

CONFERENCE REPORT

ECTA Conference, Rotterdam, NL 23rd November 2011

Sponsored by Sutton's Group

“Practical Implementation of Responsible Care into the Logistics Supply Chain by Producers and Logistics Service Providers”

ECTA MISSION STATEMENT

ECTA's mission is to improve the standards of efficiency, safety and security as well as the environmental and social impacts of the transport and logistics of chemical goods in Europe.



REPORT OF THE PRESIDENT and MANAGING DIRECTOR

Introduction

The President welcomed all to the conference and mentioned that 112 attendees had registered, this being the best attended conference in ECTA's history and hoped that all would gain something from today's meeting and conference.

The President opened the conference by stating that the theme of last year's conference was the development of measurement tools for CO₂, whereas this year the



emphasis is on the application of those tools to measure and improve CO₂ emissions within the logistics supply chain. This area was assisted by the holding of 3 training sessions during the year for responsible care coordinators.

Further comment was made on a year of consolidation for ECTA after splitting from EPCA; this will result in a neutral P&L position for the year ending.

The Ordinary membership base rose by 9.4% for the year to date with an

increase of 17% for Responsible Care membership. Enquiries so far look promising for a continuation of this trend into 2012 for both categories.



During the latter half of the year the ECTA Board took the decision to expand the ordinary membership and responsible care membership base to additional sectors, these being Tank Cleaning and Warehousing. The Board's thinking on this was to extend RC to the total logistics supply chain thereby showing external stakeholders and producers ECTA's continuing commitment.

With the above consolidation and expansion of activities it was also necessary to employ a permanent member of staff since March in the form of an ECTA Administration Manager.

The President made comment on the continuing economic uncertainty that the industry faces and considered it critically important to keep communication lines of all players open in the supply chain to assist with any synergies that may be identified.

It was a considered opinion that 2012 would also be a challenging year as far as logistics was concerned and that greater efforts would be required to just stand still, which is not a desirable situation for our industry.

In this area ECTA have set in place an Industry Advisory Council (IAC) forum with members from Producers, Cefic and LSP's that meet on a regular basis to discuss pressing matters within



the industry and to see what actions can be formulated to overcome

such situations.

ECTA also became an official partner to the Healthy Workplaces campaign on Risk Assessment organized by the European Agency for Safety and Health at Work (OSHA). The campaign aims at reducing work-related accidents and illness, by promoting risk assessment as the first step to a sustainable prevention culture.

To complement the above a number of initiatives are ongoing at present. The working groups are looking at:

- Maritime Tipping of ISO Box Containers
- Working at Height
- Weights & Dimensions

The above are targeting HSE and efficiency gains improvement throughout the supply chain; once again members of these working groups are from both sides of the divide.

The Weights & Dimensions area has the potential for the greatest efficiency gains if and when agreed. Cefic / ECTA submitted a position paper to the EU on this area earlier in the year in which a number of recommendations were made to assist the logistics industry across the board; the position paper is available from ECTA.

With the ever increasing threat of taxes, legislation and other punitive measures it is imperative that the industry is proactive in mitigating such onerous measures to meet the CO2 emissions required by 2020 and further cuts by 2050 of 60%.



Conference

The conference agenda comprised a number of speakers from all sectors of the supply chain e.g. Cefic, Producers and LSP's, as well as evening speakers from the Producer sector.

The conference commenced with **Bernhard Thier European Responsible Care Manager of Cefic** giving a high level overview of the application requirements to meet ICCA, also a number of initiatives that Cefic are promoting via the RC network.



Contents of the presentation consisted of the Responsible Care principles that all must comply with to be accepted and approved. The RC programme has now been in operation for 25 years since being launched in Canada. Other KEY essentials are the ongoing and transparent cooperation with all

stakeholders and local communities near to producer sites.

The question was raised **“Why do we need to improve?”**. The common answer is:

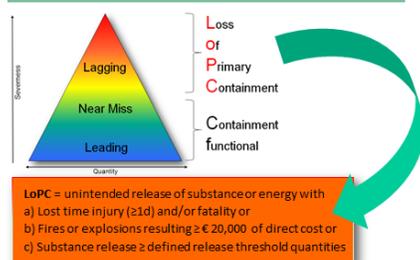
- Reduction of accident and incidents
- Improve Risk Assessments of the business
- Have in place management systems for control
- At the same time to have a structured approach to all issues within the business
- Reduce CO2 emissions

The presentation then went on to highlight the priorities of Cefic for 2011. These can be summed up as:

- Support capacity building in SMEs
- Promote process safety performance & metrics
- Advance security as an element of RC
- Promote resource efficiency (energy, water, wastes)
- Strengthen verification processes
- Address sustainability

New initiatives from Cefic

New KPI for Process Safety: LoPC



EU-OHSA Campaign on Maintenance

Maintenance workers at increased risk

- 10-15% of all fatal accidents at work and
- 15-20% of all accidents related to maintenance

Maintenance-specific risks

- Working alongside a running process and in close contact with machinery
- Non-routine tasks & exceptional conditions
- working under time pressure

Subcontracting (maintenance is very often subcontracted)

- Aggravating factor in terms of safety and health
- Maintenance operations are often carried out on sites unfamiliar to the workers
- Workers carry out operations very independently, making decisions by themselves
- Working alone, working during the nights
- Many subcontracting companies to operate simultaneously on sites



Spreading the RC word to those areas where ECTA members are already present.

Responsible Care Global Charter



*"An inspiring model of self-regulation that other industries should consider following."
(K. Annan, 2006)*



- ✓ 55 associations worldwide
- ✓ 90% of largest chemical companies

Responsible Care in China



- AICM leading introduction of RC in China (1st RC Conference in 2005; 2011 conference with >300 delegates)
- CPCIF signs MoU with ICCA in 2010
- Official Chinese RC Standard approved in 2011



Responsible Care in the Gulf Region



- Gulf Petrochemical & Chemical Association (Saudi Arabia, Kuwait, UAE, Qatar, Bahrain, Oman)
- Supported by Cefic & American Chemistry Council
- 54th RCLG member association (approved in 2010)



Responsible Care in the Ukraine



- Ukraine Chemists Union (UCU)
- MoU with Cefic since 2010
- 2010 workshops in Kiev, Yuzhne, Cherkassy, Severodonetsk
- 55th ICCA RCLG member association (approved in 2011)



Odessa Port Plant, Yuzhne



UCU General Assembly

Responsible Care in Egypt



- Egyptian Chamber of Chemical Industries
- MoU signed with Cefic in 4/2011
- Egyptian RC Board established 8/2011



Cefic DG Mandery with Sherif Al Gabaly, Chair of ECCI



The following Shell presentation was a continuation on the theme but from a Producer perspective.

Jaap-Jan De Bokx EUAF Land Logistics Manager of Shell Chemicals gave an overview of how Shell Chemicals has developed and controls its own RC expectations of its LSP's. The policy and goal of Shell Chemicals is Zero incidents of any nature, this is reflected in a down trend over the past 4 years to zero being recorded.



Shell believes this has been brought about by a focused strategy on recording:

- all accidents and incidents
- reporting to Shell in an open manner
- transparency at all times

Shell's KEY statements and Goal Zero approach

- Goal Zero encourages everyone to think it is possible to work safely and minimise harm to the environment.

Embedding Lifesaving rules

- The Life-Saving Rules set out clear and simple "dos and don'ts" covering activities with the highest potential safety risk. For example, none should work at height unprotected and seat belts must be worn at all times.

Innovating to keep drivers safe

- Shell has developed a Rollover Warning Device in collaboration with Bertocco, an automotive



components manufacturer, and Studio Merli, an engineering company.



- ✓ Shell Chemicals offering rollover warning devices to its carriers to promote risk reduction associated with rollovers.

Managing risks at customers premises

- Shell Chemicals has for some time had processes in place to appraise customer unloading facilities, the approach being taken showed that encouraging drivers to report unsafe situations and sharing best practices is more effective than visits by Shell staff.

Reducing Transport emissions

- While road transport accounts for less than 15% of total volume delivered, it has the highest environmental footprint and Shell Chemicals will be working with its partners to consider a range of options for improvement.

Sharing our learning

- The Learning From Incidents (LFI) process captures the circumstances, underlying causes and learning's from HSSE incidents and helps to identify process improvements, as well as share best practice.

- The open, two-way sharing of incidents is the mark of a mature, trusting partnership and is a critical factor in raising safety standards.

How is Shell building RESPONSIBLE CARE® Partnerships with LSP's?

Shell further encourages a responsible approach by:

- Sharing safety initiatives with LSP's
- Offering 'free' 'Hearts and Minds' coaching
- Providing financial incentives to improve
- Hosting conferences with supply chain partners to learn from one another on best practices
- Making joint HSSE commitments/annum
- Shell encourages logistics providers to sign-up to Responsible Care and prefers to do business with the companies that have signed-up. 95% of their LSP's in Americas and Europe



have signed up.

Responsible Care approval controls

The ECTA Managing Director then gave a presentation on the controls that are in place to measure and approve companies who apply for RC membership level. At the same time he also gave an update on the operation and set up of the Technical & Responsible Care Committee who have a good cross section of expertise to cater for the ECTA expansion. This committee meets approximately every 3 months:

These controls consist of:

- CEO commitment to Responsible Care
- Confidentiality agreement must be signed

- Access to SQAS assessments must be granted
- Appraise SQAS assessment by use of SQAS overlay matrices for the various assessments e.g. Transport, Tank Cleaning or Warehousing
- Notify the company if there any shortcomings and develop an improvement plan
- If all the criteria's are met, the approval is granted.

Activity Based Responsible care reporting

Bernhard Haidacher of LKW gave an overview of how LKW have implemented RC into their company and how they have developed an active spreadsheet to assist with the easier compilation of CO2 information based on the McKinnon report.

The "activity-based approach" relies on a simple formula that allows to estimate the carbon footprint of a transport operation:



$$CO^2 = \text{tons transported} \times \text{average transport distance} \times CO^2\text{-emission factor per ton-km}$$

The accuracy of the components that are used, such as the number of kilometres or the tonnage per trip, is not the most important, but the consistency of the way these components are used over the years. Then the LSP's have to decide if they wish their calculation to be simply reported once a year in a KPI form, or if they want to monitor their CO² developments.

The Responsible Care Programme of ECTA offers its members a very easy tool for an "activity-based approach" calculation of CO² emissions:

the active spreadsheet which is available on ECTA website.

Energy Based Responsible care reporting

Natasja van Schaijk of VOS Logistics gave an overview of how VOS Logistics has implemented RC into the company and at the same time, as seen in the presentation, how VOS Logistics has included all aspects of HSE improvements areas they are looking for.

The company, which is involved in Cargo, Bulk and Services, has various certifications such as ISO 14001, SQAS or Responsible Care. The company's sustainability report shows that Vos



monthly measures its "5 years objectives", which include the CO² emissions, the sickness absence or customer satisfaction.

Vos has integrated the Eco-safe logistics system, which aims improvements in Technology,

Operations and Premises. For example the company's objective is to decrease its carbon footprint by 20% by 2015.

Vos calculates its carbon footprint by the "energy-based approach", as follows:

$\text{Litres Fuel} \times 2,68 \text{ Kg (GhG Protocol)} = \text{Total Carbon Footprint in kg}$ $\text{Loaded km} \times \text{loaded product weight} = \text{Ton/km}$ $\frac{\text{Total Carbon Footprint (kg)}}{\text{Ton/km}} = \text{Carbon Footprint per ton/km}$

The carbon footprint is reduced by efforts on fuel reduction, empty mileage reduction, and loaded weight /volume optimization.

Practical application of RC for Warehousing and Tank Cleaning operations

Evert de Jong, QHSSE Manager of De Rijke Group, gave a presentation on the Practical application of RC for Warehousing and Tank Cleaning operations, emphasizing the simplicity and logic of the tools provided by ECTA to implement Responsible Care within a company.

The site-dependent nature of the Warehousing and Tank Cleaning activities causes overlaps of the various existing assessment systems, such as SQAS, HACCP, ISO 9001.

The ECTA process is very simple: once the company has submitted its Commitment document to ECTA, an Agreement is signed between ECTA and the ECTA member, and a Responsible care Coordinator is appointed within the company. Throughout the year, the company will have to submit an annual Improvement Plan, an annual Improvement Realization Report and an annual KPI report.

Practically, this means that the company will have to add the Responsible Care terminology to its policy, check the latter compared to the 9 RC components described in the signed Commitment, and communicate the new policy.

From the risk assessment point of view, RC has to be included in the company's procedures and documents, and a link has to be built between the 9 RC components and the actions resulting from the risk assessment. These have to be integrated in the RC annual Improvement Plan.



ECTA's KPI's should be comprised as well in the company's own reporting system, and filled in yearly.

The Improvement Plan should include the SQAS questions selected by ECTA, any item highlighted by internal audits, government agencies requirements, KPI forms from the previous years, and other items from various sources.

Finally, the annual RC Improvement Plan should be the base of the company's Annual Report. Columns can be added, showing the progress and completion of each item.

Each improvement process mixes various components that have to be assessed by the company, including the risk matrix.

Conference Dinner and Presentation by Sabic



Raf Bemelmans, Director Supply Chain Polymers Europe, and Mathijs Ploumen, Category Manager Land Transportation of Sabic gave a presentation and film of Sabic's approach to HSSE and the application of RC,

specifically pointing out both good and bad practices.

The company, which has been active in the ECTA Industry Advisory Council since 2010 and participates in current ECTA Working Groups, refers to the ECTA - Cefic guidelines in their contracts, requires SQAS assessments and selects its LSP partners based on these latter.

Sabic has achieved to have all their loading sites equipped with fall stop systems, to drive the new

load securing standard for soft packaging, and promotes safety for example during the hauliers days. The company has also developed visual communication aid and some testing for the drivers in order to make sure the safety measures have been understood.



The company aims to reach zero accidents involving Sabic transport, by implementing requirements for all transport modalities and focus on EH&S and Responsible Care. An open dialogue exists between Sabic and the LSP's and workshops on best practices are organized.

As behaviour is still the main cause of accidents, the company focuses on evaluations, feedbacks to drivers and hauliers, information and trainings, and inspection of the sites.

Sabic's long term objective is a partnership with SQAS-selected hauliers, this is why they are now asking to all of them compliancy to Responsible Care.

Conclusion

With 112 members and non-members attending, Rotterdam's conference was considered to



be the most successful ECTA conference to date with a good venue selection coupled with excellent networking opportunities.

Presentations are downloadable from ECTA website: www.ecta.be.
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