

# Panel discussion

# Why Responsible Care?

Cefic European RC conference

Brussels

September 23 2011

**Frederic Boudier**



# Your panellists

**Colette Alma**



**Alastair Steel**



**Per Rossander**



**Thomas Dodd**



# Why RC?

“The Responsible Care<sup>®</sup> initiative is the chemistry industry's most outstanding achievement. **It was established in 1985 to address public concerns about the manufacture, distribution and use of chemicals following the chemical spill in Bhopal, India in December 1984.** Since its inception, Responsible Care has guided the chemical industry in Canada and has been adopted all around the world. In 2008, Responsible Care was reviewed to add sustainability as its driving force.”

Source: Canadian Chemical Producers Association



# THE UNFINISHED STORY OF BHOPAL 1984





**HAUNTING IMAGES OF THOSE WHO RELIVE THE TRAGEDY DAILY: Rupesh, Adil, Shanu - Some survivors of the Bhopal gas tragedy**

“If it was going to be anyone, it was going to be Carbide.”

JHJ off-record quote 

HQ Millbank December 4<sup>th</sup> 1984



***Bhopal* disaster deliberate act of worker, Carbide claims**

NEW YORK - The Union Carbide Corp. said it believed that a disgruntled plant worker had set off the poison gas tragedy that killed more than 2,000 people in Bhopal , India, in 1984. A spokesman said the company's own investigation was centered on one individual, but the spokesman declined to identify the person.

**"Our investigations to date demonstrate that the Bhopal tragedy was a deliberate act," said the statement issued Sunday by the company's manager of media relations, Harvey I. Cobert. "Those investigations are now focusing on a specific individual employee of the Bhopal plant who was disgruntled and who had ample opportunity to deliberately inject the large amount of water into the storage tank which caused the massive gas release."**

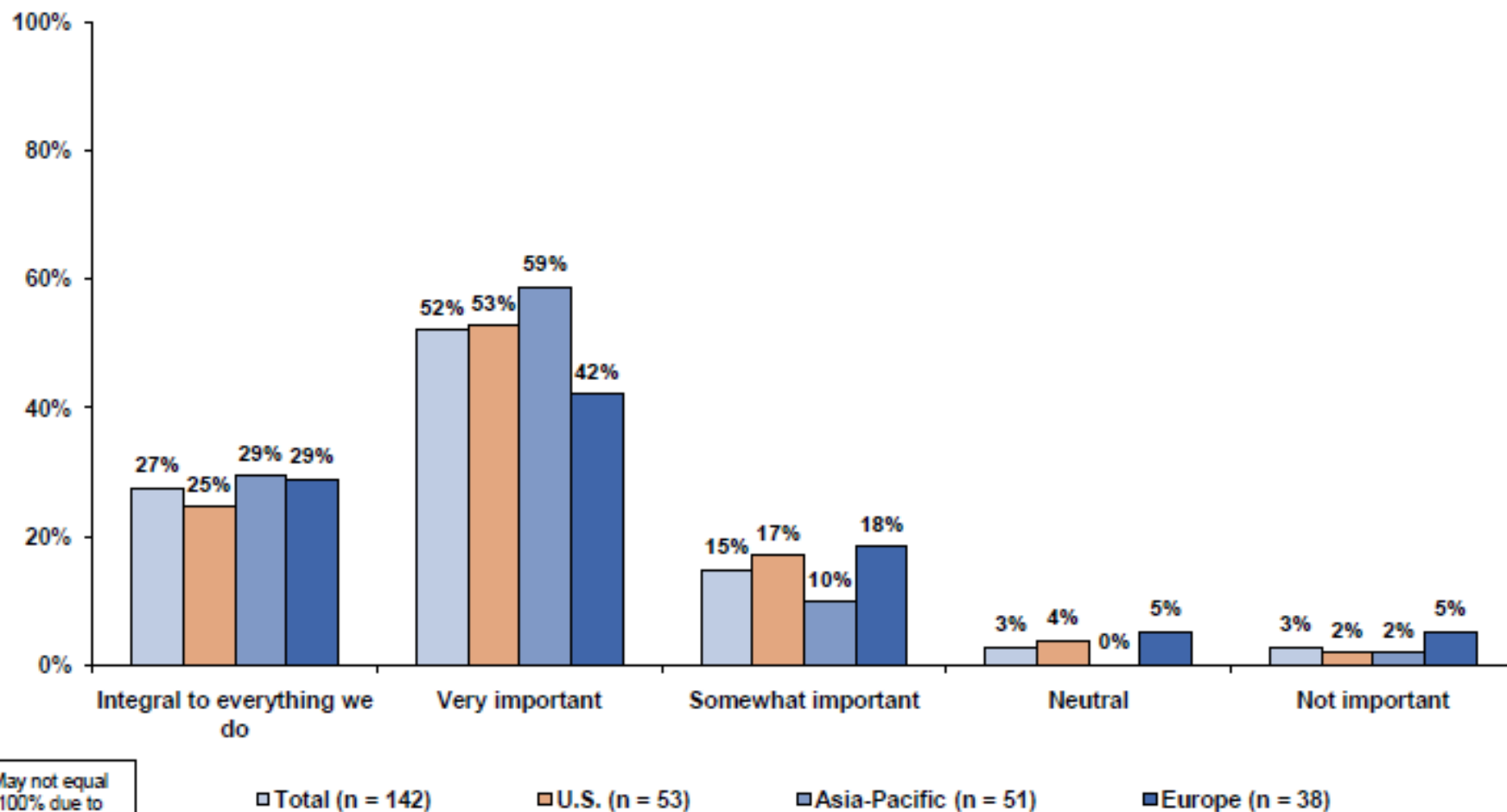
The statement Sunday from the chemical company's headquarters in Danbury, Conn., said for the first time that it had been able to identify a suspect.

Cobert refused to comment on a report over the weekend in The Sunday Times of London that said the company maintained that the employee acted after a quarrel with his supervisor and had meant to spoil one batch of chemicals. The paper said the company would argue that the employee ran a water hose into a storage tank and that this act, considered petty spite, had set off the disaster.

Hilfra Tandy, editor of World Petrochemical Analysis, a biweekly newsletter based in London, told The Washington Post that Carbide officials told her last week the suspected worker is a male Indian citizen who is "still alive." **Cobert confirmed that Tandy flew to Connecticut within the last two weeks and questioned company executives about the suspected sabotage.**

Cobert said there was no evidence that the alleged saboteur was politically motivated. He declined to elaborate, citing the pending litigation.

# Q. How Important Is Sustainability/ Responsible Care To Your Day-To-Day Business Strategy?





# RC in the Netherlands

## Responsible Care

*Our commitment to Sustainability*



# History of RC in the Netherlands

- VNCI adopted Responsible Care already in **1992**
- **Annual RC report** published
- VNCI board confirmed: **RC obligatory for membership** since 2007
- members should actively **commit to the RC Global Charter** (national version) by 2008
- VNCI board agreed upon 3<sup>rd</sup> party **external RC verification** per 2010
  - verification real driver for improving internal (VNCI secretariat) and external (company) RC activities, reporting, stakeholder dialogue

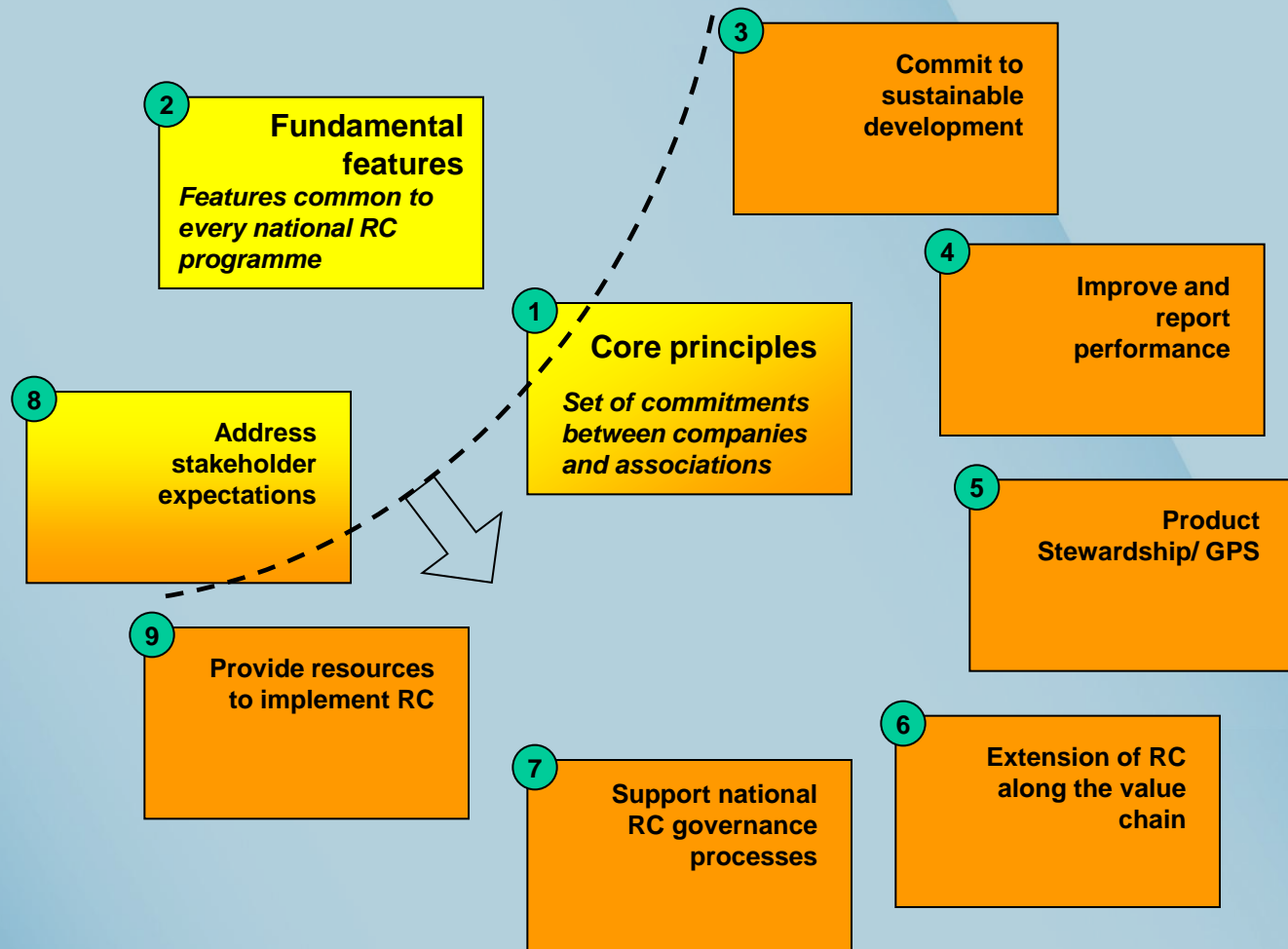
# 3<sup>rd</sup> party external verification

*mature RC association only!*

- evaluation of results annual VNCI multistakeholder dialogue
- performance of a media-analysis
- interviews with VNCI staff to check text and data
- check of reporting trail/data-management
- visit 3 member companies
- review of annual VNCI sector RC report (draft, update, final version)
- evaluation of available information based on verifier's expert knowledge (+ management letter)

=> focus on sector report, company "audit" limited and complementary to ISO

# Elements of the RC Global Charter



## RC in VNCI (1)

- in line with VNCI's 5yr policy plan and annual target setting
- started with self assessment questionnaire, now RC-webtool questionnaire with different types of questions
  - based on sustainability and national stakeholder needs
  - different questions for business and site level
- RC plays a role in national (government) discussion around
  - trust and compliance management
  - enforcement based on (RC)-management system checks
  - yet to define how a relative and continual improvement programme like RC deals with absolute (minimum) standards

## RC in VNCI (2)

- self assessment used until 2007, abandoned, no progress anymore
- environmental sector data derived now based on e-PRTR
- regular RC meetings to share best practices
  - active RC committee
  - RC reported to HSE policy board and general VNCI board
  - annual RC-day
  - RC high profile
- partnership agreement with chemical traders (VHCP)
- Actively participate in the RC network of Cefic and ICCA

# Stakeholder dialogue: gaining confidence from society

- Essential part of external verification
- in 2011 dialogue broadened with partners from
  - banks (mainstream and leading sustainable), insurance companies
  - service providers for sustainability research
  - knowledge institutes and academia
  - government representatives
  - employers organization, NGOs
  - VNCI member representatives
- Board Advisory Committee

# Stakeholder comments (1)

- use common accepted/verified data sets, e.g. from national statistics office, e-PRTR
- ranking and naming/shaming for improving RC performance of laggards behind
- improve visibility of RC (downstream) and society to show chemical industry commitments
- stakeholders make no differentiation between RC and Sustainability

## Stakeholder comments (2)

*Some examples:*

	comment	action	status
1	<u>Stakeholders</u> don't <u>contact</u> associations but <u>companies</u> when action needed	improve visibility association in this matter	development
2	<u>Image</u> of chemical industry <u>not improved</u>	re-think setup image campaign	on-going
3	<u>Commitment</u> of <u>CEOs</u> will have to <u>include</u> dedicated <u>company action</u>	annual web questionnaire now includes specific company (business) questions	done
4	Translate targets into <u>quantitative milestones</u> and discuss this with NA	discuss with membership	discussion
5	<u>How</u> can or will NA <u>boost</u> <u>laggers behind</u>	Integral part of NAs activities	improve communication

# A recent non-member fire incident ...



2011-01-05

- started a major discussion around safety
- questions about the credibility of the chemical sector
- shows lack of availability of industry data
  - industry collected and government (audit) data
  - quantity and quality

## ... results in ...

- publication of a national industry safety improvement action plan, “**Safety first**”
- VNCI sector priorities:
  - regular publication of industry performance
  - mutual support of companies
  - “Safety networks” and peer reviews
  - value chain audits
  - management systems improvement and certification



**Many thanks for your attention!**

**Questions?**

# Europe January 2011



# Dirty Laundry

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Unravelling the corporate connections to toxic water pollution in China

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**GREENPEACE**

# Responsible care in post-trust society: how should a more transparent system look like?

CEFIC, European Responsive Care  
Conference

Brussels 23 September 2011

Frederic Boudier, Maastricht University

# Responsible Care

Social responsibility

Participatory mechanisms

Reporting (SAICM)

**More transparency?**

# 20<sup>th</sup> Century crises



# Pressures in post-trust society

**Growing level of public distrust** toward industry/ regulators/policy makers following regulatory scandals

**Public demanding access to information**

Pluralism of science

Media amplifications

**Pluralism of information sources: e.g. Internet**

Concerns for risks increasingly small and uncertain

# Transparency: new frontier of risk communication?

- Lifting the veil of secrecy
- Look clearly through the windows of an institution
- Way of voluntary disclosure of information by this organisation
- Allowing external bodies to verify the organisation's performance

# Past initiatives

Better and more efficient policy making (US food and Drug act 1906)

People's right to know: California's proposition 65

Better compliance : pollution data, hygiene standards

# Does transparency necessarily deliver more trust/credibility?

No trust in the first place (Strathern 2000)

Regulator's "muddling" and "bickering" exposed (Lindboom 1959; Stone 2001)

Leads to publics' disenchantment (Bovens and Willie 2008; Grimmelikhuijsen 2010)

Pre-existing negative views of regulators unaltered (Van de Walle 2004)

More knowledge breeds more criticism (Mondak et al. 2007)

# Transparency may lead to conflicts

Hostile use of Freedom of Information Acts

Too far?

“Climate gate” in which climate change sceptics  
bombarDED university academics who worked  
on climate change

# Avoidance strategies

Regulators or Industry create less information:  
already happening in the financial sector

US: fear of tort liability exposure

***Remedy: more transparency or more dialogue ?***

# What sort of transparency?

Fishbowl transparency vs/ reasoned  
transparency

OECD 1996. Coglianesse 2009. Löfstedt & Boudier  
2011

# Example: lessons from pharma field

EMA road map 2015/ 2010 Pharmacovigilance directive

**Fishbowl transparency** with some restrictions  
(commercial sensitivity, confidentiality)

Will this be sufficient to build trust? And what could be done”?

Reflects EU standard approach?

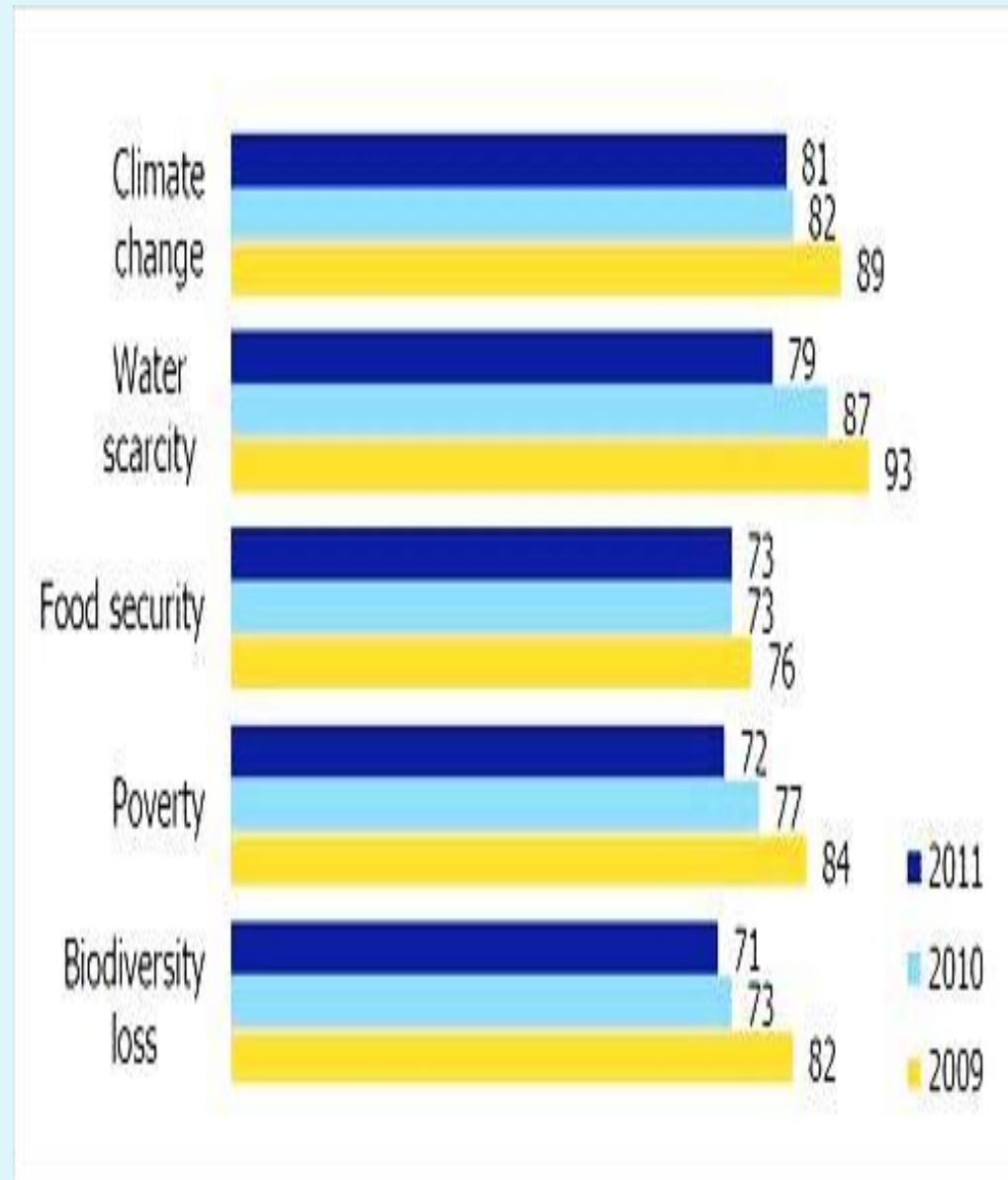
# Recommendations (Lofstedt & Boudier 2011)

- Proactive stance on how transparency programme should look
- Grounded in science not politics
- Evaluate the impact on the intended audiences
- Role of the web portal
- Should we test for trust?



# SustainAbility/GlobeScan survey September 19<sup>th</sup> 2011

**“... the challenge for business leaders in 2012 will be to avoid complacency and backsliding on their sustainability commitments in spite of this downward trend. ...With experts - or stakeholders, more broadly -- less concerned over key issues and corporations facing less external pressure than in years past, perhaps corporate progress on the sustainability agenda will slow or grind to a halt.” Kyle Whitaker, manager SustainAbility Washington DC.**



Thank you for your kind attention & please join me in thanking our panellists.



Your moderator: Hilfra Tandy, Chemical Matters. [hilfra@chemicalmatters.net](mailto:hilfra@chemicalmatters.net)