

Fecc RESPONSIBLE CARE REPORT 2015 (Data 2014)

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Responsible Care

1. Level of Responsible Care Implementation in Europe

The *Fecc* Member National Associations (NAs) have developed – over the last 20-25 years - local Responsible Care (RC) programmes in line with the *ICCTA* Joint RC/RD Programme. In order to obtain the right to use the RC logo, the NA must comply with the Responsible Care rules and sign a partnership agreement with the local manufacturer’s association, endorsed by *Fecc* and *Cefic*.

Each year, *Fecc* collects a series of statistical data from its National Associations and Company Members (*Fecc* Survey). The collection, analysis and interpretation of this data allows *Fecc* to draw conclusions in different areas, amongst them Responsible Care and related KPIs (Key Performance Indicators). Regarding Responsible Care implementation, the percentage of distribution companies belonging to this voluntary initiative over the period 2009-2014 is 66.12% and in 2014 on average 68,46% (see Figure 1) which amounts to a slight increase compared to 2013 (67.88%).

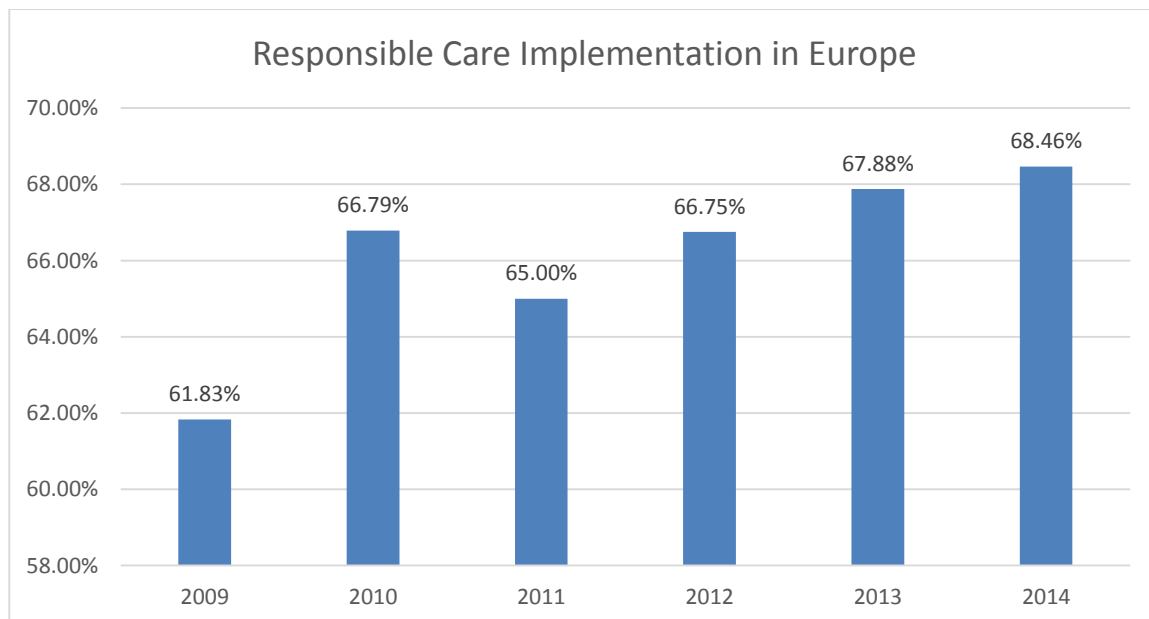


Figure 1: General Level of Responsible Care implementation Europe (Data *Fecc* Survey 2015): Average per year in percentage.

Responsible Care

	# distributors	# committed	%	# distributors	# committed	%	# distributors	# committed	%
	2009	2009	2009	2010	2010	2010	2011	2011	2011
Belgium	27	16	59	29	29	100	29	29	100
CZ	18	8	44	15	9	60	15	9	60
Germany	108	67	62	109	67	61	107	67	63
Denmark	31	6	19	29	5	17	31	5	16
Spain	58	24	42	59	20	34	54	20	37
France	76	45	59	69	42	61	70	42	60
Finland	17	16	94	16	16	100	17	15	88
Italy	231	43	19	79	44	56	79	45	57
Ireland	12	12	100	12	12	100	9	9	100
NL	53	53	100	53	53	100	38	38	100
Portugal	33	11	33	31	11	36	44	11	25
Sweden	25	18	72	47	21	45	45	18	40
UK	95	95	100	92	92	100	93	93	100
Average %			62			67			65

	# distributors	# committed	%	# distributors	# committed	%	# distributors	# committed	%
	2012	2012	2012	2013	2013	2013	2014	2014	2014
Belgium	30	30	100	28	28	100	28	28	100
CZ	15	9	60	14	9	64	13	11	85
Germany	106	68	65	106	65	61	102	65	70
Denmark	31	5	16	38	9	24	38	9	24
Spain	52	14	27	50	22	44	51	20	40
France	64	42	66	63	40	63	66	41	62
Finland	16	15	94	15	15	100	18	18	100
Italy	74	42	57	72	41	57	72	41	57
Ireland	9	9	100	9	9	100	10	8	80
Netherlands	31	31	100	39	39	100	34	34	100
Portugal	43	10	23	42	11	26	41	12	29
Sweden	28	18	64	40	17	43	40	17	43
UK	92	92	100	89	89	100	93	93	100
			67			68			68

Figure 2: Level of Responsible Care Implementation in Europe per Country (Data Fecc Survey 2015) – Commitment to RC

Figure 2 shows in detail the “hard figures” behind the percentage for each year. The calculation of the percentage per country is based on the figures provided by the NAs. The second column refers to the survey question “# distributors committed to RC/RD”.

The second graph (Figure 3) displays the results by country in 2014 and illustrates that significant differences in terms of Responsible Care implementation still exist when looking at the situation country by country. Compared to 2013, however, no substantial change can be observed across Europe, except for the Czech Republic which made a leap from 64% to 85%. It is worth noticing that in Belgium, Ireland, The Netherlands and the United Kingdom the Responsible Care implementation has reached 100%.

Finally, we should be aware of the fact that the graph does not show the Responsible Care performance of Austria (*Wirtschaftskammer Österreich, WKO*) and Switzerland (*Scienceindustries, SGCI*), as these are special cases: In Austria only one company out of approximately 200 chemical distributors has a commitment to Responsible Care, and Switzerland does not communicate Responsible Care data to *Fecc* as this country reports directly to the *European Council of Chemical Manufacturers (Cefic)* but *SGCI* might communicate Responsible Care data additionally to *Fecc* in the future.

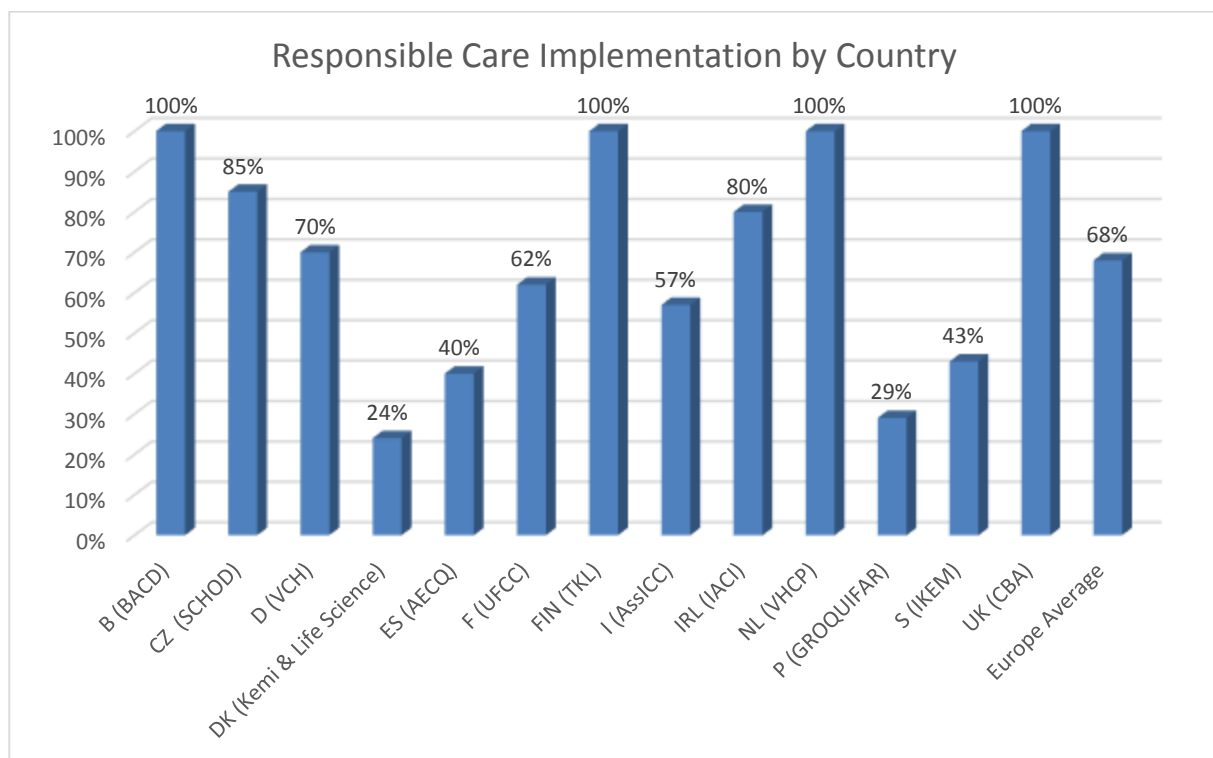


Figure 3: Level of Responsible Care Implementation in Europe per Country (Data Fecc Survey 2015)

In the field of “Risk Management” Figure 4 reveals a wide variety of situations in European countries, displaying a relatively high LTI- Rate (LTI = Loss Time Injury) in France (24.50; which should be explored in-depth in terms of parameters used, in particular whether the type of accidents/incidents communicated is comparable) and low rates in Finland (0.67), Sweden (1.25) and the UK (1.55). The LTI-Rate used in our graph is **defined as number of work accidents with loss of time more than 3 days multiplied by 1.000.000 and divided by the number of worked hours**. There is a clear downward trend in the average LTI evolution from a peak in 2011 (15.89) to a European average of 5.47 in 2013 and then a slight increase to 5.85 in 2014 as Figure 5 illustrates – that is, stabilizing more or less at the same level. As mentioned above, future research should aim at harmonization of input parameters in order to enhance the comparability of data.

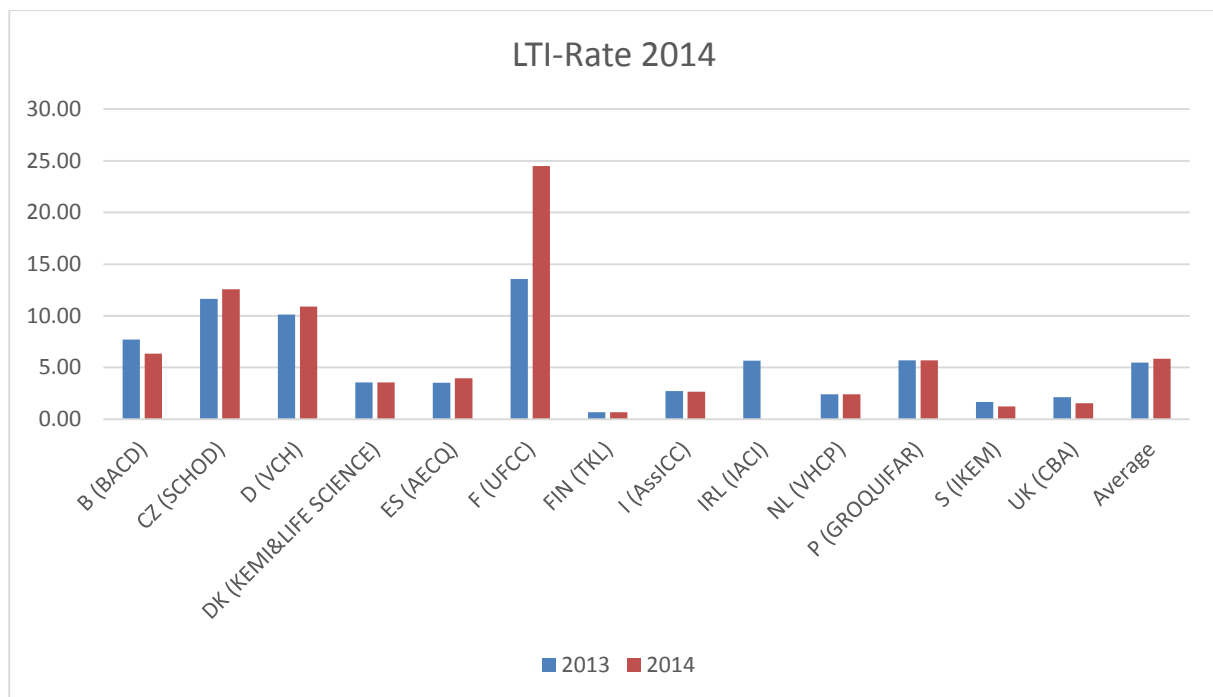


Figure 4: LTI-Rate 2014 by Country (Data Fecc Survey 2015) in comparison with previous year.

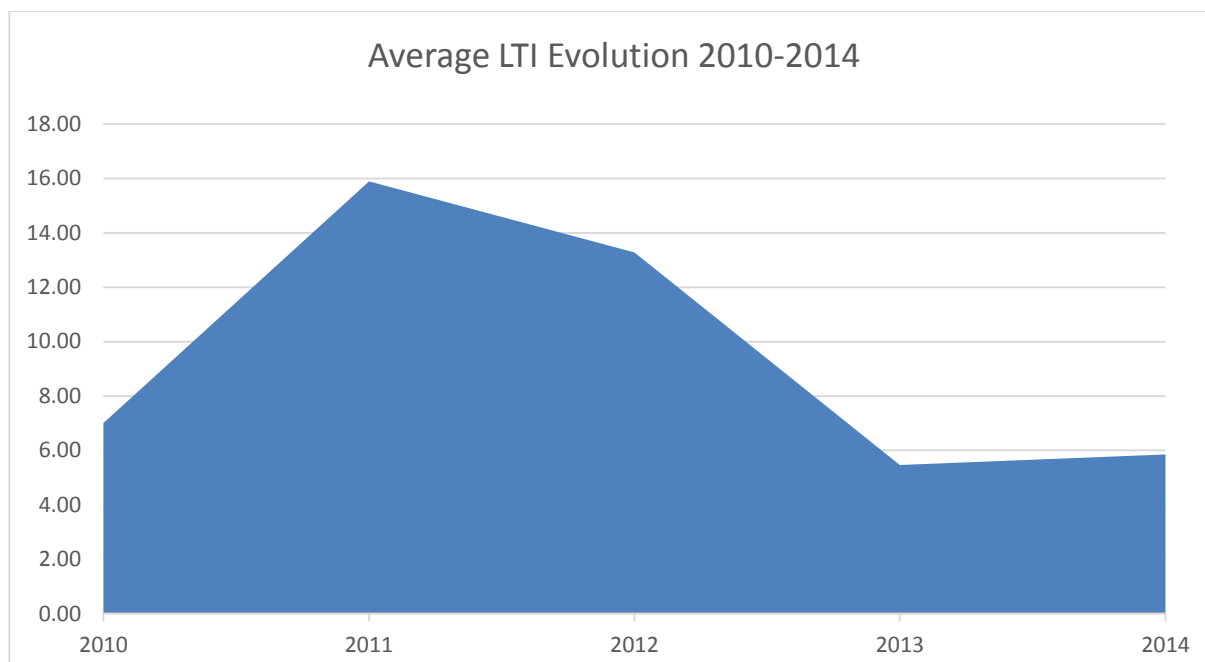


Figure 5: Average LTI Evolution 2010-2014 (Data Fecc Survey 2015).

2. Review of the *Fecc* European Responsible Care Programme

2.1. The *Fecc* European Responsible Care Programme

The Programme's core principles are based on the eight guiding principles of the International Council of Chemical Trade Associations' (ICCTA) Joint Responsible Care / Distribution Programme. It offers harmonized implementation in Europe and it is tailor-made for the distribution sector. The Programme provides 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 Third Party Verification (TPV) of the company's compliance with Responsible Care requirements, (e.g. use of ESAD system as one of the possible tools for TPV).

The *Fecc* European Responsible Care Programme is tailored for distributors in countries where no chemical distributor association exist, that is, in particular Central and Eastern European 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.

After a thorough revision in 2014 which made the *Fecc* European Responsible Care Programme more transparent, robust and consistent - an essential part of the revision was to improve the compatibility criteria and the process of acceptance of alternative schemes – Version 2.2 of the Programme was launched in January 2015.

Addressing the European Commission requirements in terms of security, two security related questions were integrated into the Responsible Care KPIs Questionnaire:

D. Security

<p>1) Have you completed security risk assessment(s) in line with legal requirements (eg ADR 1.10) <u>or</u> the “<i>Fecc</i> Model on Voluntary Measures on Substances Subject to Trade Controls” <u>or</u> similar national security code(s)/system(s)? If YES, please specify.</p>	
<p>2) If multi-sited, have all sites been risk assessed?</p>	
<p>a) If your answer is NO, please specify how many sites are risk assessed. If your answer is NO, please specify how many sites are not risk assessed.</p>	
<p>b) If your answer is NO, please explain the reason(s) why certain sites are not risk assessed.</p>	

An amendment to the *Fecc* Responsible Care Programme, worked out by *CBA/Fecc*, which introduces – by exception – the possibility of a Second-Party–Verification under certain conditions was approved by the *Fecc* Responsible Care Committee in December 2015 and shortly afterwards also approved by *Cefic*. It will be part of Version 2.3. – scheduled to be published beginning of 2016. The inserted text in chapter IV “Requirements”, page 7, is as follows:

“The Fecc European Responsible Care Programme allows, by exception, those companies that meet the following criteria, an exemption from the requirement to undertake third party validation:

- *The site is an office-only micro business in its country of operation (<10 employees, and turnover or balance sheet total, ≤ € 2 m), and*
- *Its country of operation has no accredited SQAS ESAD assessors, and*
- *Its country of operation has no National Distributor Association.*

A company meeting these criteria will satisfy the requirements of the Fecc European RC programme if it continues to provide annually the ICCTA Self-Assessment Questionnaire, together with the Improvement Plan (based on the self-assessment) and the KPI Report to the Fecc RC Manager. The RC Manager will perform a second party validation of the submitted documents.

If there is a change in circumstances, such that one or more of the criteria are no longer met, then the exemption will cease to apply, and the company should undertake third party validation when the next cycle falls due.”

2.2. Fecc European Responsible Care Programme Implementation

With regard to the Fecc European Responsible Care Programme, there are now in total 13 distributor companies in the programme, with some entities ‘on hold’ for the time being. In 2015, 4 verification reports were submitted to the Responsible Care Committee. The reports are an integral part of the Programme and are intended to analyse the company’s TPV assessment and improvement plans to enable a decision on granting permanent use of the Responsible Care logo.

Two NAs (AECQ, Spain and BACD, Belgium) have adapted the Fecc European Responsible Care Programme.

One NA (GROQUIFAR, Portugal) uses the Fecc European Responsible Care Programme.

2.3. ESAD and Responsible Care

Since 2004, ESAD (European Single Assessment Document) 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. ESAD is designed around the Eight Guiding Principles of the *ICCTA* Joint Responsible Care/Responsible Distribution Programme and therefore provides an excellent TPV tool for assessing the distributors' compliance with the Responsible Care programme.

A SQAS/ESAD/Distributors 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,
- Validity of the report 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.

The revised version ESAD 2015, integrating CSR/Sustainability issues and incorporating enhanced questions addresses the European Commission requirements in terms of security, came into force on 1 April 2015.

In 2015, there were several discussions with *Cefic* on the relationship between Responsible Care and Sustainability (New structure and organizational chart at *Cefic*) and active participation in a *Cefic-TfS¹-Fecc* working group in order to achieve recognition for SQAS/ESAD and working on identifying gaps between the *TfS* and SQAS/ESAD Questionnaire – based on a comparison between SQAS/ESAD at questionnaire level.

Figures 6 and 7 give insight into the development of the different SQAS modules (Transport Service, Cleaning Stations, Rail Operators, Warehouses, and ESAD/Distributors) over the last

¹ *Together for Sustainability*

six and seven years respectively. As far as ESAD/Distributors is concerned we clearly notice a decrease from 2013 (120 assessments) to 2014 (63) after a steady increase in the period 2011-2013 and then a significant increase in 2015 (110) which seems to demonstrate the cyclic character of the evolution in terms of numbers of assessments for the ESAD/Distributors Module.

	2008	2009	2010	2011	2012	2013	2014	2015
Transport Service	401	413	444	464	440	504	551	510
Cleaning Stations	164	131	165	190	191	197	221	190
Rail Operators	9	7	14	4	12	30	17	20
Warehouses	35	38	43	62	69	45	78	73
ESAD (Distributors)	66	111	95	74	102	120	63	110
Total	675	700	761	794	814	896	930	903

Figure 6: Number of SQAS Assessments per Module and Year (Cefic SQAS/ESAD Statistics).

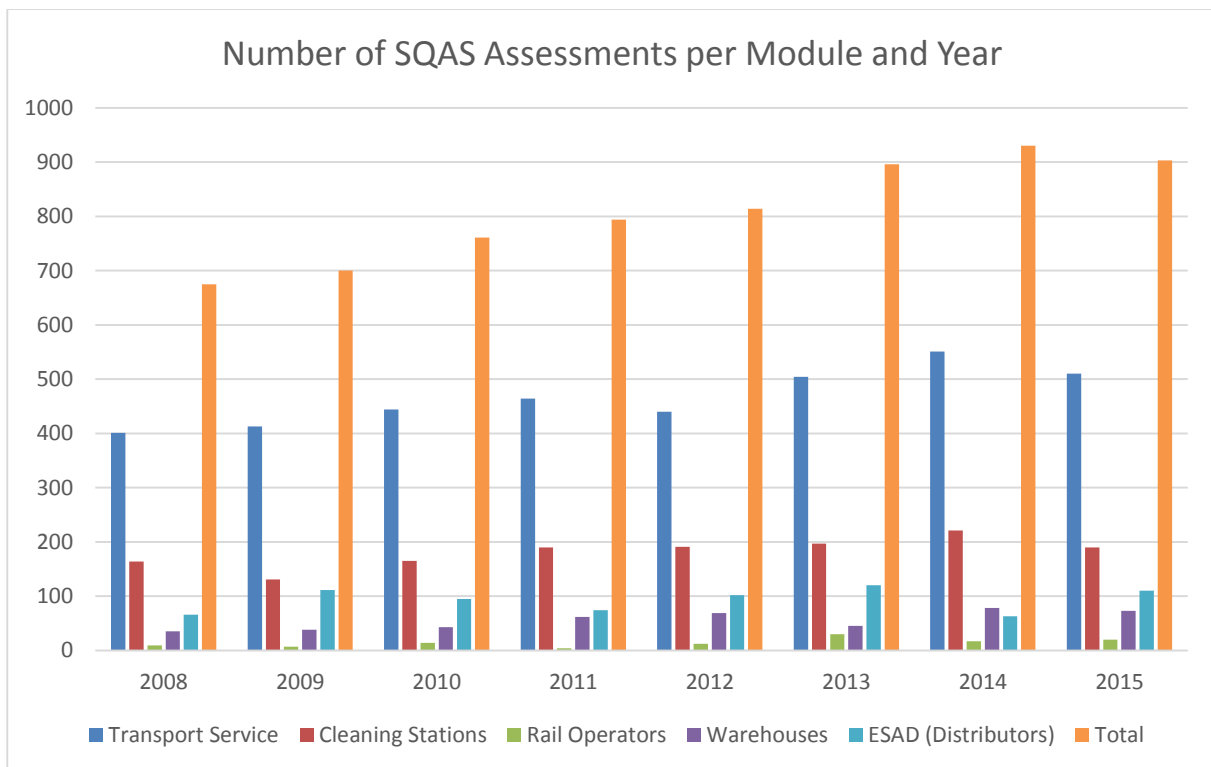


Figure 7: Number of SQAS Assessments per Module and Year (Cefic SQAS/ESAD Statistics).

A closer look at the Distributors/ESAD module by section reveals that 69 ESAD reports (Report type: only Distributors/ESAD (2015)) were registered in Di (Distributor Standard Activities), 55 in S (Site), 35 in Cs (Chlorinated Solvents), 35 in F (Food, Cosmetics and Pharma) and 11 in G (Good Trade and Distribution Practices) - added up this amounts to a total of 205 reports in 2015 (+ 83 still in Distributors/ESAD (2011)), compared with a total of 174 in 2014.

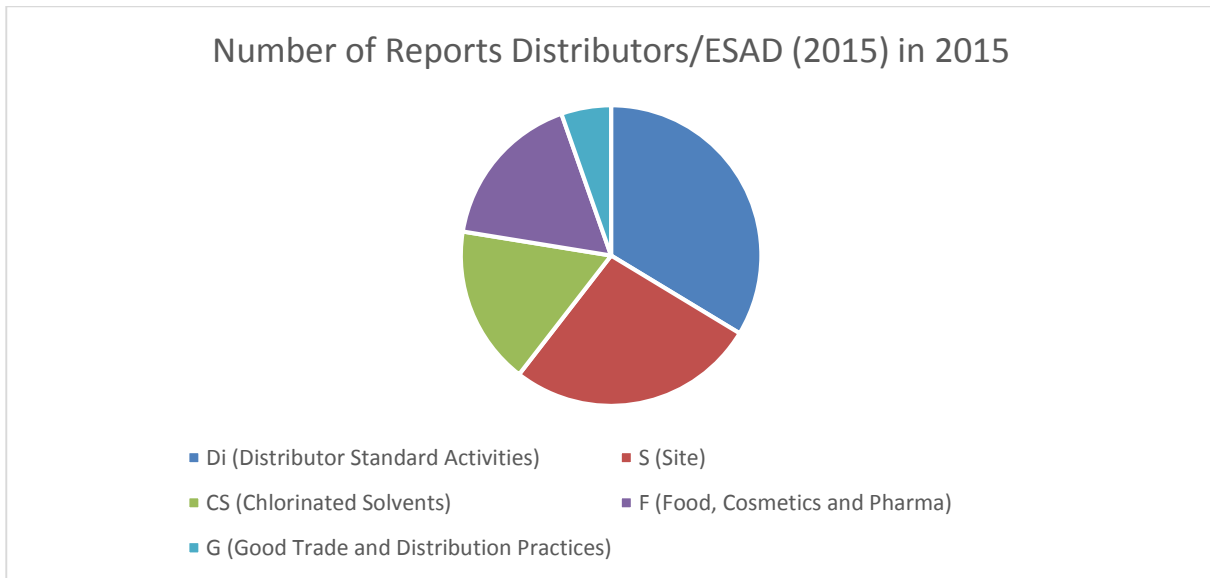


Figure 8: Number of Reports in Distributors/ESAD (2015) in 2015 (Cefic SQAS/ESAD Statistics).

2.4. Fecc Responsible Care Committee

The *Fecc* Responsible Care Committee consists of Company Responsible Care Coordinators as well as National Association Representatives. Since December 2011 the Responsible Care Chairman is Robert Stuyt, Secretary General of the Dutch National Association of Chemical Distributors *VHCP*. The *Fecc* Secretariat and the Responsible Care Committee offer support and practical help to the companies and NAs which implement Responsible Care across Europe. In 2015, *Fecc* organised four Responsible Care Committee Meetings thus providing a platform for Responsible Care Coordinators and Responsible Care NA Representatives to interact and share best practices (Presentations from *Brenntag*, *UFCC*, *SAFE CHEM* and *IMCD*). Moreover, *CBA* got the opportunity to report on “Earned Recognition in the UK” and *BACD* explained “Responsible Care for Office-Only Companies & SMEs” which was the subject of one of its workshops.

Furthermore, the Responsible Care Committee developed a paper “Business Benefits of Responsible Care. Reasons to join Responsible Care” with updated company testimonials and reference to international authorities recognizing Responsible Care.

Finally, the Committee worked out a first updated draft of the Responsible Care Agreement (MoU) between *Cefic* and *Fecc* which is scheduled for signature in 2016.