

Responsible Care 2022

RESPONSIBLE CONDUCT IN THE CHEMICAL TRADE AND DISTRIBUTION





Christian Westphal President Verband Chemiehandel

The increasingly urgent environmental policy issues make it clear that progress in sustainability, also in the chemical industry, is only possible if responsibility is jointly perceived and adopted. This is what the partnership agreement between VCH and VCI, which was renewed last year, stands for. For 25 years now, trade and industry have been committed to the fields of action described in the Responsible Care Initiative. This year's report explains how the initiative can continue to succeed for all parties in the future.

Ms. Schönnenbeck: What is the significance of the Responsible Care initiative today, given the many environmental policy requirements and sustainability initiatives?

Looking at the immense challenges of the future, I am convinced that Responsible Care is more relevant than ever. We are currently facing a situation that has never been so stormy

<u> :::vch</u> Erneuerung Partnerschaft Responsible Care VERBÄNDE VERLÄNGERN ZUSAMMENARBEIT

and risky: We want to drive forward the transformation of industry to climate neutrality and - triggered by the war in Ukraine - become independent of Russian energy supplies. Of central importance are issues such as feeding a growing world population, conserving resources and the circular economy. Meeting these challenges is not just the responsibility of management, but of everyone involved. In the chemical industry, since the initiative

was launched in 1985, Responsible Care has been, so to speak, the laboratory apparatus for this.

For more than 30 years, this initiative in Germany has stood for continuous improvement of the environment, safety and health - independent of laws and regulations. It is therefore an essential building block for advancing the transformation process in the course of the European Green Deal. With Agenda 2030, the EU aims to reduce greenhouse gas emissions to zero. The EU Chemicals Strategy of 2020 is also part of the Green Deal, and as a central component of the value chain, the chemical industry can make a decisive contribution to the ambitious targets here.

In addition to this: Sustainability has become increasingly important in recent years. This lends a new dynamic to Responsible Care - not only in Germany. After all, the initiative is seen as an important building block of sustainable development.

Responsibility - this also includes "giving an answer." How does this happen with chemicals via Responsible Care?

In addition to protecting people and the environment, Responsible Care also includes another component that is indispensable in today's world: dialog. And dialog means more than just talking! Our society has a great need for transparency. We are willing and able to meet this demand. Indeed, after all, the imminent transformation that is required and necessary for climate protection can only succeed if we are met with widespread acceptance from the public. Our industry is responding to this desire for transparency - for example at open days, neighborhood dialogs, virtual plant tours, citizens' telephones - and also with this report.

We translate Responsible Care as "acting responsibly." Taking responsibility is also a sign of respect and recognition. On the one hand, the chemical and pharmaceutical industry and the chemical trade are committed to taking responsibility in the event of an incident. Secondly - and this is where Responsible Care comes in first and foremost - the initiative refers to the ability to contribute one's own knowledge and skills. For our industry, this means in concrete terms that we comply with legal standards and avoid endangering people and the environment. In addition, our products themselves contribute to sustainability - for example, in the manufacture of building

insulation or solar modules, which reduce emissions of climate-damaging gases.

The associations that coordinate the RC program also bear responsibility: VCH and VCI meet the international requirements for their reporting obligations through their respective Responsible Care annual reports. Based on their own surveys, these reports include facts and figures on the environment, safety and health in the chemical industry. Reports are supplemented by contributions on the national winners of our annual Responsible Care competition.



Martina Schönnenbeck, Responsible-Care-Managerin, Verband der Chemischen Industrie e.V

Responsibility in the chemical industry: How can and will this continue in the future?

The chemical trade and the chemical-pharmaceutical industry will continue to accept the challenges presented to them by society, politics and the market. This is also reflected in the partnership agreement between the two associations, which is repeatedly renewed - again last year. In this way, VCH and VCI are confirming their intention to jointly focus even more strongly on sustainability in the future and thus to act in a responsible manner. The continued success of Responsible Care will depend on the extent to which it succeeds, and the willingness that exists, to repeatedly explore unknown or uncomfortable paths together and as partners in the supply chain. I am certain that the chemical companies will continue to address the challenges facing society through the Initiative. I would like to mention climate protection as an example: As an actor in society as a whole, our industry acknowledges its



responsibility to contribute to the goals of the Paris Climate Agreement of 2015. And, for a long time now, it has already been implementing concrete measures and was able to reduce its greenhouse gas emissions by around 50 percent between 1990 and 2020. Those who act in the spirit of Responsible Care demonstrate their positive attitude.



Responsible Care - Annual Report Figures and facts for 2021



Responsible Care in the chemical trade: This global initiative, which was also launched in 1996 in the German chemical trade, is specified in the VCH program. From the outset, the program stipulates that member companies must be accountable for implementing the Initiative and acting responsibly: On the one hand, this is accomplished by a concrete and individual RC verification by independent third party experts on a regular basis and, on the other hand, via the reporting of the "Performance Measurement Indicators" (Element 7 of the VCH program). With the results determined for 2021, the industry here again informs how Responsible Care is implemented or simply "lived" in the practical work inside the company. Here, it is evident that the initiative continues to make an important contribution to sustainability in the chemical industry, also in the sense of the goals associated with the 2030 Agenda and the EU Green Deal. The indicators provide statistical data on the one hand, but also "best practices" on how individual elements of Responsible Care are implemented. These "best practices" often escape regular statistical evaluation, but are then the subject of the Responsible Care workshop and, where appropriate, the VCH technical working group. This also then makes them a benchmark for further development of the Initiative.

The following selected information again provides a condensed overview of developments in the industry. As always, a detailed presentation with the results of all indicators (in German) can be found at www. vch-online.de (→Sustainability →Responsible Care →Annual Report).

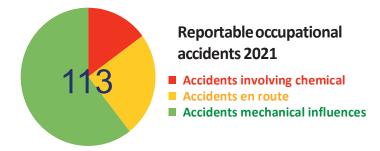
In August 2022, 68 companies participated in the Responsible Care Initiative. 23 of them have been part of the program since its launch in 1997, marking the 10th time (as required by the program) that they have undergone on-site verification by a third party expert. For 2021, information was requested from 143 operating sites.

55 of these sites have a warehouse with their own filling facility, 7 sites have a warehouse without filling. The remaining operating sites are sales or distribution offices without their own warehouse. 18 companies have their main focus on foreign trade. With 8193 employees, the participating companies generated domestic sales of around 7.3 billion euros in 2021. 61% of the employees work in the commercial field, the rest in the fields of warehouse/vehicle fleet or in QM/QA, laboratory, engineering and manufacturing.

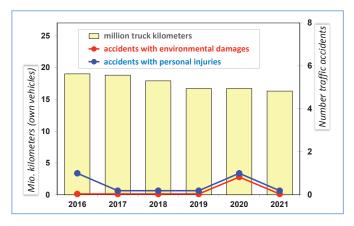
Last year, 2,634 million metric tons of chemicals (of which 1,835 million metric tons were liquid) were handled at the 55 operating sites with their own warehouses, filling facilities and personnel. In the process, 75 incidents or chemical spills (including very small quantities) occurred. Six of these occurred on the customer's premises. In only one case did this result in soil/water contamination.

Your Chemical Trading Company:

In 2021, 113 reportable occupational accidents - i.e. incidents involving impairment of health as a result of occupational activity and subsequent incapacity for work ≥ 3 days - occurred at the sites monitored: as in previous years, only 17 of these involved exposure to



chemicals. The LTIR value ("Lost Time Injury Rate" - international benchmark for accident occurrence) calculated from the number of these reportable incidents in relation to the hours worked by all employees is = 7.911 for the past year (for comparison - the figure recorded by the employers insurance association for the trade and goods logistics sector in 2021: 24.28).



26 companies have their own fleet with a total of 323 trucks. Here, 37 traffic accidents occurred in 2021. With a total mileage of these vehicles of around 15.6 million km, this corresponds to one accident per 421,621 km driven. In none of the accidents was there a notification obligation within the meaning of dangerous goods legislation (spill of dangerous goods and/or personal injury, property damage or environmental damage).





Responsible Care -Verantwortliches Handeln im Chemiehandel

If you have any further questions on the implementation of Responsible Care at your chemical distributor, please do not hesitate to contact the Responsible Care Representative there. He/she is the contact person for all safety, health and environmental protection issues.

