

Responsible Care

March 2012

The Fecc Responsible Care Report 2011

1. LEVEL OF RC IMPLEMENTATION IN EUROPE

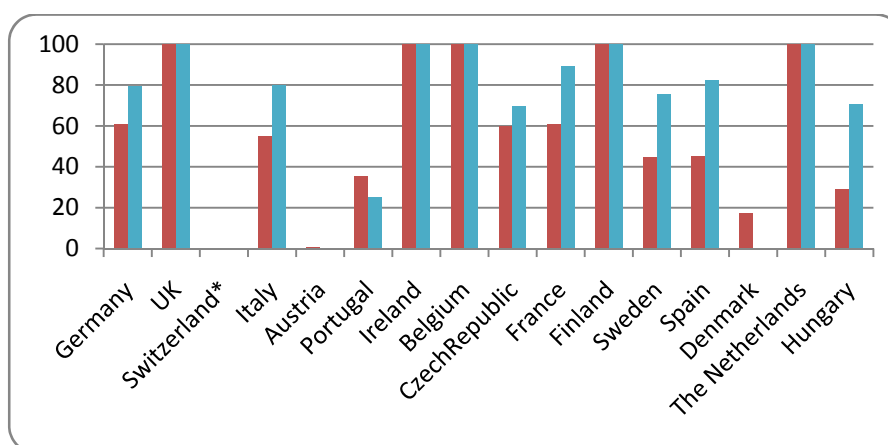
The Fecc Member National Associations (NAs) have developed local RC programmes in line with ICCTA Joint RC/RD Programme. In order to obtain the right to use the RC logo, the NA must comply with the RC rules and sign a partnership agreement with the local manufacturer's association, endorsed by Fecc& Cefic.

Each year Fecc collects a series of statistical data from its National Associations and Company Members. The collection, analysis and interpretation of this data allows Fecc to draw conclusions in different areas for example Responsible Care and its KPI (Key Performance Indicators).

Regarding RC implementation, there has been an improvement in the percentage of companies belonging to RC: from approximately 40% of some of the Fecc NAs to around 55% in 2010. Moreover, on average across the Fecc membership, the turnover of RC National Association companies represent 72% of total turnover, around 50% of employees and 54% of sites belonging to RC (see figures 1 and 2). Nevertheless, in some Fecc NA the RC membership is 100%.

Again this year, special attention should be drawn to the case of the Austrian National Association (WKO) where only one company out of 200 Chemical Distributor companies has a commitment to Responsible Care. Switzerland does not report RC data as this country reports to the European Council of Chemical Manufacturers (Cefic) instead.

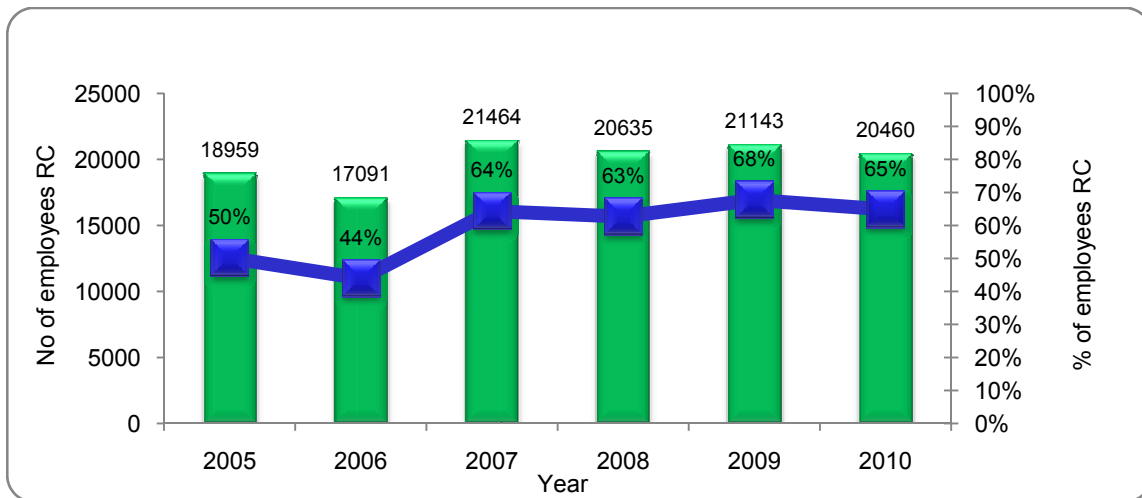
Figure 1. Level of RC implementation (Fecc NA membership)



*Switzerland reports to the Manufacturers' Association (Cefic)

■ % RC Companies in NA membership (2010 data) ■ % RC Companies in NA turnover (2010 data)

Figure 2: Number of employees belonging to RC (Fecc)



Comparing the 2010 and 2009 data:

- In the area of “Legal requirements” there has been the same order of magnitude of convictions;
- “Policies and documentation” a slight decrease in the number of ISO & ESAD assessments;
- “Provision of information” slight decrease in TPV members assessed (this decrease can be explained by the three year audit cycle of SQAS Distributor/ ESAD);
- “Ongoing improvements” an important increase in the number of improvement plans in place (431 in 2010 vs. 308 in 2009);
- In the field of “Risk Management” there has been an increase in the number of transport accidents and a reduction in the number of incidents on site company’s premises. After an initial period of increases and decreases in the number of incidents, since 2008 we have a similar trend and it seems this has stabilized (see figures 3 and 4).

Figure 3: KPI - Total number of incidents in transport

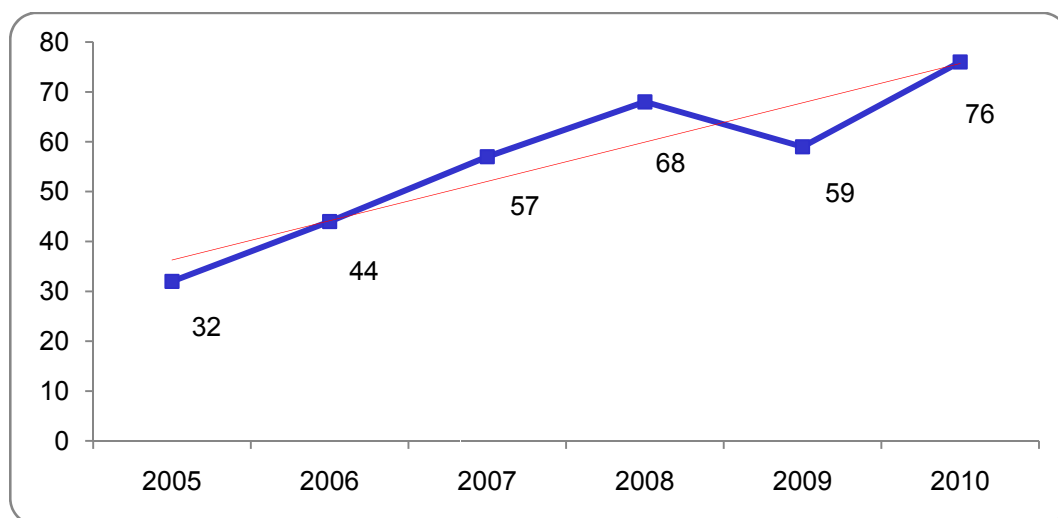
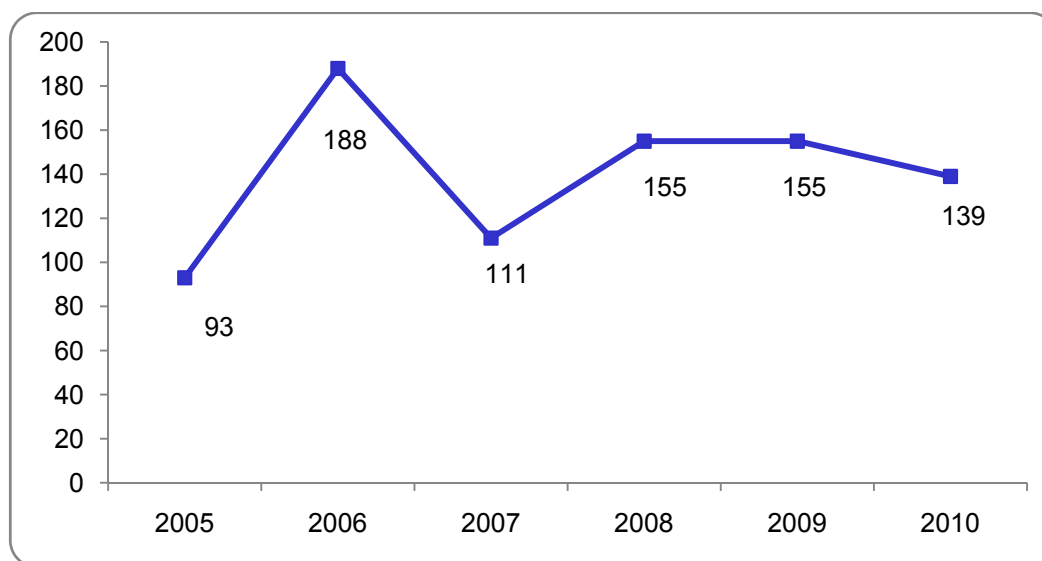


Figure 4: KPI - Total number of incidents on site company's premises



2. ADDRESSING THE NEEDS OF THE Fecc MEMBERS

2.1 The Fecc European RC Programme

Fecc developed the European Responsible Care Programme as a pan-European tailor-made initiative for distributors. The programme aims to accelerate the progress of RC at a European level and boost recognition of credible implementation by suppliers and customers.

The programme's core principles are based on the eight guiding principles of the International Council of Chemical Trade Associations' (ICCTA) joint Responsible Case & Distribution Programme.

- The Programme offers harmonized implementation in Europe and it is tailor-made for the distribution sector. The Programme offers appropriate tools to demonstrate distributors' responsible handling and use of chemicals. Moreover, it simultaneously addresses the stakeholders' expectations about the distributors' activities.
- The key element of the Programme is the mandatory TPV of the company's compliance with RC requirements, (e.g use of SQAS Distributor/ESAD system as one of the possible tools for TPV).
- The Programme is addressed to distributors in countries where no chemical distributor association exist, such as Central and Eastern Europe countries. In addition to this option, NAs have the possibility to use the Programme as their own or they can outsource their RC activities to Fecc. The Programme also addresses Pan-European companies that – with previous authorisation of their NA - may apply to Fecc for the RC programme in the countries where RC is already run by NAs.

2.2 Fecc European RC Programme implementation

The past year has been an excellent and record breaking year regarding applications received from mainly companies in new member states to join the Fecc European RC Programme. Fecc received 16 applications.

During the first half of the past year, Fecc received three applications to join the Fecc European RC Programme from C. H. Erbsloh (Austria, Poland and Switzerland) and from Azelis (Turkey). They received the authorization from the RC Committee in June 2011 to use the RC logo on a temporary basis, until TPV is scheduled.

The RC Committee that took place in December 2011 gave the authorization to use the RC logo on a temporary basis to Azelis (Ukraine, Latvia, Russia, Hungary, Romania, Croatia, Greece, Norway, Denmark, and Switzerland) and HSH Chemie (Hungary, Romania).

2.3 SQAS Distributor/ESAD and Responsible Care

Since 2004, ESAD is a joint initiative of the chemical manufactures (Cefic) and distributors (Fecc) that offers a tool for assessing HSE standards of the chemical distribution companies. Moreover, ESAD is designed around the Eight Guiding Principles of the ICCTA Joint RC/RD Programme and therefore offers an excellent third party verification system for the distributors' compliance with RC programme.

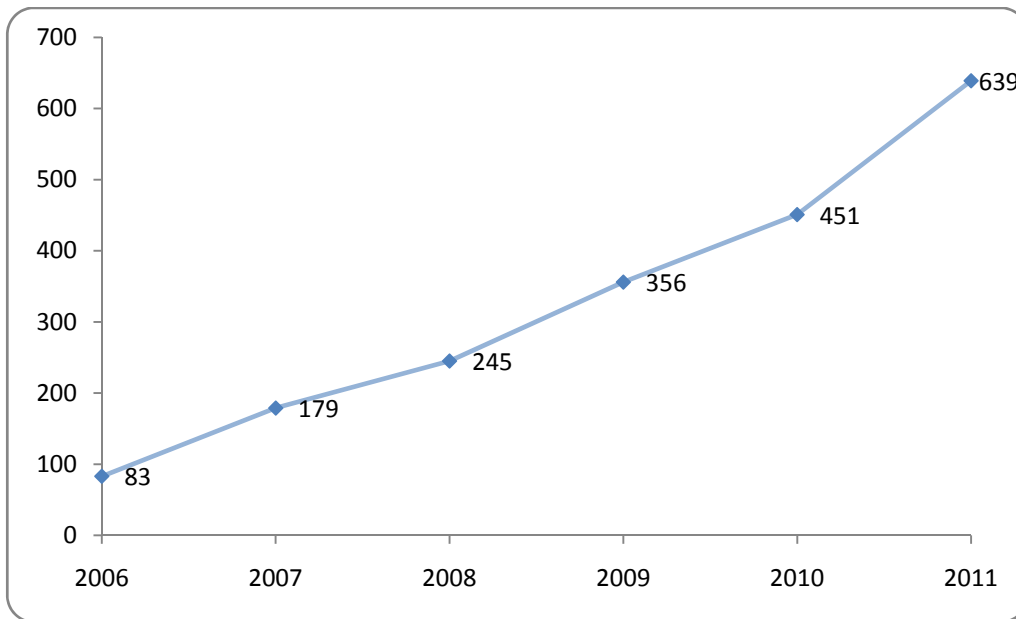
An SQAS Distributor/ESAD assessment does not lead to a certificate but offers a detailed factual report which each chemical company needs to evaluate according to its own requirements.

Key principles of ESAD:

- Eight RC guiding principles as specified in the ICCTA programme are included
- The report stays valid for three years
- An improvement plan can be uploaded in the relevant section of the report
- Reports are digitally available
- Reports can only be seen to selected users(e.g. Fecc) who have been granted access to the individual report

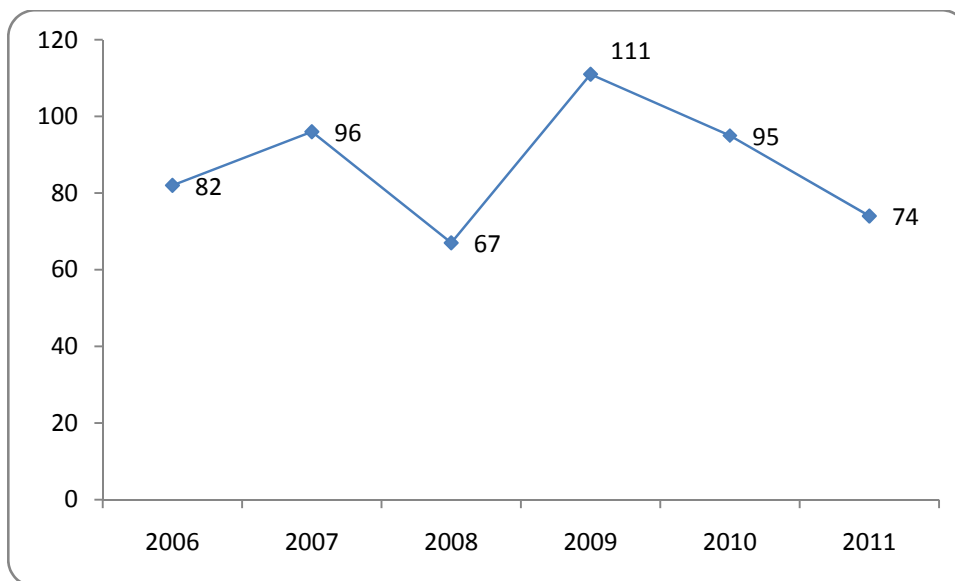
In Figure5the number of accumulated ESAD assessments from 2006 to the 31st December 2011 can be seen:

Figure 5: Number of SQAS Distributor/ESAD assessments accumulated (2006 – 2011)



Nevertheless in Figure 6 the number of assessments that have taken place each year is represented. We can see that since 2009 the number of ESAD assessments has decreased, however we should think about the fact that ESAD is a three year cycle system therefore we expect another peak in 2012 for the number of ESAD assessments that took place in 2009 (111 assessments).

Figure 6: Number of SQAS Distributor/ESAD assessments per year (2006 – 2011)



SQAS Distributor/ESAD was reviewed during the past two years and SQAS/ESAD 2011 was relaunched in April 2011. After a transition period of three months, since 1 July 2011 only SQAS 2011 can be used and it is available in English, German, Spanish, French, Italian and Dutch.

All the assessors have passed a retraining and reaccreditation process during the first semester of 2011. With respect to countries, Germany, Spain and France lead the number of SQAS assessments in 2011. Nevertheless France and Germany lead the number of ESAD assessments in 2011, followed by the United Kingdom, Italy and Spain.

Regarding the ESAD average scores this has stayed more or less the same; while community interaction, Product Stewardship, waste management and contract activities have lower scores. On the other hand, the scores for legal requirements and site issues have stayed high.

Out of territory Assessments:

Since the implementation of SQAS 2011 new and stricter rules for “out of territory” assessments have been set. Assessors must master the local language and know the local legislations to perform assessments. If this is not the case, the accredited assessor must be accompanied by a local specialist that covers these gaps.

2.4 Commitment to sustainability

The Fecc RC Programme complies with the ICCA Global Charter (http://www.icca-chem.org/Global/Initiatives/RC_GlobalCharter2006%5b1%5d.pdf?epslanguage=en).

The Fecc signature is our contribution and commitment to harmonise and improve HSE standards for distribution across Europe and to strengthen the commitment to sustainability. The dimensions of sustainability, such as environmental, social and economic aspects, are of significant importance for Fecc. They are incorporated into the Programme via regular reporting of industry's KPIs, presence of the improvement plan, regular exchange of best practices, and interaction with the general public.

2.5 Fecc RC Committee

The Fecc RC Committee is composed of company RC co-ordinators and national association RC managers.

In December 2011 a new RC Chairman was elected by the Fecc RC Committee: Robert Stuyt, Secretary General of the Dutch National Association of Chemical Distributors.

The Fecc Secretariat and the RC Committee offers support and practical help to the companies and NAs with the implementation of the RC, for instance in October 2011 the Fecc RC Committee organized a two day seminar in Krakow (Poland) with the title “RC Kick-off in Eastern Europe”. The aim was to attract new companies to RC in Eastern Europe.