiders or they are not capable of being registered by a questionnaire. Therefore, the RC Representative will be pleased to answer your further questions about the implementation of RC in the company. Ask this person your question if it goes beyond the mere statistical information provided here – and get a personal overview locally of responsible trading when handling chemicals and the activities which take place under the guiding principle of RC.

A detailed description (in German) with all results can be consulted on the VCH website ("Responsible Care" – "Jahresberichte").