

Fecc RESPONSIBLE CARE REPORT 2014 (Data 2013)

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Responsible Care

1. Level of Responsible Care Implementation in Europe

The *Fecc* Member National Associations (NAs) have developed local 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 2009-2013 is 65.7% and in 2013 on average 68% (see Figure 1).

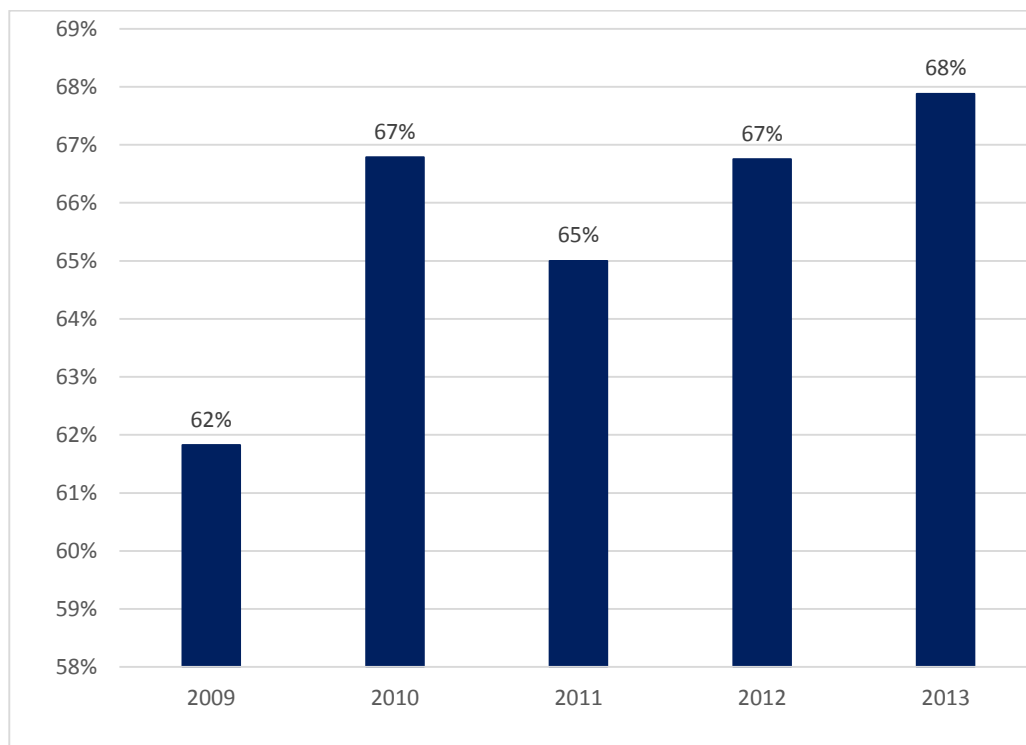


Figure 1: General Level of RC implementation Europe (Data *Fecc* Survey 2014): Average per year in percentage.

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	%
	2012	2012	2012	2013	2013	2013
Belgium	30	30	100	28	28	100
CZ	15	9	60	14	9	64
Germany	106	68	65	106	65	61
Denmark	31	5	16	38	9	24
Spain	52	14	27	50	22	44
France	64	42	66	63	40	63
Finland	16	15	94	15	15	100
Italy	74	42	57	72	41	57
Ireland	9	9	100	9	9	100
NL	31	31	100	39	39	100
Portugal	43	10	23	42	11	26
Sweden	28	18	64	40	17	43
UK	92	92	100	89	89	100
Average %			67			68

Figure 2: Level of RC Implementation in Europe per Country (Data Fecc Survey 2014): "Hard Figures"

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”.

Broken down by country, it is worth noticing, as Figure 3 on page 5 illustrates, that in Belgium, Ireland, The Netherlands and the United Kingdom the Responsible Care implementation has reached 100%.

This second graph displays the results over the period 2009-2013 with the upper bar for 2013 and the lowest bar for 2009. It shows an increased level of implementation in Denmark, Finland and Spain. However, a significant decrease in the implementation level can be observed in Sweden. The situation in Germany, France and Italy is characterized by stagnation.

Finally, we should be aware of the fact that the graph does not show the RC 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 RC data to *Fecc* as this country reports directly to the European Council of Chemical Manufacturers (*Cefic*).

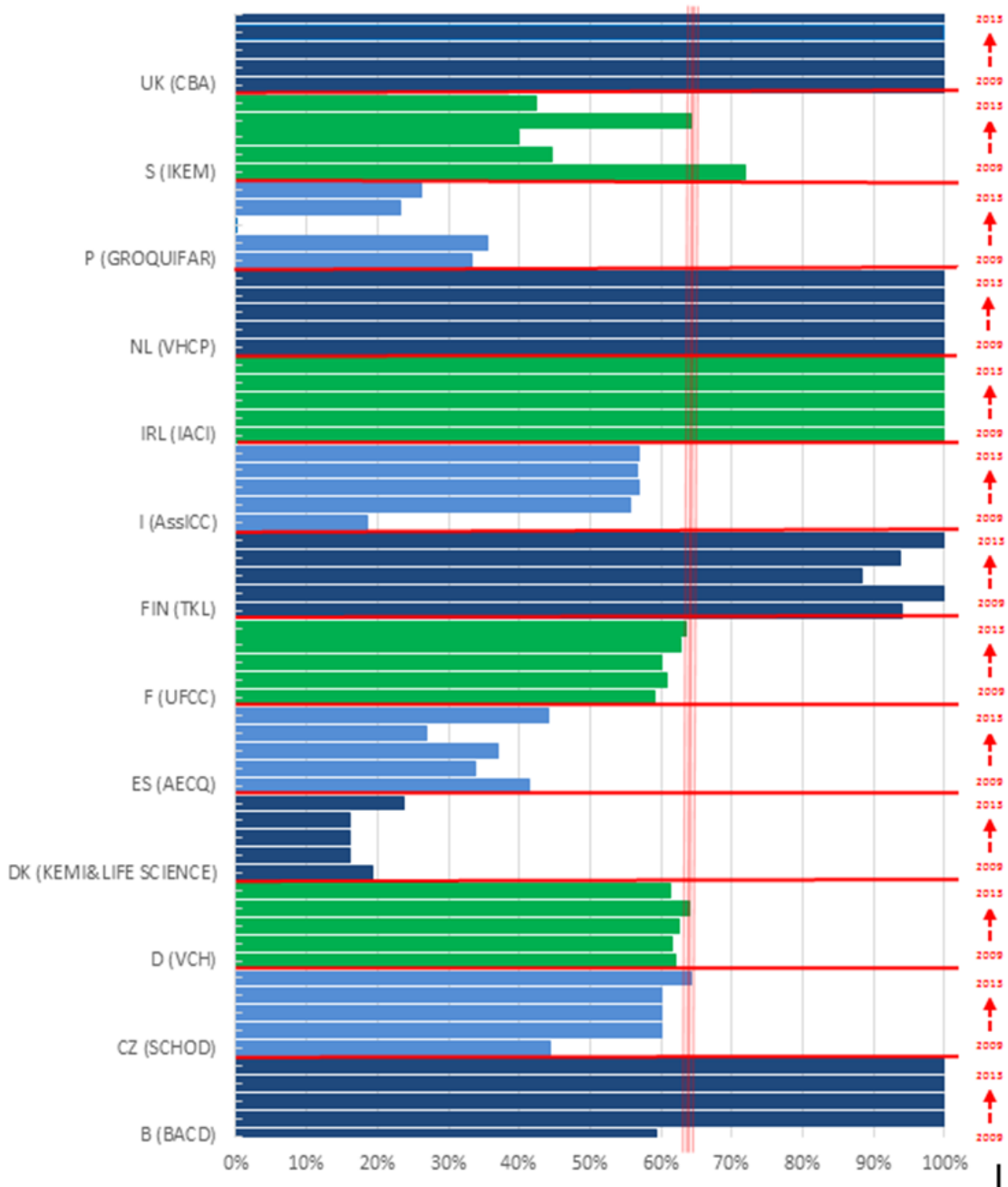


Figure 3: Level of RC Implementation in Europe per Country (Data Fecc Survey 2014).

In the field of “Risk Management” Figure 4 reveals a wide variety of situations in European countries, displaying a relatively high rate in France (13.58) and low rates in Finland (0.67), Sweden (1.68) and the UK (2.13). 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 as Figure 5 illustrates – with Ireland’s and Portugal’s score slightly above the average (5.68).

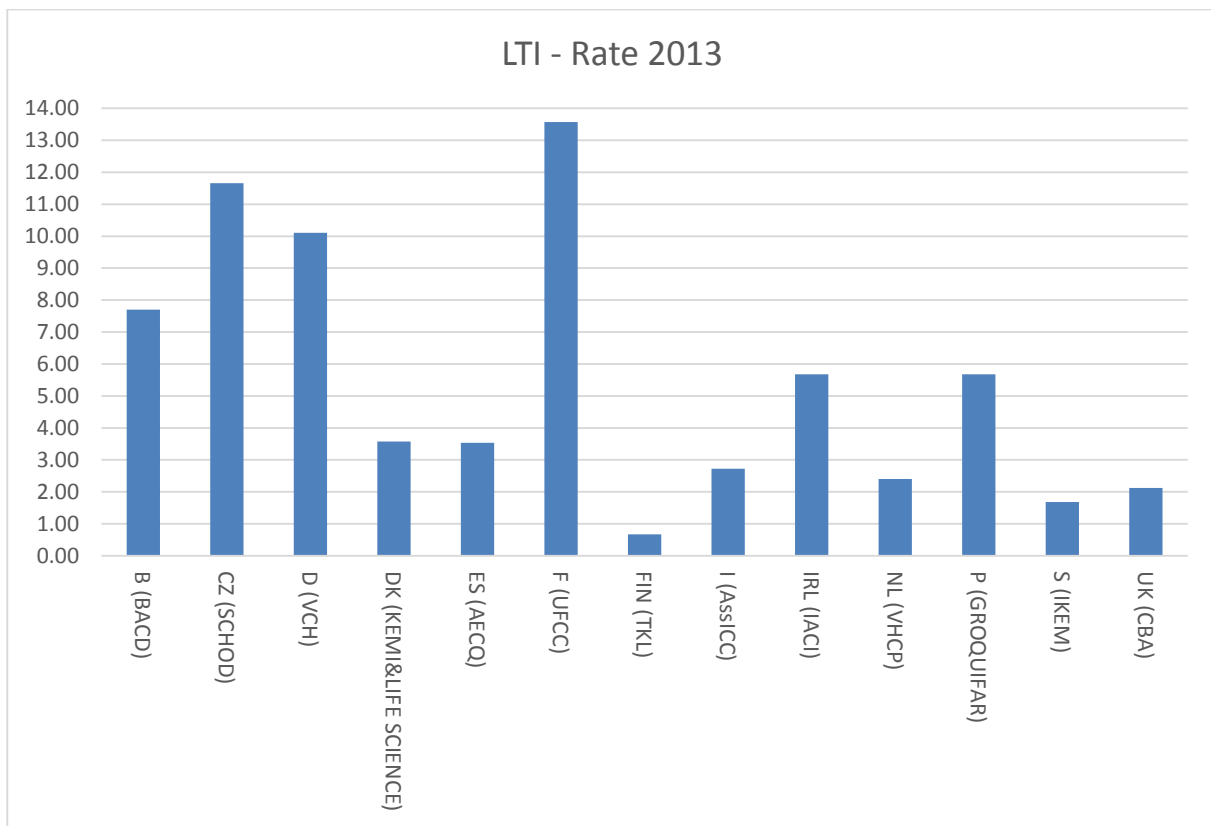


Figure 4: LTI Rate 2013 by Country (Data Fecc Survey 2014).

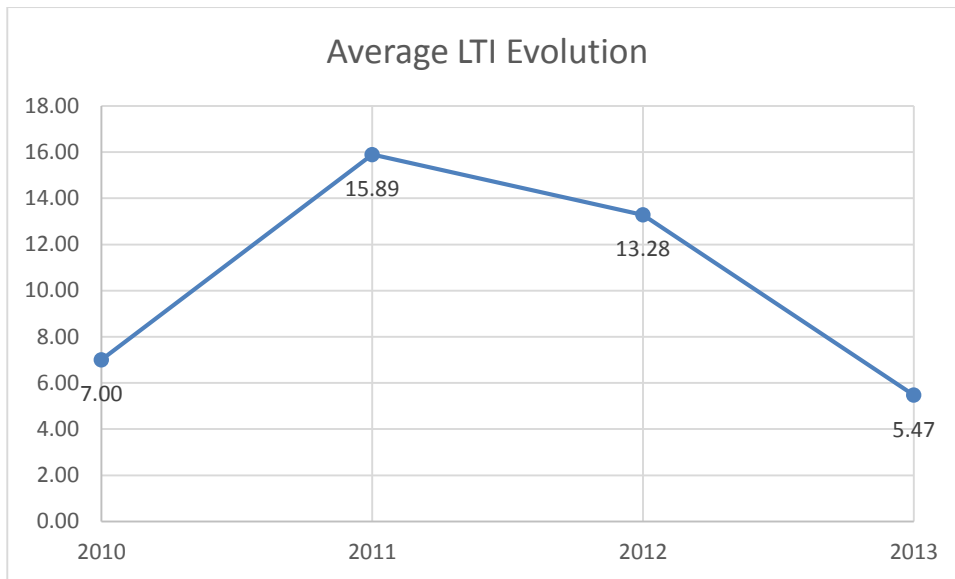


Figure 5: Average LTI Evolution (Data Fecc Survey 2014).

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 RC 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.

2014 was characterized by a thorough revision in order to make the 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.

2.2. *Fecc* European Responsible Care Programme Implementation

With regard to the *Fecc* European RC Programme implementation, two companies applied for the Programme in 2014. In total, three pan-European chemical distributors are running the programme in 13 countries, most of them in Eastern Europe. In this context, several reports - which are an integral part of the *Fecc* European RC programme and are intended to analyse the company's TPV assessment and improvement plans enabling a decision on granting permanent use of the RC logo - were submitted to the *Fecc* RC Committee.

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

One NA (*GROQUIFAR*, Portugal) has adopted the *Fecc* European RC 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/Distributor 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 *Fecc* Secretariat and *Fecc*'s members participated in the revision of the ESAD 2011 questionnaire: Integration of CSR/Sustainability issues and incorporation of enhanced questions addressing the EU Commission requirements in terms of security and the adoption of security questions already used in SQAS transport (*Fecc* contributed also to the revision of the SQAS Rail questionnaire).

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 six and seven years respectively. As far as ESAD/Distributors (red colour) is concerned we clearly notice a decrease from 2013 (120 assessments) to 2014 (63) after a steady increase in the period 2011-2013.

It is noteworthy that, at the end of 2014, the number of SQAS accredited assessors for distributors (ESAD) amounts to 49 - in comparison with 62 for the module "Transport Service", 56 for the module "Tank Cleaning", 18 for the module "Rail", and 53 for the module "Warehouses".

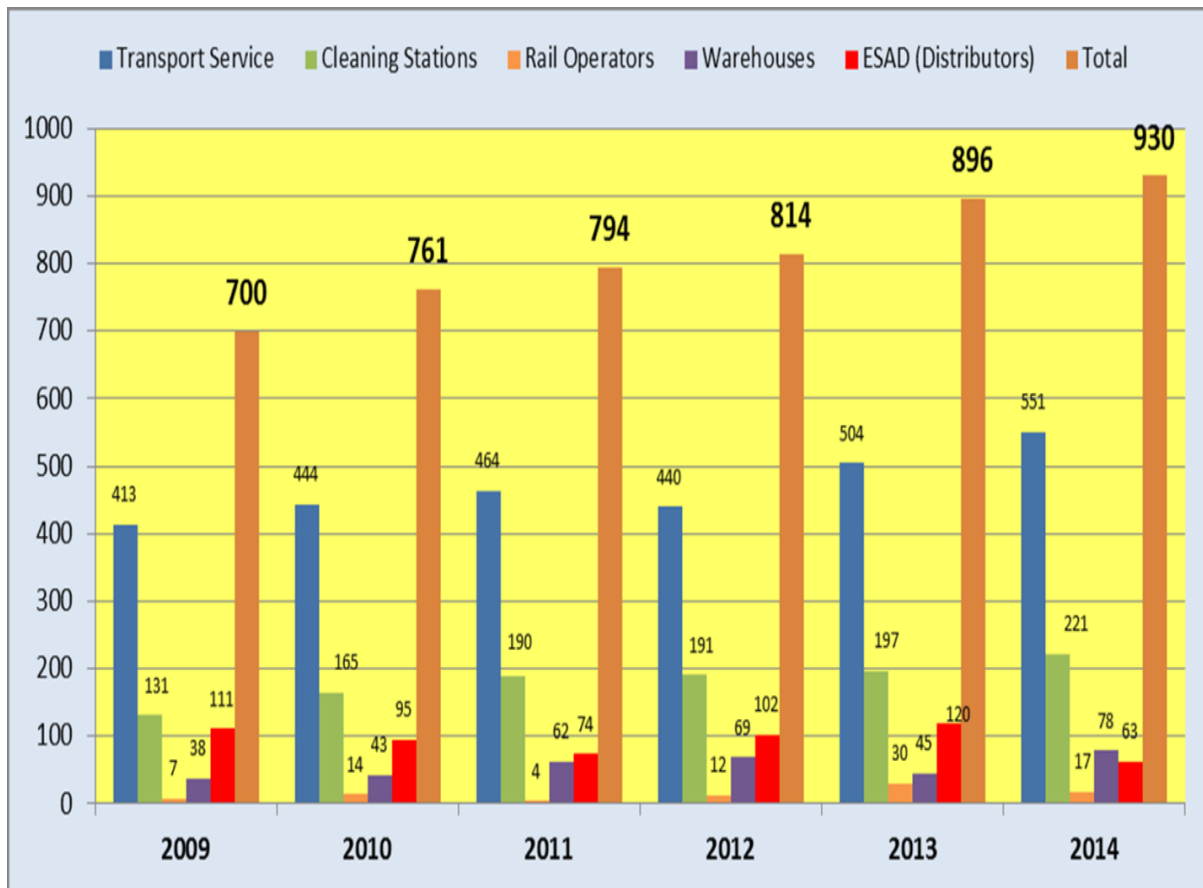


Figure 6: Number of SQAS Assessments per Module and Year (Cefic SQAS/ESAD Statistics).

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

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

A closer look at the ESAD module by section reveals that 61 ESAD assessments were conducted in Di (Distributor Standard Activities), 51 in S (Site) and 14 in Cs (Chlorinated Solvents).

Year	TS	TC	VH	Rail	ESAD	TOTAL
2014	3782	193	334	65	116	4490
2013	2969	161	178	77	328	3713
2012	2211	246	304	71	150	2982

Figure 8: Number of Downloads of SQAS Reports per Module and Year (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 with the implementation of the Responsible Care. In 2014, *Fecc* organised four RC Committee Meetings in order to establish a platform for RC coordinators and RC managers to interact and share best practices.