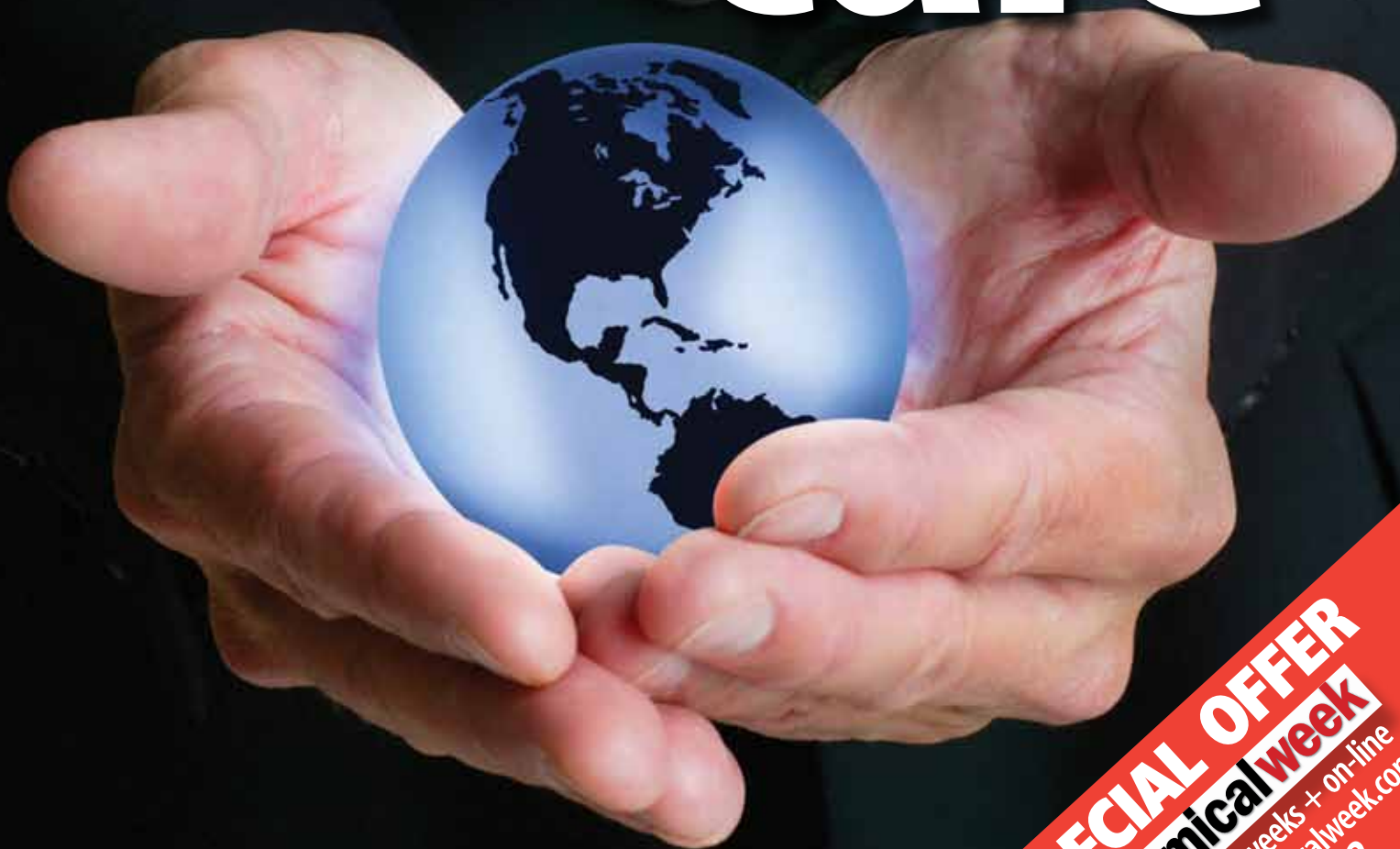


July 2009

# Outlook

The magazine of the Chemical Business Association

## Responsible care



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See page 2

## Welcome to CBA Outlook

This edition of Outlook contains all the latest news and developments concerning your Association and its member companies.

CBA Council has taken the decision to apply for membership of Cefic – the European Chemical Industry Council. It believes becoming an Affiliated Association of Cefic is in the best interests of the UK chemical supply chain. CBA is also retaining its membership of FECC, the European Association for Chemical Distributors.

This issue of Outlook also contains the annual Responsible Care performance indicators for member companies. As you will see, both traditional distributors and logistics companies have made significant gains in the last year. As an industry, we should be proud of this performance.

Responsible Care features in two other respects in this issue. CBA's annual Responsible Care Awards were presented, for the first time, at our Annual Lunch in April and we send our warmest congratulations to the worthy winners. We also feature a personal view from a leading producer company on the evolution of Responsible Care and its relationship to sustainability.

This issue also highlights two new guidance documents from CBA – on Hydrofluoric Acid and on Non-metallic storage tanks.

I hope you enjoy reading this issue of Outlook.



Peter Newport  
CBA Director

# Outlook

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## CBA targets data sharing costs

**REACH implementation is stalling because of delays in the formation of Substance Information Exchange Forums (SIEFs). CBA believes that fears over data-sharing costs may be the reason.**

CBA has called for the key data-holders within SIEFs to make existing data available free of charge to other SIEF members.

"This will greatly improve the cost-transparency of SIEFs and remove a significant roadblock to their effective operation – particularly for SMEs," said CBA Director, Peter Newport.

"At the moment, SMEs are reluctant to participate fully in SIEFs because they have no idea how much it will cost them to buy into the data held by other SIEF members. This may not be the only reason SMEs are holding back from SIEFs, but it is a major area of concern," he added.

CBA is supporting the proposal made by Cefic (the European Chemical Industry Council) that SIEF participants may make existing hazard data available to other SIEF members on the basis of it being 'compensation-free' which would be a 'fair, transparent and non-discriminatory way forward which maximises the efficiency of progress towards registration.'

The European Chemicals Agency (ECHA) is currently running a 'Clock is Ticking' campaign with Cefic to encourage rapid SIEF formation as the first Registration date (1 December 2010) is on the horizon (see panel). ECHA is concerned that SIEF progress is either slow or non-existent and is placing the first REACH Registration deadline at risk.

"CBA fully supports the ECHA-Cefic campaign and has briefed its member companies on the current position. However, as most CBA members are SMEs, they are not in a position to push SIEFs forward on their own account. The momentum, for the high tonnage bands due for REACH Registration next year, must come from the major producers, many of which are well advanced in their preparations to meet the REACH deadline," said Peter Newport.

"These major producers also hold the existing hazard data for the substances concerned. They should make clear now that they intend to make this data available to the SIEF free of charge. By so doing, they will remove a major disincentive for SMEs which is preventing them becoming active SIEF participants – as well as making a major contribution to reducing the costs of REACH compliance for SMEs," he added.

The ECHA-Cefic awareness-raising campaign 'The Clock is Ticking – form your SIEF now' was launched on 27 May 2009 and is directed at Europe's chemical industry associations. ECHA and Cefic have written to all industry associations in Europe asking them to promote the initiative.

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This offer is open to any number of individuals within CBA member companies and is not restricted to one offer per company. Once the six-week free period is over CBA members will be offered the chance to subscribe to ChemicalWeek at a 50% discount – £223 for one year.

To take advantage of this free ChemicalWeek offer, just e-mail CBA using the following dedicated address – [chemicalweek@chemical.org.uk](mailto:chemicalweek@chemical.org.uk)

To activate the offer, CBA needs the following contact details – name, company, position, e-mail and postal address, and telephone number. You will receive your on-line password directly from ChemicalWeek.

*ChemicalWeek's offer ends on 31 December 2009.*

# CBA TO BECOME AN AFFILIATED ASSOCIATION OF CEFIC

CBA is applying for Affiliate membership of Cefic (the European Chemical Industry Council). The decision was taken by CBA's Council at its June meeting.



Cefic's headquarters in Brussels.



## CBA is the first National Association for chemical distributors to apply to become an Affiliated Association of Cefic.

Explaining the logic behind the move, CBA Chairman, Francis Osborn, said, "Cefic membership completes the strategic evolution of CBA into an inclusive Association for the UK supply chain. It provides access to Europe's most powerful advocacy network acting on behalf of the chemical sector - which we believe will directly benefit CBA and its member companies."



CBA Chairman,  
Francis Osborn

CBA is retaining its membership of FECC – the European Association for Chemical Distributors. CBA Council has decided that membership of both organisations – Cefic and FECC – will be reviewed on a 'value for money' basis over three years.

"As much of the industry's legislative and regulatory framework now emanates from the European Union, Cefic membership is a logical progression for CBA. It also builds on CBA's existing relationships with Cefic, such as Responsible Care and a range of industry performance and technical standards," said Francis Osborn.

Cefic's governing Council is scheduled to consider CBA's application for Affiliated Association status at its October meeting.

## Cefic – Facts and figures

- Cefic was formed in 1959.
- It represents 29,000 companies employing 1.3 million people.
- 96% of these companies have less than 250 employees.
- The remaining 4% of companies account for 72% of Europe's total chemical sales.
- Cefic member companies produce 30% of the world's chemicals.
- Cefic membership includes 22 national chemical associations; six associated federations; and 20 Affiliate Associations.
- Cefic has 100 sector groups focusing on issues concerning 120 product families.
- More than 50 issue teams focus on key policy issues, such as REACH, Energy, Trade, Research and Development, and Innovation.

## NEW D-G FOR CEFIC

Dr Hubert Mandery has been named as the new Director-General of Cefic in succession to Alain Perroy who retires at the end of October 2009. Dr Mandery (55) is currently head of BASF South Africa. He holds a degree in Organic Chemistry and a PhD from the Technical University of Karlsruhe. A former research and development scientist at BASF, in 1993 he became Director of Product Safety and, immediately prior to his present appointment, he was BASF's Senior Vice-President Trade Policy and Political issues. Dr Mandery will join Cefic in mid-August.

## French connection

The French national association for chemical distributors (UFCC) has signed a partnership agreement with the French association for chemical producers (UIC). The partnership stems from a common understanding of the need for mutual support which will strengthen the lobbying position of both associations. In a statement following the formal signing of the partnership, the UFCC confirmed that its closer collaboration with UIC will focus mainly on safety, health and environmental issues as well as other aspects of the industry's regulatory framework. As part of the agreement, the UFCC will move its offices from Vincennes in the Paris suburbs to the Diamond Building in La Defense business district of Paris which houses the headquarters of UIC and other associations representing the chemical sector.



## New Chair for AIA

**Peter Davis OBE, Director General of the British Plastics Federation, has been elected the new Chairman of the Alliance of Industry Associations (AIA).**

The AIA is an alliance of trade associations representing companies operating in the many sectors of the chemical industry supply chain. These trade associations have 1,200 member companies, the majority of which are SMEs, with an annual turnover of £28 billion and a workforce of over 75,000 people.

The AIA provides a forum for the UK chemicals supply chain to discuss issues affecting the members of all its associations and to formulate, where appropriate, common positions and to represent the industry in discussions with Government and regulators.

Peter Davis has been Director General of the British Plastic Federation since 1997. Prior to that he was Chief Executive of Incpen (The Industry Council for Packaging and the Environment) from 1993-1997. He was previously Director of Marketing, Membership and International Affairs at the Royal Institute of British Architects; Head of Home Affairs in the Conservative Research Department; and Special Adviser to Environment Secretary, the Rt. Hon. Kenneth Baker MP. Peter Davis is a Fellow of the Royal Society of Arts.

Accepting the AIA Chair, Peter Davis, said, "I am keen to build AIA's profile with Government departments and raise the Government's understanding of our industry and its socio-economic contribution. We also need to ensure chemicals and materials are not discriminated against unfairly in the media."



Peter Davis

## CBA Takes INDA Chair

**CBA Director, Peter Newport, is the new Chair of the pan-European forum of trade associations with an interest in the carriage of dangerous goods. The INDA Forum meets twice a year to co-ordinate responses to legislative and regulatory developments affecting the carriage of dangerous goods primarily by road, rail, and inland waterway. The trade associations involved in INDA cover the whole chemical supply chain – from producers and packaging manufacturers; through to distributors, logistics companies and downstream users. The Forum meets at the Brussels offices of Cefic which also provides the secretariat for INDA.**



Peter Newport



## Safety data sheet – CBA proposals

**CBA has put forward proposals which will help to make one aspect of the new safety data sheets required by REACH more workable.**

REACH requires that safety data sheets should contain the 'full' registration number for the substance to which it refers. In many very common situations, this provision of REACH would become a real burden for industry.

The last four digits of the REACH registration number, the index number, 'are used to indicate the index of a member in a joint submission. These four digits are allocated on a 'first come first served' basis to each registrant, with the lead registrant given 0000 then the next registrant 0001 and so on.

Since early 2008, CBA has maintained that this requirement is both burdensome and unnecessary. It would result in a substance purchased from multiple suppliers and then mixed together in one storage tank requiring an almost endless series of registration numbers to be included in the safety data sheet.

CBA believe that this requirement does not serve any useful purpose regarding enforcement, that it makes the safety data sheets unworkable, and could allow a customer to identify the business relations between suppliers from the index numbers.

To avoid these problems and to ease the administrative burden on member companies, CBA proposed that the last four digits of the registration number – the index number – should be omitted.

There should also be an additional safeguard that, in the event of an issue with the substance, 'the supplier of the substance will provide the enforcement authority in the first instance with the full registration number(s) or if this is not possible the contact details and proof of purchase for the next supplier up the chain within 45 days' of a request being made.

The European Commission and Chemicals Agency are currently discussing the amendment to REACH this might involve and a decision is expected by the autumn.

# Sustainability

– a challenge for the whole industry

Dr Geoff Mackey, Head of Sustainable Development and Communications, BASF Europe North, gives his personal view on the challenges the industry faces to create a sustainable future.



**“What does sustainability mean for the chemical industry? We’ve all heard the standard definition: taking care of the needs of today, whilst safeguarding the needs of tomorrow. But broad-brush statements of this kind do not help to run our businesses. We need to see sustainability at the micro level where it can inform our day-to-day decisions.”**

“Sustainability for the chemical sector is just a way of describing the overall framework within which contemporary society requires our industry to operate. There is no difference in this respect whether your business is as a producer, distributor, or logistics company – more or less the same framework applies to us all.”

“At the centre of this framework is Responsible Care. It occupies this position largely because it is an industry initiative. Since its creation in Canada over 20 years ago, it has become a worldwide programme. Responsible Care set a base line for the industry – it creates minimum standards for well-run businesses. Our acceptance of its importance is shown by the fact that it has now become a mandatory term of membership for most chemical industry associations.”

“Responsible Care brought with it the requirement for the industry to publish annual data on its performance. It was part of the industry’s acceptance that it was accountable to its local communities and, in a broader sense, to the general public. Responsible Care came to be regarded as the industry’s licence to operate. Importantly there is also a requirement on member companies to set

**“The key point is that Responsible Care is a standard for the whole industry. We must stand shoulder-to-shoulder in this respect.”**

targets for continuous environment health and safety improvements and report on progress.”

“The key point is that Responsible Care is a standard for the whole industry. We must stand shoulder-to-shoulder in this respect. The safety, health and environmental performance of our individual companies are as important as the performance of the industry as a whole. It would be wrong, and ultimately self-defeating, for individual companies to break ranks and try and differentiate themselves

on the grounds of their individual safety, health and environmental performance.”

“Responsible Care has delivered something more important than the pure mechanics of the initiative. It created Communities of Practice – networks of peer groups coming together to discuss standards and share information. Though necessarily restricted to circumstances without

commercial implications, I believe this process to be one of the most valuable aspects of Responsible Care.”

“Increasingly, supplying chemicals to end users is being seen as a unitary function. In regulatory terms, it makes little difference which part of the chemical supply chain an individual company represents – legislation tends not to distinguish a producer from a distributor. REACH, for example, uses the phrase, ‘place on the market’.”

“The industry must continue

on its path of improvement and use every tool available to achieve better performance. Audits undertaken by supply chain partners are a case in point. Approached in the right collaborative spirit, they can be an informative and useful exercise. This form of relatively informal self-regulation almost always will deliver more positive improvements than regulation which tends to lead to a focus on minimum compliance levels.”

“This is understandable as some modern-day legislation has been a knee-jerk reaction to an incident of some kind. Alternatively, legislation attempts in some way to manage hazards. Knee-jerk legislation almost always has deficiencies over the longer term and legislation that attempts to manage hazards or remove risks is unrealistic.”

“As an industry, we must therefore push ourselves to achieve higher standards through business-driven initiatives which anticipate future legislative and regulatory changes and the expectations of society, our employees and others, thereby maintaining our tradition as being an industry that our partners are proud to be associated with. In this way, the industry can stay ahead of the game and look forward to a sustainable future.”

# Reporting obligations and Antitrust Law

Frederik Wiemer of international law firm Allen & Overy LLP highlights some of the traps and pitfalls in Antitrust Law

**There are several fairly standard terms in Distribution Agreements which may need to be reviewed in the light of modern Competition and Antitrust Law. This particularly applies to reporting obligations contained in existing Agreements which may not accurately reflect recent developments.**

Suppliers often oblige their distributors to report to them not only general market information, but also detailed information about customer end prices, rebates, customers' names, volumes and values, etc.. In most cases, this information has to be disclosed on a monthly or quarterly basis.

The European Commission and national antitrust authorities are, more and more, taking a restrictive approach to information exchanges between market players. There can therefore be substantial antitrust risks in imposing - and complying with - detailed reporting obligations.

Antitrust agencies generally prohibit the exchange of detailed market information among competitors. Such exchanges can attract heavy sanctions, including fines of up to 10% of a company's worldwide turnover (in addition to civil law consequences, and the damage to a company's reputation). Companies increasingly adopt a zero-risk approach and refrain from exchanging any information.

## But what does this mean for a supplier-distributor relationship?

At first glance, a supplier and its distributor do not appear to be competitors. But, is this always true? Antitrust authorities apply a broad definition of 'competing companies' encompassing not only 'actual' but also 'potential' competition. Crucially, the customer's point of view is decisive: if customers regard a supplier and its distributor as (potential) alternative sources of supply, then both are seen as competitors within the meaning of antitrust laws.

In many distribution relationships, a supplier and a distributor indeed may be



Frederik Wiemer

alternative sources of supply from a customer's point of view:

- where supplier and distributor are both selling directly to end-customers in a given territory (dual-distribution);
- with respect to exclusive distribution, many agreements granting a distributor the exclusive right to sell in a certain territory, also provide for the supplier's right to sell to certain key customers directly. In this case, the agreement would ordinarily provide that the distributor must not actively approach defined key customers. However, those same customers are free to approach either the supplier, or the distributor, or both – because the distributor has the right to respond to unsolicited demands from key customers which must not be contractually restricted.
- On the other hand, if either the supplier is contractually prohibited from directly selling to any customers at all in the territory, or if the distributor cannot supply any 'reserved' key customers for technical or logistical reasons, then they are not alternative sources of supply for those

customers and antitrust laws would not apply. Neither do antitrust laws apply to sales agents acting on behalf of the supplier and which bear no financial or business risks.

To avoid antitrust risks, suppliers and distributors might wish to consider an alternative approach:

- The parties should agree on full exclusivity with regard to each territory, i.e. the supplier should not retain key customers; or the parties should agree a pure agency agreement. In both cases, internal business information may be exchanged without antitrust limitations.
- Alternatively, in the case of dual-distribution or limited exclusivity, the parties should refrain from exchanging detailed information, in particular customer-specific end prices and rebates. To be on the safe side, any exchange should be restricted to volume data (mt per product and customer), samples provided, customer visits and general market information (market growth, product applications and substitutions, and officially accessible competitor information). Aggregated value data remains a grey area: it should be exchanged only if several different customers buy the same product from the distributor so that the value data provided cannot be used to identify individual price data for an individual customer.

Antitrust laws provide for many traps and pitfalls. To comply with the law, some suppliers have already cut back reporting obligations imposed on their distributors. Distributors should also take care when requested to provide details of their own end customer business.

## Allen & Overy

Allen & Overy LLP is an international legal practice in 31 major cities worldwide ([www.allenoverly.com](http://www.allenoverly.com)).

# FECC CONGRESS REPORT

Courtesy of ICIS Chemical Business, Outlook highlights some of the issues raised at FECC's Annual Congress held in Helsinki, Finland, 22-24 June.

## REACH Communications

Harri Kerminen, CEO of Finnish producer, Kemira, told Congress that poor communications could prove a challenge if the end-2010 deadline for the REACH legislation is to be met. He thought that communication throughout the supply chain was not yet complete and time was running out. Issues surrounding confidentiality, competition law and IT systems had yet to be resolved. The absence of a common practice on sharing information in the chemical industry was a continuing problem. Companies' IT systems were designed for products and not to handle substance tracking and the heavy administrative documentation required by REACH.

## Next step for REACH

In cooperation with Cefic (the European Chemical Industry Council) and a number of downstream user associations, FECC has developed a supply chain communication workflow, a standard letter on 'uses' under Reach and an exposure scenario template. Another area highlighted by FECC is data cost-sharing in the Substance Information Exchange Forums (SIEFs). This is vital to prevent a disproportionate burden on chemical distributors which will seriously weaken their capacity to enhance efficiency and innovation.

## Consolidation 'may help distributors'

Further consolidation of the petrochemical sector in central Europe may boost the region's distribution sector - Francis Vleugels, Managing Director of consultants, Chemical Solutions, told FECC Congress. He said that the current economic crisis and slump in demand, ailing currencies and poor infrastructure would spur consolidation. He added that reduced demand and the push by producers to reduce fixed costs may lead to increased volumes for the distribution sector, but he cautioned that it would probably involve very low margins and high credit risks.



Michael Cooke, SHEQ Director, Univar Europe, receives the FECC Award for 2009 from FECC President, Mauro Do Vito.

## New business model

Fundamental changes in the business environment should spur companies to reconfigure their supply chain rather than going for incremental improvements, Roger van den Heuvel, a principal with consultants, Booz & Co, told FECC delegates. He said that the drop in demand, ongoing commoditisation, shifting global footprints, industry consolidation and regulatory requirements mean that companies must adopt a long-term strategy. Petrochemical and commodity distributors operating on a global scale face growing margin pressure as they follow their customers towards higher growth regions. He said that this trend leaves areas untouched for more niche commodity distribution by regional or local players. For speciality chemical distributors, enhancing customer intimacy is the key for the future and they must prove their value to customers and become an integral part of their businesses.



# CBA Annual Lunch 2009

## The credit crunch and its regulatory impact

**CBA's Chairman, Francis Osborn, addressed members and their guests at the Annual Lunch on 29 April 2009 – here are extracts from his speech**

"During the last few months, we have seen unprecedented events. Financial institutions that we all thought rarely took any risks have been revealed as casinos playing high-stakes games with financial derivatives."

"I'm glad to be able to tell you that your Association is infinitely better managed than most of our financial institutions. Effective management and prudent cost control means that CBA's finances are in a robust condition and we have been able to declare a modest surplus for the last year.

"Let me turn to one of the key issues for the industry - regulation and legislation. Major pieces of legislation: REACH, for example, has to be interpreted by the small family company in just the same way as a large pan-European business. Of course, this must be the case; we must all operate within the same regulatory framework - but legislators must pay higher regard to the implementation problems it sets for small firms with limited resources and expertise."

"The key issue for business arising from the

credit crunch is regulation. Regulators and legislators now believe there is a political imperative to take measures to ensure that history does not repeat itself. As far as the financial sector is concerned, we all would agree that effective regulation is indeed the order of the day. But I want to caution against a headlong rush into other sectors of the economy – and particularly chemicals.

"The chemical industry is already one of the most highly-regulated business sectors and has an excellent record for regulatory compliance. Piling regulation on regulation cannot be the way forward. The current annual cost of regulation to the UK economy is running at 10–12% of national wealth - that works out at over £100 billion, the same amount as the income tax burden."

"Regulatory compliance – and minimising its cost – is a key role for CBA. CBA is vital source of key business information and compliance advice. It can deliver these services because it represents our interests in Westminster, Whitehall and Brussels. It performs a function that we could not hope to undertake as individual companies – we don't have the resources; we don't have the expertise... and we certainly don't have the time."



CBA Chairman, Francis Osborn

"There's no doubt, we face tough times. But I believe that chemical distribution is one of the UK's most resilient business sectors. It is flexible and agile. It is focused and responsive. We have been through adverse economic conditions before and emerged stronger for the experience... and... I believe we will do so again."

### CHARITY COLLECTION

The Charity Collection at this year's Annual Lunch raised over £6,600 for the Chairman's chosen charity, the Stroke Association. The Association is the only UK charity solely concerned with combating stroke in people of all ages. It funds research into the prevention of strokes, their treatment, and better methods of rehabilitation. A key part of the Association's work is helping stroke patients and their families through its Rehabilitation and Support Services – including welfare grants, publications and leaflets. Our photograph shows CBA's President, Mike Smith presenting the CBA's donation to Rebecca Owen, the Stroke Association's Regional Fundraiser watched by CBA Director, Peter Newport. For further information about the Stroke Association, go to [www.stroke.org.uk](http://www.stroke.org.uk)



# RESPONSIBLE CARE AWARD - WINNERS IN THE SPOTLIGHT

**CBA's annual Responsible Care Awards were presented – for the first time – at the Association's Annual Lunch at the Grosvenor House, Park Lane, London on 29 April 2009 in front of an audience of nine hundred members and guests.**

The Awards were presented by the guest speaker at the Annual Lunch, the Rt. Hon. Ann Widdecombe, MP.

Responsible Care is a key industry programme designed to promote higher standards of health, safety and environmental management and compliance with the CBA's programme has been a mandatory term of CBA membership since 2002.

Announcing the Awards, CBA Chairman, Francis Osborn said, "CBA remains committed to continuous improvements in the performance standards delivered by the UK's chemical supply chain. Responsible Care has a central role to play in this process and CBA's Awards pay tribute to the efforts of member companies that have gone beyond the basic requirements of the programme."

Reflecting the range of supply chain activities pursued by CBA's member companies, the Awards focus on three categories of company: office-only businesses; companies with operational sites; and businesses providing logistics services.

## OFFICE ONLY

### Arpadis UK Limited

The Responsible Care Award for 'office only' companies was won by Chester-based Arpadis UK. Arpadis UK demonstrated its commitment to

Responsible Care throughout its business – from the way it manages its transport logistics, product safety and storage through to its interaction with the local community. The Award was accepted by Arpadis Managing Director, Shane Pheonix (right) who is pictured with his colleagues, Laurent Abergel, CEO, Arpadis Group SA (left), and Helen McCormack, Supply Chain Executive, Arpadis UK Limited.



## OPERATIONAL SITES

### Multisol Limited

The Responsible Care Award for companies with operational sites was won by Multisol Limited. This category of Award covers companies managing manufacturing sites, or those with blending facilities, or break from bulk supplies of chemicals. Multisol has continued to achieve international standards in health and safety as well as showing its commitment to local schools through its ongoing sponsorship of the 'Chemistry with Cabbage' initiative and by publishing its own Community Interaction Newsletter. The Award was accepted by Multisol's Managing Director, Andrew Wilkins.



## LOGISTICS AND OVERALL WINNER

### W H Bowker Limited

The Award for companies engaged in Logistics Services was won by Preston-based W H Bowker Limited which also won the overall CBA Responsible Care Award. W H Bowker has demonstrated its commitment to Responsible Care throughout its haulage and logistics operations. It introduced new technology to monitor the environmental impact of its fleet; provided a series of in-company safety seminars for employees; and successfully completed its third Transport Services SQAS assessment which it voluntarily extended to cover a 'Packaged Warehouse' assessment of its lower tier COMAH site. The overall CBA Responsible Care Award was accepted by Bill Bowker, Managing Director, W H Bowker Limited.



## ANN WIDDECOMBE

Members and guests at the Annual Lunch were entertained by the Rt. Hon. Ann Widdecombe, MP. In her usual forthright style she recounted a series of political anecdotes in which she featured prominently as well as digressing on some contemporary political topics. Members and their guests responded warmly to a speech from one of the few distinctive personalities in the current House of Commons.



## CIA-CBA Product Stewardship declaration

The CBA and the Chemical Industries Association (CIA) signed a new co-operation agreement on Product Stewardship on 29 April 2009. The new agreement aims to improve the industry's Product Stewardship performance; to raise public awareness; and to increase the flow of key information up and down the chemical supply chain. In practical terms, CIA and CBA will continue to meet regularly to share best practice, exchange information and develop industry guidance on issues such as chemical risk assessments. Signing the new agreement, CBA Chairman, Francis Osborn said, "CBA is committed to increasing standards of health, safety and environmental management throughout the supply chain which go beyond the basic requirements of legislative compliance. This new agreement is a further important step towards this goal." Our photograph shows Francis Osborn (left) signing the CIA-CBA Declaration with the CIA's President, Bob Tyler.

## EUROPEAN RESPONSIBLE CARE CONFERENCE 2009



This year's European Responsible Care Conference will be held in Prague, Czech Republic, from Wednesday 21 October to Friday 23 October 2009. The Conference is hosted by the Czech Chemical Industry Association and is based in the four-star Hotel Best Western Kampa situated in the historical centre of Prague on the left bank of the Vltava river. The conference themes include safety in workplaces dealing with nanomaterials and the sustainable logistics of chemicals. There is also a special workshop on Responsible Care in SMEs.

For further details, go to: <http://cefic.be/en/responsible-care-conference-2009.html>

# Lost time accidents at record low

The full text of the CBA Indices of Performance is available at the Association's website: [www.chemical.org.uk](http://www.chemical.org.uk)

### CBA's latest Responsible Care Indices of Performance Report for 2008 has revealed a record fall in accident levels.

The UK chemical distribution industry's Lost Time Accident (LTA) Rate in 2008 was 0.27 (2007 – 0.44). This is the lowest ever distributor figure recorded by CBA and represents a year-on-year fall of 39%. The Lost Time Accident rate is the ratio of RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) reportable accidents to 100,000 man-hours – the assumed number of hours worked by one person during their lifetime.

"We are pleased with this year-on-year fall in Lost Time Accidents which is mirrored by a similar sharp fall in reportable accidents. It is an excellent performance and one which sets a benchmark for the future," said Andrew Beck, Chairman, CBA Responsible Care Committee.

CBA's Indices of Performance Report includes data on a number of performance indicators supplied by 96 distributor member companies employing a total of 4,067 people.

In 2008, these companies made just over one million separate journeys and distributed 2.3 million tonnes of chemicals to UK customers. This annual tonnage represents a year-on-year decline of 7%.

### Reportable Injuries

CBA distributor members reported a total of 21 accidents in 2008 (2007 – 36), a fall of 42% on the previous year. These accidents are reported under the provisions of the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR).

Of these, three accidents resulted in serious injury (2007 – 4) and 18 were over three-day reportable accidents (2007 – 32). A serious injury in this context is defined as one that requires emergency medical attention. In 2008, 50% of all accidents resulted from a manual handling process or a slip, trip or fall. Only three accidents involved an exposure to a harmful substance.

### Transport Incidents

The number of transport incidents is a key measure of the performance of the chemical distributor industry. In 2008, the number of incidents involving transport fell marginally to 15 (2007 – 16).

CBA's figures combine RIDDOR data with transport incidents at which the emergency services attended. Incidents of this kind can include minor traffic accidents, mechanical breakdown or a simple puncture repair. There were six incidents for every million tonnes of product distributed in 2008 – a figure which is identical to the previous year.

### Waste

In 2008, CBA member companies reported 7,119 tonnes of Special/Hazardous Waste arising from their own activities. More than 80% of this total was reprocessed or disposed of with energy recovery with a further 14% going to landfill. CBA members reported a total of 7,119 non-Special/non-Hazardous waste in 2008. Of this total, 32% was collected by a local authority; 26% went to landfill; 14% was incinerated; 11% was recycled paper; and 17% was reprocessed.

### Convictions

Three convictions were recorded against CBA members in 2008. One arose from a prosecution by the Health & Safety Executive for an offence under the Control of Major Accident Hazards Regulations; the second arose from a prosecution by the Health & Safety Executive Police for an offence under the Management of Health & Safety at Work; the third arose from a prosecution by the Environment Agency under the Producer Responsibility (Packaging Waste) Regulations. In 2008, there was also a significant decline in the number of Prohibition Notices issued against CBA members – falling to five (2007 – 12).



Andrew Beck

# Across the board improvements

CBA's Logistics Index for 2008 has delivered significant across the board improvements in the health, safety and environmental performance of companies providing logistics services support to the UK chemical distribution industry.

## The CBA Logistics Index focuses on member companies engaged in chemical transport, warehousing, repacking and tank farm operations.

Using aggregated data supplied by these companies, the Index includes measures such as transport incidents, lost time accidents and enforcement actions taken by the regulatory authorities. This is the third year in which the Logistics Index has been published and it forms a key part of CBA's Responsible Care programme.

The 16 companies covered by the Index together employ over 3,000 people and, during 2008, they collectively made more than 600,000 journeys to transport 6.7 million tonnes of chemicals.

Andrew Beck, Chairman of CBA's Responsible Care Committee, said, "Our Logistics Index shows a significant year-on-year improvement. The results for 2008 reveal reduced numbers of accidents, transport incidents and enforcement actions. The Index is a key measure of the performance of this important sector of the UK chemical supply chain."

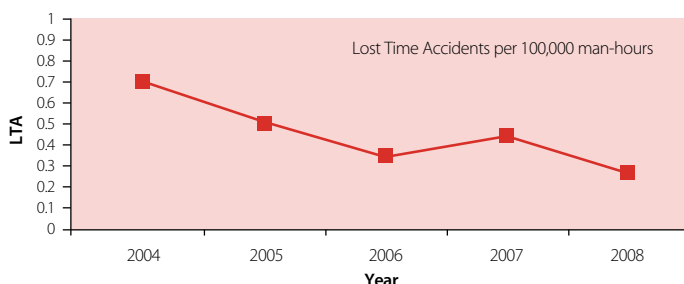
## Fatalities, Reportable Injuries and Diseases

In 2008, there were 36 accidents reported under the provisions of RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrence Regulations) (2007 – 42). Two accidents resulted in serious injury (2007 – 9). A serious injury, in this context, is one which requires emergency medical attention. Of the total number of accidents, 34 were over three-day reportable accidents.

More than 40% of the total number of accidents resulted from a manual handling activity or were the result of a slip, trip or fall. One accident resulted from an exposure to a harmful substance.

## Lost Time Accidents

The Lost Time Accident (LTA) Rate in 2008 fell by over 12% to 0.56 (2007 – 0.64). This is the ratio of RIDDOR-reportable accidents to 100,000 man-hours – the assumed number of hours worked by one person during their lifetime.



## Transport incidents

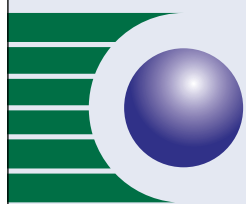
CBA logistics services members reported two transport incidents in 2008 – a year-on-year reduction of 75% (2006 – 8). This figure combines RIDDOR reportable incidents with transport incidents at which the emergency services attended. Incidents of this kind can include minor traffic accidents, mechanical breakdown or a simple puncture repair. There were 0.30 incidents for every million tonnes of chemicals transported in 2008 (2007 – 0.96).

## Enforcement

CBA member companies reported 14 enforcement actions in 2008 (2007 – 20). Two convictions were recorded against CBA members in 2008 and both resulted from prosecutions under the Health & Safety at Work Act. CBA members reported 12 Prohibition Notices: two related to minor infringements which did not delay the vehicles' journey and could be rectified later; and ten required the infringement to be rectified immediately.



The full text of the Logistics Index Report is available from the CBA's website: [www.chemical.org.uk](http://www.chemical.org.uk)



# CBA GUIDANCE

## Hydrofluoric acid distribution

### **CBA has issued new guidance for its member companies on the distribution of packaged Hydrofluoric Acid.**

Whilst Hydrofluoric Acid is not a high volume substance in the UK, it is one of the most hazardous substances distributed (see panel).

CBA's Director, Peter Newport, said, "It is essential for Hydrofluoric Acid to be handled and transported safely as even minor skin contact can result in severe injuries. CBA's guidance sets out best practice for companies handling and transporting Hydrofluoric Acid."

The new guidance covers: initial risk assessments, transportation and site security, handling, storage and personal protective equipment, employee training and awareness, storage and filling operations, and first aid materials and procedures. It also provides cross references to relevant legislation as well as sources of further information.

"The CBA guidance takes companies step-by-step through the safe procedures for handling and transporting Hydrofluoric Acid and is intended to promote continuous improvements in the standards of safety associated with its distribution," said Peter Newport.

The full text of the new guidance is available to CBA member companies at [www.chemical.org.uk](http://www.chemical.org.uk)

## Hydrofluoric acid

Hydrofluoric Acid exposures are different from other acid exposures because:

- HF penetrates all tissue it contacts and does not remain on their surface.
- Once absorbed, it rapidly dissociates into ionic Hydrogen and Fluoride.
- Fluoride migrates and, as it does so, it continues to destroy deep tissue layers. It creates soluble and insoluble compounds that are the basis for systemic toxic effects.
- Unlike other acids that can be rapidly removed or neutralized, its corrosive and toxic effects may continue for days if left untreated.
- Control or treatment by medical personnel is essential.

## Non-metallic storage tanks

### **CBA, in conjunction with the Safety Assessment Federation (SAFed), has developed new guidance for operators of non-metallic storage tanks. It covers tanks manufactured prior to 2007.**

The guidance has been endorsed by the Health & Safety Executive (HSE) and HSE Inspectors will use it as a point of reference in assessing operating standards.

The new guidance was developed because of the lack of available information from the manufacturers of plastic tanks, particularly in relation to: their design life; appropriate maintenance regimes; and inspection frequency. The CBA/SAFed guidance provides a step-by-step approach to each of these aspects. Operators of tanks manufactured after 2007 should rely on the guidance from the tank manufacturer.

CBA's Technical Manager, Doug Leech, said, "Our aim is to increase awareness of hazards associated with the storage of materials in plastic storage tanks and to provide advice on the safe management procedures and precautions to reduce the risk of their catastrophic failure."

"We are recommending that operators of tanks made before 2007 should undertake an internal inspection to determine their condition. For tanks that have exceeded the 'experienced derived design life' for a given substance, operators should undertake an inspection at least annually – and more frequently if a risk assessment suggests that this is necessary," he added.

For further details of the new guidance, go to:

[www.chemical.org.uk](http://www.chemical.org.uk)

## Nanotech news

### GROWING PRESSURE FOR PRE-MARKET NANOTECH APPROVAL

#### **A transatlantic alliance of Non-Governmental Organisations (NGOs) has demanded the introduction of pre-market safety assessments for the use of nanomaterials in consumer products.**

The Transatlantic Consumer Dialogue, an alliance of 80 consumer organisations from the European Union and United States, made a commitment to campaign for early safety assessments at their annual meeting in Brussels in June. The Group is also concerned at the lack of public information on nanomaterials and about the slow progress in updating other chemical legislation.

A central issue for NGOs is the lack of a clear definition of 'nanomaterial'. The current approach is to use a maximum particle size – say 100 nm – as a cut-off threshold. NGOs want a more flexible definition which can take account of changes in the way nanomaterials behave across the particle-size spectrum – the single feature, according to the NGOs, that distinguishes nanomaterials from other materials.

The EU apparently feels that it is making reasonable progress in the regulation of nanomaterials – pointing to the recently-agreed provisions in the Cosmetics Regulation and the proposals in the Novel Foods Regulation. However, the EU accepts that there is a lack of safety data – particularly in relation to exposure assessment, dose metrics, and dose responses.

# Eurozone – Belgium

Outlook profiles the Belgian national association for chemical distributors.



Jacques Declercq.

**The Belgian national association represents 80% of the country's chemical distribution market and its distributor members have a total annual turnover of 850 million euros.**

The association operates on a bilingual basis with all its communications being made in both French and Flemish. It has a total of 48 members: 29 distributors along with 13 manufacturing and six associated members.

The association is managed by its Secretary General, Jacques Declercq, supported by two part-time secretaries. Its board meets five times a year under the Chairmanship of Michael Vandermeiren, CEO of Univar Benelux. The General Assembly of all the association's members takes place in May each year.

The association operates five technical committees covering key policy areas: logistics, Responsible Care; safety, health and the environment; REACH; and communications. Responsible Care is a mandatory condition of membership as is Third Party Verification. Two new committees were inaugurated this year focusing on social issues and food standards. As a member of FECC, the association also participates in its technical committees.

Three times a year, the association publishes a newsletter 'Chemic News' for its member companies who also have access to the association's website [www.bkch-cbcc.be](http://www.bkch-cbcc.be) for technical advice and information.



## NEW SULPHUR STORAGE

Immingham Storage Co Ltd, a subsidiary of Simon Storage Limited, has been awarded a 10-year contract by Total UK Limited to store molten sulphur at its Immingham East Terminal. This is believed to be the first high volume sulphur export facility constructed in the UK for many years. Once fully commissioned, the new facility is expected to be able to receive product at a rate of 60 tonnes per hour. Molten sulphur will be extracted during the production of low sulphur fuel at Total UK's Lindsey Oil Refinery and transported via road tanker from the refinery to Immingham before being exported by sea. Richard Sammons, Chief Executive, Simon Storage Limited, said, "We are delighted to be Total UK's partners on this project which is a significant capital investment in Immingham. Work is well underway and the facility is on track to be fully operational by January 2010."

CBA's Technical Team – Doug Leech, Michael Cooper and Natalie Gilligan – highlight current issues

## Classification, Labelling and Packaging

The dream of global harmonisation of the classification, labelling and packaging of chemicals has taken a step nearer with the publication of a European Union (EU) Regulation heralding the introduction of European CLP Regulation (EC) 1272/2008. The new system is based on a global approach developed by the United Nations (GHS).

The key dates in the process are::

- 1 December 2010 when **substances** must be reclassified and labelled in line with the new CLP regulation; and
- 1 June 2015 when the same process will be applied to **mixtures** (formerly called preparations).

Manufacturers, importers, downstream users, and distributors - have specific duties under the new provisions and a responsibility to co-operate with other elements of the supply chain in respect of the classification, labelling and packaging of substances.

The new system uses a 'building block' approach. Each hazard class and category is a 'building block.' Individual countries can select which 'blocks' they wish to implement. The EU will implement the vast majority of the available 'blocks' (77 out of 84) and has introduced harmonisation by making the legislation a directly acting Regulation, so its member states do not have to pass domestic legislation.

The UN GHS system is not perfect, due to that fact that GHS is a relatively immature system, with the first edition published in 2003 and the third edition due for publication in 2009. The new CLP provisions are therefore replacing a very mature European system that was crafted over some forty years. To compensate for the immaturity the EU agreed that the new system would not decrease the "level of protection" afforded to EU citizens and would maintain the "status quo" by retaining classifications not yet adopted into GHS.

The CLP regulation has absorbed the 'approved supply list' annex of the existing Dangerous Substance Directive (DSD) into its annex VI as table 3.2. The EU have then translated each classification within table 3.2 into CLP classifications and stored them in table 3.1.

Unfortunately, the translation was performed using a 1:1 process and hence table 3.1 contains degrees of precaution and actual errors. It is therefore necessary to take the table 3.1 classification and double check all hazards with existing data before assigning a classification to a substance.

The implementation of CLP into organisations will involve significant changes to systems, processes and labels, which could involve significant costs for industry over a relatively short period of time.

For further information, see CBA Update and the CBA website. For additional background, go to:

- United Nations  
<http://www.unece.org/welcome.html>
- European Union  
[http://ec.europa.eu/enterprise/reach/ghs/index\\_en.htm](http://ec.europa.eu/enterprise/reach/ghs/index_en.htm)
- Health & Safety Executive  
<http://www.hse.gov.uk/ghs/index.htm>

## First Aid at Work

The training requirements for First Aid at Work change on 1 October 2009. These changes do not affect the First Aid at Work Regulations 1981 and corresponding Approved Code of Practice (ACOP). These changes are needed as many small businesses find it difficult to release staff to attend the current four-day First Aid at Work course. Companies often send employees on the one-day Appointed Persons course instead – an approach which does not comply with the regulations.

**First Aid at Work (FAW) Certificate** – The initial course is being shortened from four to three days. The Certificate will be valid for three years, at which time the candidate must attend a two day FAW re-qualification course.

**Emergency First Aid at Work (EFAW) Certificate** – The initial course will be of one day duration. The Certificate will be valid for three years, at which time the candidate must attend another one day course to renew their certificate

HSE strongly recommend that First Aiders (FAW & EFAW) undertake annual refresher training by attending a half-day course, during each of the three year period that the FAW/ EFAW certificates are valid. This allows employees to maintain basic skills and keep up to date with procedural changes.

The changes coming in to force on 1 October 2009 also clarify the position of the Appointed Person in relation to First Aid.



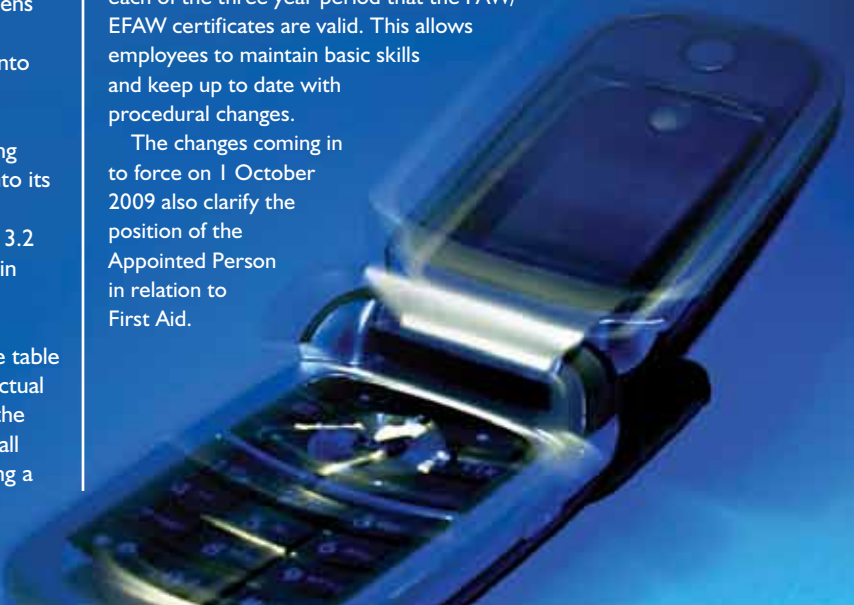
Doug Leech



Michael Cooper



Natalie Gilligan



## Welcome to new members

### Groupe Samat

Groupe Samat is a European logistics provider to the chemical, gas and petroleum industries. It specialises in the transportation of bulk hazardous goods operating in ten countries with 2,500 employees and a turnover of €260m. Its fleet includes 2,900 trucks and 2,600 semi-trailers. Groupe Samat offers road and multimodal transport solutions as well as stock, site and asset management, along with transport planning and tank cleaning facilities. The company has five UK sites in Barry, Manchester, Middlesbrough, Immingham and West Thurrock. Groupe Samat is committed to quality as well as the effective management of safety, health and the environment.



#### Contacts

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### T. Saville Whittle Limited

Saville Whittle is an independent limited company supplying chemical products and services to a broad spectrum of manufacturing industries in the UK and around the world. Based in Manchester, the company's portfolio includes Anti-Corrosive Pigments, Dyestuffs, Fillers, Inorganic Pigments, Lead Oxides, Lubricants (Metal & Alkaline Stearates, Fatty Acids, Glycerine and Esters), Organic Pigments, Zinc Oxide and Zinc Dust. Saville Whittle distributes all products from its own warehouses offering local stock and short delivery lead times. The sales teams are dedicated to specific application areas to focus on individual customer requirements. The company holds the international standard ISO9001:2000.



#### Contacts

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### Edge Worldwide Logistics

Edge Worldwide Logistics is a leading niche supply chain services provider in the field of chemicals and foodstuffs. Working with some of the UK and world's leading chemical companies over the past 20 years we are experts in increasing efficiency and reducing costs throughout your international supply chain. We have a chemicals department dedicated to servicing those clients whose chemicals are transported by road, rail, sea or air whether they be solid, liquid or gas, palletised or bulk, hazardous or non hazardous. We are justifiably proud of the reputation we have gained for integrity, efficiency and value.



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## IN BRIEF

### Ashland restructures

Speciality chemicals business Ashland Incorporated has restructured its operations following the acquisition of Hercules in November 2008. As the result, Ashland's new structure consists of five commercial units – one of which is Ashland Hercules Water Technologies, a \$2 billion specialty paper and water chemicals business with its headquarters at Somercotes, Derbyshire. The site produces water treatment chemicals designed to treat boiler, cooling and waste water systems. Leading a new management structure, Clive Harding has overall commercial responsibility for the UK, Ireland, Norway, Denmark, Sweden, Poland and Iceland. Ian Brailsford and Nick Boothroyd will manage the UK and Ireland Customer Teams focusing on commercial and industrial water treatment products. Connor O'Beirne will manage pulp and paper Customer Teams in UK and Ireland.

### Potter Group wins contract

The Potter Group's top-tier COMAH facility in Droitwich has won the contract for the storage, handling and distribution of Clariant's range of chemicals, biocides and personal care intermediates. Under the three-year contract the Potter Group will store between 3,500 and 4,000 pallets containing chemicals in drums, IBCs and bags, including a

number of specialist products requiring warm room temperature controlled facilities. The move follows the closure of Clariant's facility in Leeds which included the company's UK storage and distribution centre. The Droitwich site will now receive, store and distribute products from Clariant's factories in Pontypridd, Switzerland and Germany.

## DIARY DATES

Date: **16 September 2009**  
 Event: **Dangerous Substances Explosive Atmospheres Regulation Seminar**  
 Venue: **CBA, Crewe**

Date: **22 September 2009**  
 Event: **Northern Regional/Nucleus Meeting**  
 Venue: **BASF, Cheadle Hulme**

Date: **24 September 2009**  
 Event: **REACH Forum**  
 Venue: **CBA, Crewe**

Date: **29 September 2009**  
 Event: **Southern Regional/Nucleus Meeting**  
 Venue: **CIA, London**

Date: **14 October 2009**  
 Event: **CDG – The Basics**  
 Venue: **CBA, Crewe**

Date: **10 November 2009**  
 Event: **Environment Seminar**  
 Venue: **CBA, Crewe**

Date: **26 November 2009**  
 Event: **REACH Module 4 - SIEF Operations**  
 Venue: **BASF, Cheadle Hulme**

Date: **2 December 2009**  
 Event: **Update on Health and Safety Compliance for SMEs**  
 Venue: **CBA, Crewe**

Date: **2 February 2010**  
 Event: **Trade Controls for Chemicals – The Practicalities**  
 Venue: **CBA, Crewe**

Date: **28 April 2010**  
 Event: **AGM/Annual Luncheon**  
 Venue: **Grosvenor House, London**

## LESLIE NAPIER

It is with regret that we announce the recent death of Leslie Napier, formerly of London-based specialist distributor, Langley Smith & Co. Leslie Napier served with distinction on the Association's Council and was an active participant in its affairs. He was also the Association's Honorary Treasurer for many years. Former colleagues fondly remember him as great company and always full of fun. We send our condolences to Leslie's family on their sad loss.



## Caldic goes the extra mile

Caldic employees from all over Europe took part in the Rotterdam Fortis Marathon in April. Caldic was one of the sponsors of the 2009 event which supported the charity Right to Play which aims to create a healthier and safer world for children in disadvantaged areas of the world through sport and play. Caldic entered 12 company teams in the Business Estafette Relay Run with each team member running 10 kilometres to complete the marathon course. The event took place in perfect weather conditions and raised 55,000 euros for the charity. Our photograph shows the members of the two Caldic UK teams that completed the course in times of 4.02:47 and 4.41:46.

## NEWS DESK

### Stort appointed distributor

Stort Chemicals Limited has announced its appointment by Sekisui Chemical GmbH as the exclusive distributor for the UK and Ireland in respect of S-LEC B and S-LEC K polyvinyl butyral products produced in Japan. Both products are sold in to the coatings industry and are widely used in printing inks.

### New service from Chemagility

Chemagility, the company behind the World Chemical Distributor Directory, has announced a new

subscription service. The service provides hard-to-find information for companies researching new markets. It allows subscribers to identify the top five distributors, establish the size of the market in a specific country, as well as the size of individual market segments. The subscription for the new service is €145 for six months. Further details from [www.chemagility.com](http://www.chemagility.com) or contact David Brown on 01420 520393.

### Motorway truck stop

The Heys Group, the parent company of Stamford Storage, has acquired the Truck Stop at Alconbury at

the junction of the A14 and the southern end of the AIM. The Stop has secure parking for 200 lorries within a fenced compound and re-fuelling facilities are available on an adjoining site.

### Newport relocation

Newport Industries' Shanghai office has moved to new premises within the Zhanjiang Hi-Tech Park, Pudong, China. New on-site laboratories provide product and application testing facilities. The new facilities will offer an increased level of technical service for the company's expanded product range.