

Responsible Care 2020

RESPONSIBLE CONDUCT IN THE CHEMICAL TRADE AND DISTRIBUTION





Christian Westphal President Verband Chemiehandel

The activities of the companies that belong to the VCH are increasingly subject to a wide range of regulatory requirements. The industry meets these challenges in the areas of environment, safety, health and quality, thus ensuring a high level of protection in the handling and use of chemicals. Since the launch of the Responsible Care program at the VCH, the industry has also been committed to the goals of this global initiative - namely, a commitment to responsible and

sustainable action above and beyond the legal requirements. As a distribution partner, the chemical trade represents an important link between supplier and customer, and, through its advisory function, also influences sustainable responsible chemicals management in the supply chain. Responsibility also means " providing an answer": This is again demonstrated in this report, in which the industry presents an account of how "responsible action in the chemical trade" is implemented within the company.

Ms. Lorsee, what is the special significance of the Responsible Care concept in times of the corona crisis? Many German chemical companies are making a major contribution here in supporting the health care system and protecting the population. At the beginning of the corona pandemic, the demand for disinfectants increased many times over in a very short time. After considerable sup-

ply difficulties initially arose here, the German chemical trade was then able to make an important contribution to overcoming these bottlenecks, on the basis of a mandate from the Federal Government and correspondingly adapted legal provisions. Within a very short period of time, it was possible to increase the supply of raw materials and disinfectants, to guarantee the working of the supply chain, to ensure the maintenance of the health care system and the protection of the population. Thanks to the consi-



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derable joint efforts, the chemical trade was also able to contribute to ensuring that hospitals, doctors' surgeries and care facilities in particular could be supplied quickly and unbureaucratically. This is also proof of the flexibility of the chemical trade, which, even in these difficult times - in keeping with the principles of Responsible Care - is increasingly demonstrating its responsibility in the supply chain, acting as a link between raw material manufacturers and the users of the products and services offered. At the same time, the systemic relevance of the industry has been highlighted. The great demand has also strengthened the relationship of trust between the customer and his chemicals distributor. For the customer, it has become evident that he knows that he has a reliable partner at his side, even in exceptional situations: The industry is able to mobilize special resources, even under very exceptional circumstances, and is in a position to provide its products and services also under extremely difficult conditions.

You have pointed out the important function of chemical trade in the supply chain

The Responsible Care commitment of the VCH companies must also be seen in a broader context: The Responsible Care initiative has its origins in the chemical industry. The VCH has joined this initiative through a partnership agreement with the Chemical Industry Association (VCI). The aim of this agreement, which has been in existence



since 1996, is to further promote cooperation on product stewardship within the supply chain, to safeguard processes and to continue to jointly develop the appropriate applications of chemicals in the future. The fact that in these times of crisis the supply of disinfectants in sufficient quantities was successful, must also be

seen against the background of this cooperation between industry and trade. The VCH is also integrated in the associations' network COVID 19, through which comprehensive information on the topic is available to the trading companies of the participating associations across all sectors. Ultimately, the customers of the chemical trade also benefit from this.

In addition to the challenges of the Corona Pandemic, new guidelines for "Responsible Care in the Chemical Trade" will also be set out in the UN Agenda 2030. What changes will the concept of sustainability anchored in the VCH program undergo as a result?

The starting point of the worldwide Responsible Care initiative was and is the results of the UN Conference in Rio in 1992 and the guiding principle of sustainable, future-compatible development as a common goal of the international community. Following Rio, the UN member states adopted the Agenda 2030 action plan in 2015 with its 17 goals for sustainable development, which - and this is new - for the first time encompasses all three dimensions of sustainability (social, environmental, economic) equally. The goals of AGENDA 2030 are therefore also relevant to the VCH program: On the one hand, the considerations for implementation are guided by the fact that the idea of sustainability - where relevant for the industry - is already

firmly anchored in many concepts of the VCH program. On the other hand, the initiative or program will have to be further developed, for example in the areas of "health prosperity", "consumption and production" and " climate protection". This will then also be undertaken in consultation with our partners and the companies in the chemical trade in Europe and beyond.





Responsible Care - Annual Report Figures and facts for 2019



The VCH's Responsible Care program is characterized in particular by the fact that it requires all activities to be monitored by an independent, third-party expert. The participating company also undertakes to regularly report publicly on the progress made in implementing the program. This is in continuation of the reporting of previous years on the basis of the values gathered via the Responsible Care performance indicators. The Responsible Care authorized representative of the chemical distributor will also be happy to assist you.

In addition to the absolute values gathered via the indicators, the annual survey has always served as a forum for participants to discuss other Responsible Care-relevant questions. This applies above all to those aspects that are related in a larger context and cannot easily be assigned to a specific area for "Responsible Care in the chemical trade" or presented in figures. This also provides participants with new insights into how the goals pursued by the initiative can be achieved, both internally within the company and externally through exchange with partners. In this respect, "best practices" for the implementation of individual features of the Responsible Care Initiative are also being surveyed. Here, on the one hand, the participants gain valuable insights into the realization of the program, and on the other hand, they are gathering information which cannot be reduced to statistics at this stage. Examples here are the establishment of emergency alarm systems in the fields of "occupational health and safety", "plant safety/hazards" or concrete measures in the field of transport safety.

In October 2020, 75 companies participated in the program. In order to show the development

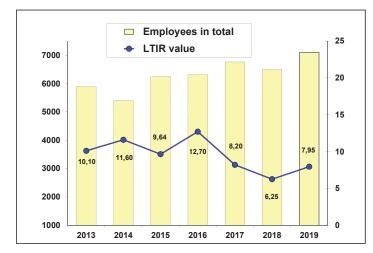


compared to the values of the previous years, the data survey again only included those sites (for 2019 = 143) that were already included in Responsible Care before January 2019 through their declaration of participation. 52 of these sites have a warehouse with their own

filling facilities, 9 sites have a warehouse without filling facilities. The remaining sites are sales or distribution offices without their own warehouse. 19 companies have their focus on foreign trade. With a total of 7,668 employees, the participating companies generated domestic sales of around 7.7 billion euros in 2019. 63.5 % of the employees in the participating companies work in the commercial sector, the others in the warehouse/vehicle fleet or in the areas of QM/QA, laboratory, technology and production.

In the past year, 2,538 million metric tons of chemicals (of which 1,559 million metric tons were liquid) were handled at the 52 operating sites with their own warehouses, filling facilities

Your Chemical Trading Company:



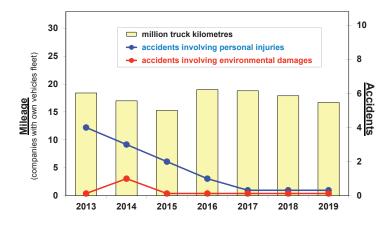
and personnel. In the reporting period, 60 spilling incidents occurred on the company's own premises or those of the customer (5 of which occurred at the customer's premises). The release of even the smallest quantities is also recorded as an incident, unless it is merely a matter of dripping on couplings and the like. In only one case did this result in soil/water contamination.



In 2019, 107 reportable occupational accidents occurred in the companies surveyed (incidents with adverse health effects due to occupational activity and subsequent incapacity to work \geq 3 days): Only 17 of these were related to our specific industry - i.e. were associated with exposure to chemicals. The Lost Time Injury Rate (LTIR) calculated from the number of these reportable in-

cidents in relation to the number of hours worked by all employees is 7.95 for the past year. For comparison: the figure for the BG Handel und Warenlogistik (The Accident Prevention and Insurance Association for Trade and Distribution of Goods) was: 15.21 in 2019.

23 companies have their own vehicle fleet with a total of 303 trucks. They were involved in 28 traffic accidents in 2019. With a total mileage of these vehicles of around 16.6 million km, this corresponds to one accident per 529,857 km driven. In no case was there an obligation to report an accident in terms of the hazardous goods law (incident with leakage of hazardous goods and at the same time personal injury, property damage or environmental damage).



A detailed presentation with the results of all Responsible Care indicators reported for the past year can be found at www.vch-online.de (\rightarrow Nachhaltigkeit \rightarrow Responsible Care \rightarrow Jahresbericht). The reports from previous years are also available there. The relevant Responsible Care representative of your chemical distributor will also be happy to assist you.

