



Responsible Care[®]
OUR COMMITMENT TO SUSTAINABILITY

ECTA CONFERENCE 2009



*Implementing the ECTA
Responsible Care Scheme in
the European Chemical Land
Transport Industry*

Responsible Care[®] in Chemical Transport

American Chemistry Council's Partnership Program



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Presentation Outline



- Background of Partner Program In the US
- Obligations of an ACC “Responsible Care[®] Supply Chain Partner”
- Demographics of current partner roster
- Recent experience

American Chemistry Council



- Washington, DC-based trade association for America's top chemical manufacturers
- 128 member companies
- 90+% of U.S. chemical production capacity
- Responsible Care is a condition of membership for ACC companies
- 68 Partner companies: chemical transporters, distributors, logistics management companies, warehouses, terminals and others involved in the supply chain

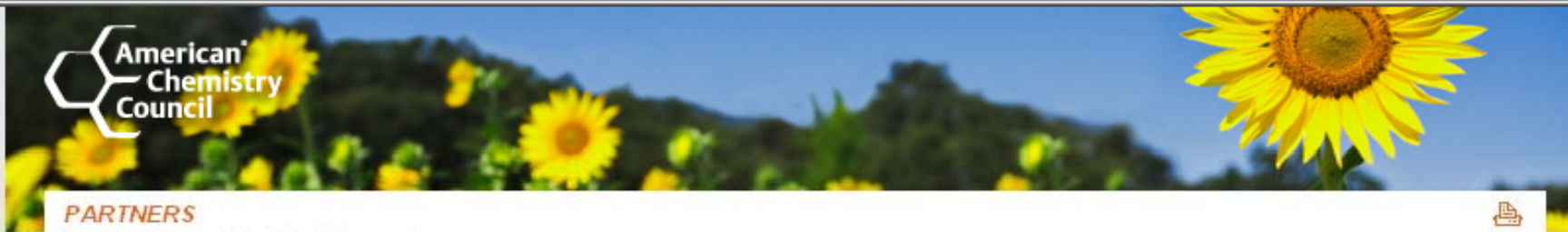


Chemical Logistics and Responsible Care® in US



- **Management System Approach**
 - Responsible Care Management System®(RCMS®) or RC14001®
 - Plan-Do-Check-Act Model
- **Independent Third-party certification**
 - Members and Partners undergo third-party audits of management systems
 - Similar in nature to ISO-9000 audits
 - Agreement with CDI-T for terminals in place
 - Certifications of HQ plus 1/3rd facilities in three year cycles
- **Performance**
 - Collective reporting of company performance on the web
 - www.ResponsibleCare-US.com
 - Members began reporting in 2004, Partner performance reporting began in 2006

SAME SYSTEM AND REQUIREMENTS FOR MEMBERS AND PARTNERS



PARTNERS
Community Outreach

Calendar Year(s):

2007
2006
2005

GO

To view more than one year of performance data, hold down the [CTRL] key while clicking up to five calendar years from the menu above.

Due to the diverse nature of Responsible Care Partner company businesses, maintaining routine contact with communities where they are conducting business can take many different forms. For example, motor carrier Partners (both bulk and non-bulk truck) are constantly transporting chemical industry raw materials and products across the country in a number of routes, whereas rail Partners use fixed routes in transporting some of the same materials. In these businesses, Partners will often jointly participate in American Chemistry Council member company events as well as conducting their own business-specific events.

Partners conduct literally thousands of such interactions, ranging from **TRANSCAER®** (Transportation Community Awareness and Emergency Response) events such as "Whistle Stop Tours" to local advisory panels or other community events. "Events" generally reflects number of events participated in or conducted. It should be noted that attendance at various events can vary widely. Partner companies began reporting these data for the first time in 2006.

Together, Responsible Care Partners continue to conduct in excess of 10,000 community outreach events annually.

		Outreach Events
Company Name	Sector	2007
A&R Logistics	Bulk Truck	7
American Commercial Lines, Inc.	Marine	9
Atlantic Bulk Carriers	Bulk Truck	4
BNSF	Rail Carrier	5,438
Bork Transport of Illinois	Bulk Truck	0
Canadian National Railway Company	Rail Carrier	300

Demographics of Current Partner Roster



- 68 Companies currently divided into 9 “Sectors”

Bulk motor carriers	-	26
3PL	-	9
LTL motor carriers	-	8
Rail	-	7, All major Class I RR's
Terminals	-	5
Marine	-	4
Equipment	-	3
Service	-	4
Warehouse	-	2

- Program is directed by Partner Steering Group – 12 partners with ACC Member Liaison
- Partners are also represented on ACC's Responsible Care Committee

What's the incentive?



ACC's Responsible Care[®] program is providing a common platform for managing EHSS issues through the chemical supply chain



How?



- Common supply chain ethic and EHSS platform = streamlined carrier/logistics provider qualification process
- Common audit process with flexibility to capitalize on proven programs
- Lower cost to chemical producer and its business partners

Recent Experience and Lessons Learned



Substantial Bottom-line Business Value Results from...

- Working with **common principles** regarding management of EHS&S
- Establishing a **common view of the supply chain** and accountability at each node and “hand-off”
- Fewer audits and trust built through 3rd party certification process
- **Enhanced communication** between EHS&S accountable individuals from each partner in the supply chain
- Recognizing and **managing change** in any of the above
- **Commitment from the top** of the organization

Member-Partner Interaction Critical



- Each Partner sponsored by two ACC members
- Partners invited to ACC's Annual Meeting
- ACC member leadership with Partners

- Honeywell
- Shell
- DuPont
- Rohm and Haas

Honeywell Logistics Rules for Carrier Selection

- AMBest rating for carriers insurance carrier
- Copy of current DOT condition report
- Copy of Hazardous Materials Certification (if applicable)
- Copy of W9
- Form MSC-90 "Endorsement for Motor Carrier Policies of Insurance for Public Liability Under Sections 2 Carrier Act of 1980
- Certificate of Standard Alpha Code (SCAC)
- HM-232 documentation

• All Hazmat Carriers Responsible Care® Partners

- Minimum Insurance Requirements
- Workers' Compensation Insurance in compliance with the law or laws of the state or states, including insurance with limits of not less than \$1,000,000 each accident or occurrence.



Dow - A Focus on Performance Results

- Dow has established performance requirements for our supply chain service providers in the areas of safety, service, compliance and cost
- Except when unique product safe handling needs are involved, we do not specify how those performance requirements must be met:
 - Our supply chain service providers are the experts in their area re: regulatory requirements, industry safety standards & best practices
 - Emphasis on performance vs. specification standards enables flexibility in achieving the best results at the lowest cost
- All supply chain service providers are held to the same high standards & periodic performance reviews are held
- Root cause investigations are required for all incidents, corrective actions must be defined & implemented & learnings shared
- The Responsible Care® Partnership Program is a "means to an end" – a mechanism for achieving the desired performance results. Participation in the program is not the sole objective – but in most cases, we believe it is the most efficient & effective way to achieve the bottom line objective

Testimonials



- “At that point (in contract discussions) we noted that we are an ACC Partner in good standing that we recently passed the ACC Responsible Care Management System certification audit. We were immediately elevated to a higher level, had instant credibility and were distinguished from our competitors accordingly.”
- “We believe we have a responsibility to our customers and the public in addition to our company. One way to live this value out is to take a leadership role in initiatives like RCMS. It's also good business. When we have processes that insure we are safe, we lower our costs. Lower costs are then translated into competitive pricing for our customers.”

Resources Available to Partners



- All guidance documents and supporting information readily available on open website (www.responsiblecaretoolkit.com)
- Monthly open conference calls: general items of interest & separate management system focus calls
- Peer group meetings and discussions
- The ACC member sponsor(s) for your company
- Responsible Care Special Advisors
- Monthly detailed newsletter
- Annual Responsible Care Conference
- Recurring workshops and training