RESPONSIBLE CARE : ADDING VALUE TO YOUR COMPANY

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ABSTRACT

In today's competitive business climate, companies also want to know Responsible Care provides added business value to their companies. This primer is to show the value of Responsible Care to a wide range of audiences by demonstrating an example.

The Cementhai Chemical Company (CCC), a major core business of the Siam Cement Public Company (SCC) first made the commitment to Responsible Care in 1997 in its pursuit of improvement in environmental, health and safety (EH&S) performance. CCC has recognized the RC in driving the company's success that adding value to its businesses. CCC recently performed self-review and results demonstrate the many ways that value is being added.

The company has long believed that Responsible Care has been a valuable part of improved relationships within their communities (public and industrial); and the survey results back that up. The six manufacturing sites of CCC in Map-Ta-Phut industrial complex attributed significantly improved community trust and credibility through community awareness and outreach activities. The key audiences have willingness to dialogue their concerns and welcome the outreach program to safeguard their communities (i.e. basic fire fighting, electrical safety training and basic safety manual).

The value Responsible Care brings as an organization tool, making the company more efficient in compliance and regulatory activities. The management systems need to be in place. The company has already certified by the Quality Management System (ISO 9002) and the Environmental Management System (ISO 14001). The company is more proactive attitude toward corporate environmental management to meet higher standard in future. Own environmental metrics to enhance performance has been developed (Environmental Maturity Curve) and assessed to identify trend and performance with respect to a goal. Many goals may have strictly defined endpoints i.e. the concentration of a pollutant in the effluent or an explicitly stated reduction in emissions or broadly stated objectives for improvement toward the final target at sustainable stage.

Through their involvement of Responsible Care since 1997, the company has already reported achieving reductions 50% in personal injury rate, 50% in distribution incident rate and 10% in motor vehicle incident rate. One area that left out is environmental incident (Loss of containment) but the result at end of 1H2000 shown significant recovery in amount and total cleanup costs. The saving in their workers' compensation claims and medical treatment costs due to their reduction in injuries are not

reported but believe in significant saving. The company can maintain continuous improvement and costs saving momentum by setting their long term (10 years) EH&S goals to achieve 90% reduction of the incidents at the end of 2007.

Through the recycle-reuse and emission/waste reduction process, the company is also reporting significant saving in their resource productivity. In example, they had saving 1 million $ in 1999 and almost 3 million $ in 1H2000. However, they need to establish quantitative environmental performance goals to measure the environmental loads (e.g. air emissions, water emissions, resources use) and commit to tracking and reporting progress.

The company cited zero citations and fines by using Responsible Care as a means that they are doing "the right thing" Moreover, the credit they got that push them to the top for certain awards, like the National safety award (Ministry of Labor and Public welfare)

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Key words: Responsible Care, Environmental Health and Safety management,

1. INTRODUCTION

Distinguished guests, ladies and gentlemen.

It 's a great pleasure to be with you in The Ninth International Conference of the Greening of Industry Network in Bangkok. I begin by thanking the organisers of this conference for the opportunity to share some thoughts of the unexpected payoff we, the member companies of the Responsible Care, are beginning to realize from committing our hearts, heads and company operations to Responsible Care. I hope that by sharing these benefits of the Responsible Care a program which I believe has changed for the better the way my company manage environmental health and safety.

1.2 WHAT IS THE RESPONSIBLE CARE ?

Responsible Care in an initiative developed and adopted by chemical companies to improve continuously environmental, health and Safety (EH&S) performance of their operations and products in a manner responsive to the concerns of the public. The Canadian Chemical Producers Association (CCPA) in 1985 first adopted responsible care as a new model for the management of chemicals industry. It has spread around the world and be becoming more and more accepted by the industry and its impact on the community is obvious. At last count, it was adopted in almost 50 countries.

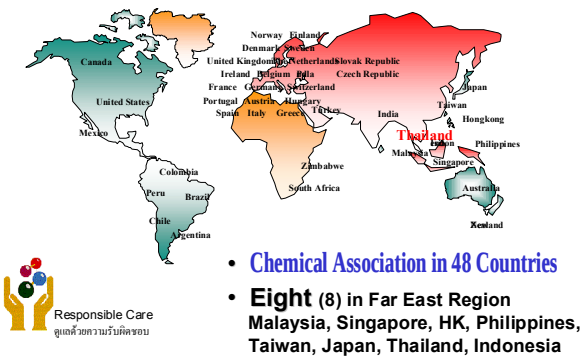

Figure 1. Member Countries of ICCA's Responsible Care (International Chemical Council Association)

Responsible Care is the basic of significant cultural change within the chemical industry that is leading to improved performance and new levels of openness with the public.
And it is because of the Responsible Care is an ethic an ethic that transcends culture, politics or religion. It's also about protecting our planet, protecting natural resources, our friends, our workers, our families.

A key to Responsible Care is that it goes beyond what is legally required. It is a voluntary program so that we can safe handle our products from their inception in the research lab, through manufacturing and distribution, to their ultimate disposal.

1.3 WHY RESPONSIBLE CARE ?

The global chemical industry has embraced Responsible Care because it is viewed as both "good citizenship" and a positive impact on companies economic bottom line. For the individual company, implementation of Responsible Care leads to improved efficiency, lower EHS costs and improved relations with stakeholders. For the global chemical industry, successful implementation of Responsible Care demonstrates and appropriates public policy that protects its license to operate and its ability to innovate and meet society's demands for its products. For the public, successful implementation of Responsible Care, ensures that the chemical industry will continue to provide beneficial products for society and continually reduce its negative impacts on human health and the environment.

1.4 WHAT IS RESPONSIBLE CARE ABOUT ?

The Responsible Care is an ethic, an ethic that transcends culture, politics or religion. Responsible Care is about protecting our planet, protecting our natural resources, our friends, our workers, our families. It is a voluntary program so that we can safe handle our products from their inception in the research lab, through manufacturing and distribution, to their ultimate disposal.

The membership requires the Executive Contract of each member company to commit to Responsible Care by ;

- Signing the Guiding Principles;
- Communicating the commitment to employees
- To establish responsible management and continue improvement in chemical industry practices (Codes of Management Practices, CMP).

A key to Responsible Care is that it goes beyond what is legally required. The commitment to Responsible Care also recognizes the need for member companies to help each other.

The Responsible Care is a actually Environment Health and Safety management system. It provide guidance for management via Code of Management Practices. The Codes define the overall management system which includes organizational structure, planning activities, responsibilities, practices, procedures, processes and resources for developing, implementing, achieving, reviewing and maintaining the environmental policy.

There are 6 Codes defined by the US-Chemicals Industry Association (CIA);

1. Pollution prevention Code
2. Process Safety Code
3. Employee Health and Safety Code
4. Community Awareness and Emergency Response Code
5. Distribution Code
6. Product Stewardship Code

1.5 THE COMPANY BACKGROUND

The Cementhai Chemical Company (CCC) is a major core business of the Siam Cement Public Company (SCC), a key player of Thai industries. It was found in 1983 and becomes a largest integrated producer of polyolefins in Thailand and Southeast Asian countries, as well as one of the leading players in the Asia-Pacific region, with a total polyolefins capacity of approximately a million tons per annum. Its petrochemical operations include upstream, intermediate and downstream productions producing olefins, polyolefins, Polystyrene (PS), Styrene monomer (SM), Purified Terephthalic Acid (PTA), and Methyl Methacrylate (MMA). The total group operating assets is 1.5 billion US$ in 2000 over the total consolidated net sales more than 4 billion US$ per annum. All plants are located in a single large petrochemical complex at the Eastern Estate Industrial area (Map-Ta-Phut, Rayong Province).

1.6 PAST PERFORMANCE

Safety and Environmental performance of the company in the first 10 years of operation had very lower degree not the same as in some other multination companies. Nevertheless, the Thai economic was growing extremely quickly. The company was also in the growth rate, carried out vastly investment in construction of new plants or expansion of the existing with a corresponding increase in the rate of personal injury, process incident and chemicals spillage. The management was aware of these problems and attempts were being made to solve the problems but there was no significant achievement.

1.7 WITH RESPONSIBLE CARE

The company has recognized Responsible Care as management system to its pursuit of improvement in environmental, health and safety (EH&S) performance. It was a founder of Responsible Care in Thailand that established with the Chemical Industry Club, Federation of Thai Industries (FTI) in 1997. It has demonstrated leadership role and appointed Co-Chairman of Responsible Care committee that brought Thailand to a membership of Responsible Care Leader Group (RCLG) of the International Chemical Council Association (ICCA) in 1998.

It started baseline evaluation (self-assessment) against codes in late 1998 regardless of Thai industry association activities. There is no specific Responsible Care Code of management Practices for Thailand by that time. The US CMA's version was adopted as guideline (The Chemical Manufacturing Association). First assessment was conducted in late 1999 and in doing so it achieved a significant progress.

1.8 IS THE RESPONSIBLE CARE FREE ?

One answer might be to quote English poet Mathew Prior, who said, "Virtue is her own reward". The satisfaction of "doing of good and being seen to be doing good" could be seen as benefit enough. It's obviously, the company has paid the up front investment in equipment /tools, training, documenting, auditing, customer follow-up, risk assessing and community dialoguing. Our employees are sensing a new pride and apparently see an increasing match between their own values and those expressed and supported by the company.

These credits have pushed the company to the top for national recognition & awards. It's regularly and in the year 2000, the company won two National Awards in the Outstanding Safety Management from Ministry of Industry and Ministry of Labor and Public welfare.

2. BENEFITS

I'm here today is not for telling you what is Responsible Care neither why does Responsible Care ?. But I wish to share with you what benefits the company received by doing Responsible Care as the following;

2.1 FINANCIAL BENEFITS.

The company has worked with several insurance brokers and underwrites to seek recognition for the risk reduction achievements. The insurance factors including property, mechanical damage and business interruptions are now able to realize up to 30% reductions in the premiums.

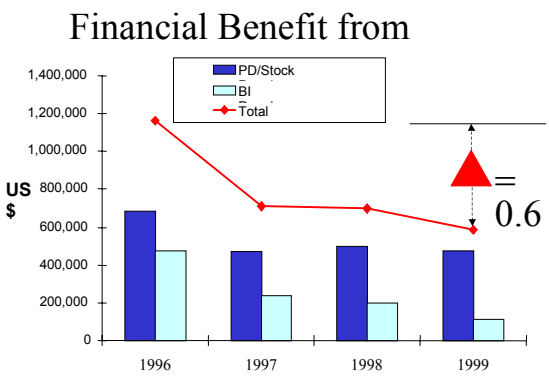

Figure 2. Loss prevention reflected in less expense on insurance premium

The insurance rates and fines have been directly reduced as a result of improved EH&S performance. Frequency and severity of accidents decreased.

Continuous emphasis on process safety through Responsible Care has help this year (2000) reducing to 0.072% in property insurance premium rate, compared to 0.175 % in 1997. Based on the company's commitment to EH&S, a system approach to safety, audit program and a reduction in claims history, business interruption insurance rate was reduced to 0.09 % in 2000, compared to 0.30% in 1997.

2.2 REDUCED COSTS

The company cited a decrease in workers' medical / clinical treatment claim and compensation cost due to significant improved employees health and safety programs. The saving can be recognized through reduced incidents (both number and severity) that has

help maintain the minimum workers' compensation premiums at 0.2% compared to maximum 1.5 % of wage.

2.3 COMMUNITY DIALOGUE

Community survey showed more favorable towards the company. The plant visit program has helped increasing of trust and the public is very complimentary of the effectiveness of the emergency response system. Community complaints have significantly reduced.

However, with dialogue and trust brought about by the outreach approach, we address community concerns, resolved problems and saw an atmosphere of support and actively participation. With community input resulting in effective and less expensive solution that seen to be a real value for community e.g basic fire fighting and electrical safety training.

The community and employees know the company is trying to do the "Right things" and has seen us differently from the others.

Figure 3. Basic fire fighting training for schoolteachers and community.

2.4 INTEGRATED MANAGEMENT SYSTEM

The Pollution Prevention Code has helped the company effectively certified by the international management standard i.e. the Quality Management System (ISO 9002) and the Environmental Management System (ISO 14001). *** Using the Distribution Code allows us to focus on the whole process of distribution safety, rather than focusing only on the shipments and regulatory compliance. This allows us to reduce distribution incident by 20% per year from 1998. *** The Process Safety Code has helped solidify management practices across all operation. The management leadership, employee involvement and contractor safety elements of the Employee Health and Safety Code have helped drive these areas.

The company cited zero citations and fines by using Responsible Care as a means that they are doing "the right thing" Moreover, the credit they got that push them to the top for certain National Awards, like the Minister of Industry Award and Minister of Labor and Public Welfare Award etc.

Figure 4. Prime Minister Awards 2000 in Achievement of Outstanding Safety Management.

2.5 IMPROVED COMPLIANCE

The regulatory compliance is minimum requirement. Responsible Care drives to focus on EH&S issues which improve compliance at all levels and provide the management framework to address compliance and help find non-compliance issues.

2.6 ENVIRONMENTAL, HEALTH AND SAFETY PERFORMANCE

Employee Health and Safety Code had significant impact in development of practices to reduce illness and injury to be used at our facilities. ***

- The personal injury rate (US-based OSHA regulation, included contractor) has been reduced 20% per year, compared to 1997.

- The Pollution Prevention Code regarding environmental performance (number of 50 kgs chemicals spill incident) reduced by 50%, compared with 1998. Spill prevention and control project was installed throughout the plant to eliminate or collect spills.

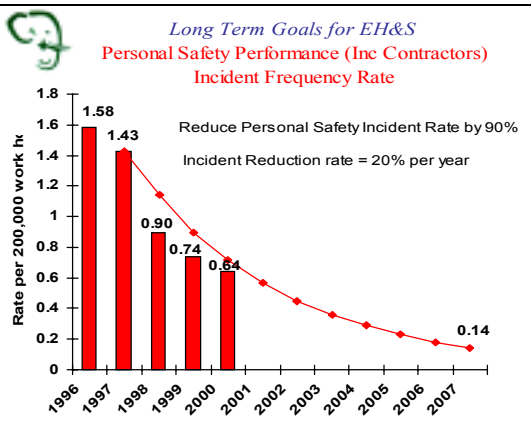

Figure 5. Setting Long term goals (10 years) for continuous improvement.

*** The Process Safety Code has assured that new projects and process changes (Management of Change) are thoroughly reviewed well before they go on-line, thus reducing the number of process safety incidents that may occur in those areas. *** Distribution Code has lead to elimination of transferring via tank carriers by installation of piping network system for hazardous materials to customers' fence, thus has reduced the number of spills that are associated with bulk loading operation. *** Accident investigation focus on determining the root cause; thereby providing for more effective corrective measures. *** Annual audits have greatly improved awareness, inspection, and emergency response.

2.7 MUTUAL ASSISTANCE

The Responsible Care increased benchmarking with other companies has had a positive impact on our overall EH&S program. The company has used the Dow Chemicals to compare how we accomplish goals and objectives offer the opportunity to learn from others' mistakes and successes. *** Emergency Response Code allows us to have share extensively through our industrial neighbor group for the emergency mutual assistance agreement.

I hope the recognition in adding value by Responsible Care that I mentioned will help in driving your company's success in businesses. I'm confident that if we plan with Responsible Care in mind, the company will rapidly modernize and achieve sustainable development.

********** Thank you. ********