



SQAS & Responsible Care

March 23rd 2011
Sodehotel, Brussels

SQAS & Responsible Care

- ❑ Increased legislation
- ❑ Increased taxes
- ❑ Increasing Driver shortages – 200k across Europe
- ❑ Transport Industry feels persecuted
 - Political pressure
 - Legislative pressure
 - Face of the Chemical industry on the road
 - Perception of the Industry by the general public –
 - *polluters of the atmosphere*
- ❑ Small Margins

SQAS & Responsible Care

- Critique of a presentation that was given at the ECTA Conference Nov 2010 – Reference Carbon Emissions and the Future
- The EU is determined to pass legislation which will support a 20% GHG emission reduction target by 2020 (basis 1990). A target to reduce GHG emissions of at least 50% for developed countries is in the pipeline. Legislation will be passed in 2011 and is based on the study initiated by the EU, "EU Transport GHG: Routes to 2050"
- GHG emissions from transport is the only sector which has a potential to undermine the EU's GHG emission reduction target (growing at 1,4% p.a.) and hence is receiving increasing attention, not only by the EU but public and governments at large.
- Current policy measure are not sufficient to achieve targets. The EU is determined to pass "more drastic" legislation. This point was explicitly stressed by the Presenter in his presentation, whereby a broad range of ambitious policies will be needed.
- Policies to expect will tackle GHG emission broadly in three broad approaches: (a) measures to improve the GHG intensity of energy, (b) measures which improve the efficiency of transport vehicles by technical and operational means and (c) measures which are improving the efficiency of the European transport system. What this means in more concrete terms are taxes or km-charges (and in some cases subsidies) to set incentives for the establishment of green transport corridors, to achieve a greater shift towards less GHG intensive transport modes and avoid empty running. Measures will also aim at a so called "de-speeding" of supply chains, e.g. by lowering speed limits in order to reduce fuel consumption.

SQAS & Responsible Care

- ❑ Why have I painted such a picture for the future ??? –
Fact or Fiction !!!!!?????
- ❑ The Transport Industry must face up to what the future holds if we do not react proactively and positively
- ❑ By acting both proactively and positively the transport industry can hopefully offset a number of the changes that are being discussed and that will be applied

SQAS & Responsible Care – Actions

Closer measuring of companies performance with regards to

- Fuel consumed
- Kilometres operated by mode
- Modal shift
- Vehicle replacement programme
- Use of NEW technology with equipment
- Improved dialogue with Customers on Supply Chain
- Driver training
- Application of BBS initiatives – such as
 - Cargo Securing Packed Goods
 - Un/Loading Best Practices – reduce incidents/spillages
- SQAS TS Upgrade 2010, from discussions within the WG the assessment pack now shows considerable focus on Responsible Care requirements that was not there before
- Introduce Responsible Care initiative along with Carbon Footprint monitoring

SQAS & Responsible Care

Producers have their part to play

- ❑ Better proactive dialogue with LSP's
- ❑ Closer monitoring of issues affecting the overall supply chain from both viewpoints
- ❑ Better use of Best Practice Guidelines
 - loading/unloading windows
 - 16 hours operation
 - many others
- ❑ Better treatment of drivers onsite

The above are some of the JOINT initiative guidelines developed, some of which are not being applied

The logo for ECTA, consisting of the letters "ECTA" in a bold, blue, serif font, enclosed within a black oval border. The logo is positioned in the bottom right corner of the slide.

ECTA

SQAS & Responsible Care

- There is evidence that chemical transport in general and ECTA members in particular perform very well in their efforts to reduce the relative emission levels per ton/kilometer.
- The **BIG BUT** :-
- If the world produces more tonnage and society consumes more, we can only limit this relative figure and not the absolute ones.
- Effectively influencing consumers is going to lead to much better results.
- Might lead to pressure on society to reduce their luxury levels as well.

SQAS & Responsible Care

In most cases green logistics efforts are a means to reduce costs ...

Increase transport productivity

- Payload optimization (e.g. through VMI)
- Reduce empty running (e.g. advanced transport planning)
- Review just-in-time (JIT) arrangements
- Reduce equipment requirement constraints / increase standardization

Switch to greener transport modes

- Modal shift: road => rail / barge

Reduce transport intensity (e.g through product swaps)

Increase fuel efficiency / reduce carbon intensity of fuels

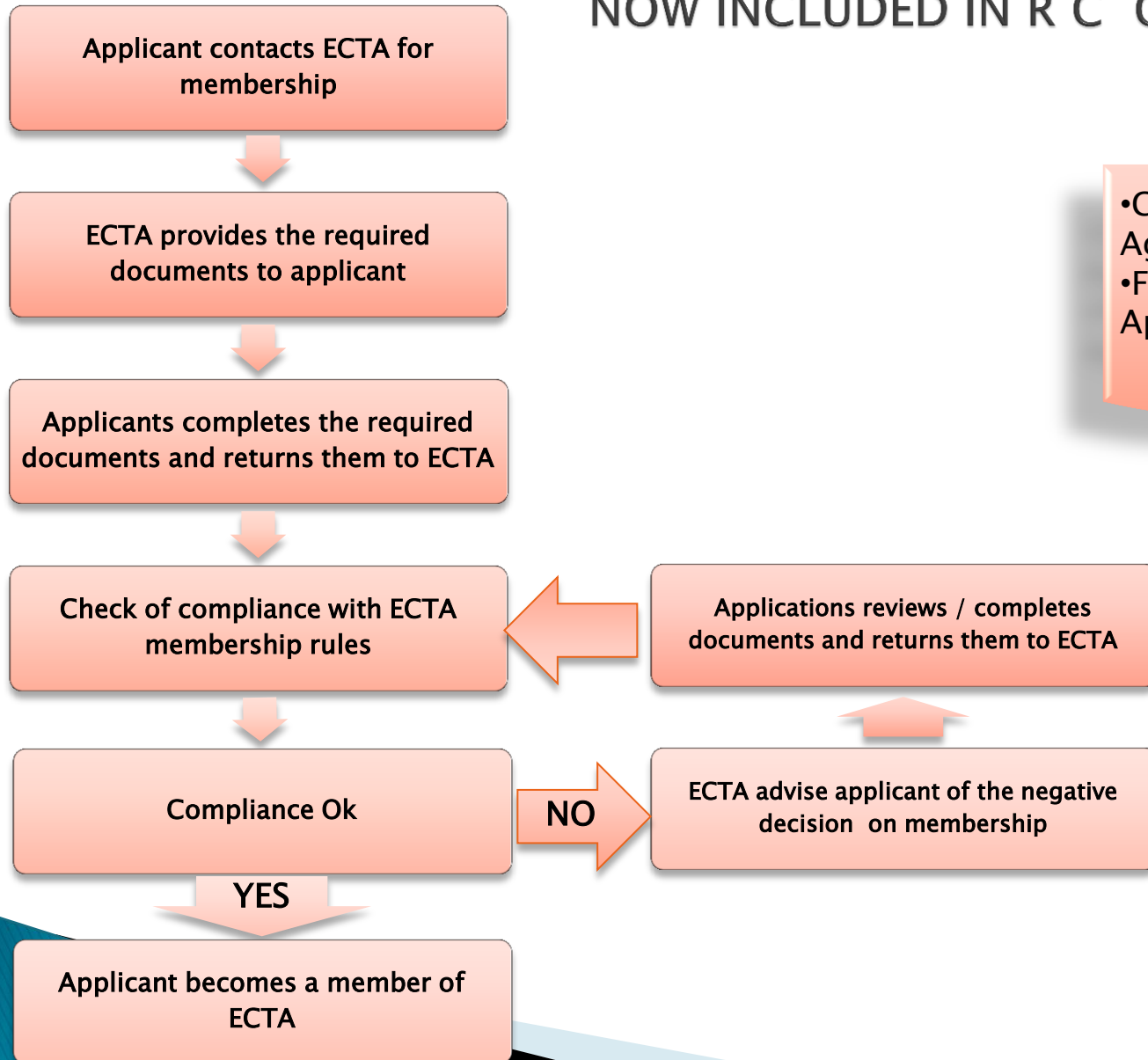
However, a switch to greener transport modes may also result in:

- an increase of working capital, longer transport times at reduced reliability
- requirement of investment into site logistics infrastructure, enabling further rail- and barge connectivity

SQAS & Responsible Care

- ❑ SQAS TS is the tool used by ECTA to verify initial compliance with the ECTA R C requirements
 - ❑ There are +/- 50 R C questions to assist companies with the introduction of RC
- ❑ SQAS T S assessed and checked for any shortcomings with regards to R C requirements
- ❑ Any areas of concern discussed with individual LSP

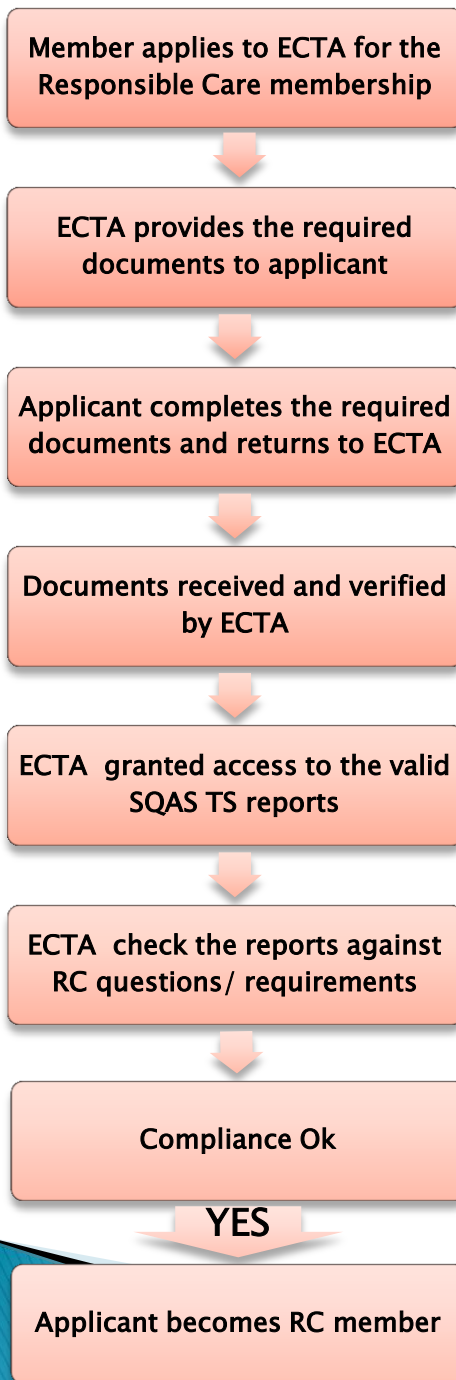
ECTA MEMBERSHIP APPLICATION PROCESS NOW INCLUDED IN R C GUIDELINES



- Confidentiality Agreement
- Full Member Application Form



IMPLEMENTATION GUIDE FOR BECOMING AN ECTA RESPONSIBLE CARE MEMBER



- CEO Commitment Statement
- ECTA Guiding principles
- Agreement on RC Implementation

Applications reviews / completes documents and/or requirements and confirm to ECTA

ECTA advise applicant of the negative decision on membership



1st year KPI Statistics – 2009

Meeting the requirements of ECTA/CEFIC and Sustainability

Kilometres Operated		972 Mil
Drivers Total		9100
Modal split	Road	55%
	Intermodal	45%
Incidents in Transit	Death	2
	Injury	40
	Loss of Product	38
	Damage	142
	Involvement of Authorities	34
Incidents at Un/Loading point	Death	2
	Injury	155
	Loss of Product	77
	Damage	84
	Involvement of Authorities	9
Number of Training hours/days per driver per year		24/3
Euro Engine split	Euro 1	0
	Euro 2	304
	Euro 3	3096
	Euro 4	2850
	Euro 5	2698
	EEV	152

CO2 Production

416960 tonnes

SQAS & Responsible Care

Achievements 2010

- ❑ Increased membership – spreading the word
- ❑ 9 Guiding Principles set into R C requirements
- ❑ Revised R C guidelines and KPI reporting form
- ❑ Input into Sustainability and Logistics working groups
 - Emission factors now agreed for all modes
 - Carbon Footprints now readily understood
- ❑ Input into Un/Loading working group & Risk Management
- ❑ Input to new SQAS 2010 – to be launched April 1st 2011
- ❑ KPI forms received detailing R C commitment and CO2 figures
- ❑ Now able to report to internal/external stakeholders
- ❑ ECTA 2011 R C Plan in place



Summary

- ❑ ECTA are totally supportive of the SQAS agenda
- ❑ ECTA use SQAS as the R C measuring tool
- ❑ SQAS TS 2010 means greater QHSSE / R C commitment, also Sustainability in Logistics as a tool to be considered
- ❑ ECTA Membership drive to create a “louder” voice within the LSP chemical transport sector
- ❑ Thereby assisting the SQAS / RC development further

The continuous improvement cycle

The logo for ECTA, consisting of the letters "ECTA" in a blue, serif font, enclosed within a black oval border. The logo is positioned in the bottom right corner of the slide.

ECTA

The BLUE Horizon,
The Transport Industry approach,
Everything is possible

Thank you!

ECTA