

CHEMIE³

THE SUSTAINABILITY INITIATIVE OF THE
GERMAN CHEMICAL INDUSTRY



CHEMIE³-
PROGRESS REPORT 2015

GERMAN CHEMICAL INDUSTRY ASSOCIATION



The German Chemical Industry Association (VCI) represents the politico-economic interests of more than 1,650 German chemical companies and German subsidiaries of foreign businesses. For this purpose, the VCI is in contact with politicians, public authorities, other industries, the scientific community, and the media. The VCI stands for over 90 percent of the chemical industry in Germany. In 2014, the industry sector realized sales of approximately 191 billion euros and employed about 444,800 people.

THE MINING, CHEMICAL AND ENERGY INDUSTRIAL UNION



The Mining, Chemical and Energy Industrial Union (IG BCE) has a total of 680,000 members. It represents workers from the sectors of mining, chemicals, gas, glass, rubber, ceramics, plastics, leather, mineral oil, paper and pulp, environmental matters/recycling, coal and the water industry. As an independent organization with no affiliation to any political party or other social institution, IG BCE seeks critical but constructive dialogue with employers, politicians, and the government.

GERMAN FEDERATION OF CHEMICAL EMPLOYERS' ASSOCIATIONS



The German Federation of Chemical Employers' Associations (BAVC) is the umbrella organization in charge of collective bargaining and social policies within the chemical and pharmaceutical industry and large parts of the plastics processing and rubber industries. It represents the interests of its ten regional member associations with 1,900 companies and 550,000 employees in dealings with trade unions, government bodies, the political stakeholders, and the general public.

TABLE OF CONTENTS

	PAGE
WHAT WE HAVE ACHIEVED SO FAR	
THREE DIMENSIONS, THREE PARTNERS	4
OUR JOINT EFFORTS SO FAR	6
EXCLUSIVELY FOR OUR MEMBERS	7
SYSTEMATIC FIRST STEPS	8
WHAT WE BUILD ON	10
STAKEHOLDER DIALOGUE	
WHO WE COMMUNICATE WITH	11
STAKEHOLDER QUESTIONS	12
WHAT WE ARE PLANNING	
HOW WE ARE GOING TO PROCEED	14
WHAT WE ARE MEASURING OURSELVES AGAINST	15
GUIDELINES	
SUSTAINABILITY GUIDELINES IN PRACTICE	16
CHEMICAL INDUSTRY FACTS AND FIGURES	19
SUSTAINABILITY GUIDELINES	21

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October 2015



THREE DIMENSIONS, THREE PARTNERS WHAT WE JOINTLY STAND FOR



WITH THE SUSTAINABILITY INITIATIVE CHEMIE³, GERMANY'S CHEMICAL INDUSTRY HAS SET OUT TO LIVE UP TO ITS ROLE AS AN IMPORTANT INNOVATOR WHEN IT COMES TO SUSTAINABILITY AS WELL. THE MEMBERS OF THE CHEMIE³ STEERING COMMITTEE EXPLAIN WHY THE INDUSTRY NEEDS THIS ONE-OF-A-KIND JOINT INITIATIVE, WHAT HAS BEEN ACCOMPLISHED SO FAR AND WHAT CHALLENGES THEY STILL PLAN TO MASTER TOGETHER



OUR TOP PRIORITY IS TO TAKE THE INITIATIVE TO A BROADER SCALE WITHIN THE INDUSTRY

"In May 2013, the German chemical industry and union joined forces to form the Chemie³ Initiative – a strong alliance with the goal to jointly make a sustainable contribution to a world worth living in, where environmental, economic, and social aspects are in balance. We started with twelve sustainability guidelines that provide orientation for the industry sector.

From the start, we have been communicating with our stakeholders. Their suggestions provide good orientation for us. We also use this dialogue to emphasize the importance of economic success for the future of all of us. Without this success, the industry would not be able to develop solutions for global challenges and resolve environmental and social issues. Now there is a permanent stakeholder round table that continuously and discerningly accompanies the Initiative.

The goal to take the Initiative to a broader scale within the industry takes top priority. To do this, we need more time and resources than previously expected. Incorporating our goals into business practice is an ambitious endeavor. To support this effort, we developed services – first and foremost, the Chemie³ Sustainability Check. Other ideas are also being developed. For example, we have launched a project designed to develop applicable progress indicators by the end of 2016. This is how we want to create the required transparency of the Initiative."

Dr. Marijn Dekkers, President of VCI



WE WANT TO SET AN EXAMPLE THAT REACHES BEYOND INDUSTRY AND NATIONAL BORDERS

“Chemie³ is still both a one-of-a-kind and ambitious Initiative within a national and international context. There is no other country and no other industry sector where industry, employer, and union work together so systematically with the goal of establishing sustainability in an entire industry. However, we did not just fundamentally agree on this objective in the German chemical industry; we have also defined sustainability as a comprehensive process of social, economic, and environmental progress. Since then, twelve Sustainability Guidelines have provided orientation to the actors of our industry sector.

Our big task now and in the coming years is to continue to solidify the process we initiated and strengthen the awareness in our companies that sustainability strategies in their three dimensions provide a great opportunity to combine attractive employment and living conditions with economic success on global markets.

In addition, we want to set an example that reaches beyond industry and national borders. That’s why we will continue to work hard and diligently on the success of Chemie³ and document the progress of our Initiative – knowing that this type of fundamental directive requires comprehensive patterns but also time in order to reach the desired goal everywhere.”

Michael Vassiliadis, President of IG BCE



BY THE END OF 2016, WE WANT TO DEFINE WHAT “SOCIAL SUSTAINABILITY” IS

“Every home needs a solid foundation. At Chemie³, this is the job of the twelve “Sustainability Guidelines for the German Chemical Industry.” Based on these Guidelines, VCI, BAVC, and IG BCE have jointly accomplished a lot: the stakeholder dialogue, the Sustainability Check, and a variety of information for companies and the public. We have also introduced Chemie³ to the economy, science, and politics. In a peer review at the end of 2013 on the national sustainability strategy, the authors explicitly demanded more industry-specific sustainability strategies based on the example set by the chemical industry. The federal government also emphasized in 2014 that initiatives like Chemie³ make a significant contribution to promoting and implementing the national sustainability goals.

The success of Chemie³ is verifiable. Here I would like to particularly emphasize the work of BAVC and IG BCE in developing social progress indicators. The project is accompanied by a scientific panel and plans to consult stakeholders of our industry sector and CSR experts. This discussion process is intense and takes time but is worthwhile. By the end of 2016 – and for the first time ever – the industry social partners will have agreed on a joint definition and a set of indicators of social sustainability.”

Margret Suckale, President of BAVC

OUR JOINT EFFORTS SO FAR WHAT CHEMIE³ HAS ALREADY ACHIEVED

With the start of Chemie³ in May 2013, VCI, IG BCE, and BAVC decided to underpin sustainability as a guiding principle of the chemical industry in Germany and grow the contribution of the chemical industry into a sustainable development. We have defined goals that we want to achieve by 2017 (see page 14). At the center of these measures is a variety of information and support services developed by Chemie³. They are designed to put the twelve "Sustainability Guidelines for the Chemical Industry in Germany" into business practice. The services range from practical support for each guideline via presentations on selected topics, manuals, and good practice examples all the way to an overview of federal and state subsidies. Members of VCI, IG BCE, and BAVC can find these services in the member area at www.chemiehoch3.de since summer 2014. The services are continuously expanding.

At the same time, Chemie³ has continued and deepened the stakeholder dialogue that already began while defining the Guidelines. At periodic events, we discuss the expectations, needs, and challenges of the stakeholders with regard to sustainability.

AN OVERVIEW OF WHAT WE DO FOR OUR MEMBERS

▶ SUSTAINABILITY CHECK

The Chemie³ Sustainability Check allows companies to systematically address the implementation of the guiding principle in their own business.

▶ PRACTICAL GUIDELINES

Chemie³ imparts practical background knowledge, good practice examples and additional ideas in handling each of the twelve Guidelines in their "Practical Guidelines".

▶ MEMBER AREA

The member area at www.chemiehoch3.de offers comprehensive information, support services, and accompanying materials on applying the Guidelines.

▶ EVENTS

Since the end of 2014, Chemie³ has offered regional information events about the Chemie³ Initiative and the Sustainability Check, as well as events centering on sustainability topics, to the members of VCI, IG BCE, and BAVC.

HOW WE FOSTER DIALOGUE

▶ The dialogue inside and outside the industry is a central component of the Chemie³ self-image. The Initiative seeks continuous communication with stakeholders from the political, economic, scientific, and social realms to garner suggestions and discerning ideas to advance the Initiative and present the interests of the

industry understandably to the outside. In 2014, Chemie³ organized stakeholder events in Nauen and Berlin and established a platform to conduct an open and continuous dialogue with a permanent group of participants in its stakeholder round table. Find out more about the stakeholder dialogue starting on page 11.

CHEMIE³ MILESTONES

2013

MAY

The Chemie³ Initiative begins with the publication of its twelve Guidelines, an industry report, and a website.

SEPTEMBER

The steering committee adopts a strategy with goals and measures intended to be implemented by 2017.

2014

MARCH

As a sounding board for Chemie³, the stakeholder round table is established. Its discussions are confidential and meetings occur annually.

MAY

A first public stakeholder event takes place with the goal of establishing a series of Chemie³ talks.

JULY

The pilot project to test the Chemie³ Sustainability Check is successfully completed. The findings are incorporated into the continued design of the Check.

EXCLUSIVELY FOR OUR MEMBERS WHAT WWW.CHEMIEHOCH3.DE OFFERS IN ITS MEMBER AREA

THE CHEMIE³ SUSTAINABILITY CHECK



Since September 2014, the Chemie³ Sustainability Check with detailed guidelines has been available as a free download for our members. The Initiative, along with an experienced consulting company, developed the Check specifically for the industry sector. In a pilot project, twelve chemical companies have tested the Check in practical application. The Sustainability Check allows companies to analyze their own strengths and weaknesses, opportunities and risks regarding sustainability in a targeted manner and deduce improvement measures. Based on 31 fields of action, the companies approach the topics most important to them. With the help of a Sustainability Barometer that is available in the member area of www.chemiehoch3.de, the companies also have the chance to make an initial non-binding inventory of sustainability. Read more about the Chemie³ Sustainability Check starting on page 8.

GOOD PRACTICE EXAMPLES IN THE INDUSTRY SECTOR



To give other companies suggestions, since the start of the Initiative Chemie³ has collected good practice examples from its member companies. These success stories recount how chemical companies implement sustainability in business practice, what obstacles they needed to overcome and what lessons can be learned from this. Read more about good practice examples in the chemical industry starting on page 16.

THE "PRACTICAL GUIDELINES" INFO SERIES



In every issue, the "Practical Guidelines" info series addresses one of the twelve Chemie³ Guidelines. The issue is available for download in the member area. Consisting of eight pages, it clearly explains what departments are affected by the respective Guideline and what challenges and opportunities are related to its implementation. In "Practical Guidelines," management and employees can find suggestions on how they can systematically achieve improvements using the Guidelines. Every issue also includes an interview with an expert in which scientists or representatives of independent organizations and institutes put the subject into a broader context and deliver additional ideas. A good practice example from the circle of member companies shows how the Guideline can be actually used in practical applications and the advantages for the company.

JULY

The member area at www.chemiehoch3.de launches the info series "Practical Guidelines," with good practice examples and guidelines.

OCTOBER

The Chemie³ Sustainability Check is available for download in the member area.

NOVEMBER

A joint event with the Council for Sustainable Development marks the kickoff of the Chemie³ political dialogue.

2015

END OF 2015

Support services for sustainability reporting of the companies are scheduled to be developed by year's end.

2016

END OF 2016

The progress indicators for the Chemie³ Initiative are scheduled to be developed by the end of the year.

SYSTEMATIC FIRST STEPS THE CHEMIE³ SUSTAINABILITY CHECK

IT PROVIDES SYSTEMATIC ACCESS TO THE SUBJECT OF SUSTAINABILITY: THE CHEMIE³ SUSTAINABILITY CHECK. TESTED IN PRACTICE AND TAILORED TO THE NEEDS OF SMALL AND MEDIUM-SIZED COMPANIES, IT IS A CENTRAL SUPPORT SERVICE OF THE INITIATIVE TO HELP COMPANIES APPLY THE GUIDELINES. IT HAS BEEN AVAILABLE FREE OF CHARGE TO ALL MEMBERS SINCE OCTOBER 2014



Sustainability has many facets. It can therefore be difficult for companies to systematically address this topic in its entire bandwidth for the first time. Today customers, neighbors, society, and politics make high and diversified demands when it comes to companies acting in an economical, social, and environmentally responsible manner. The Chemie³ Sustainability Check helps companies in a practical way to understand these expectations and respond in an adequate manner. Only a comprehensive assessment of sustainability services can identify the opportunities and risks for a company.

Simplified Materiality Analysis

The Sustainability Check includes 31 fields of action that incorporate the twelve Chemie³ Guidelines that are specifically tailored to the needs of small and medium-sized enterprises. Using a self-assessment, the companies can analyze which topics are particularly relevant to them in terms of sustainability.

The Check works like a simplified materiality analysis. A small team first analyzes what topics are important to stakeholders and the company. Stakeholders can be everyone sharing an interest in the subject and having expectations for the company, ranging from suppliers and customers to employees and residents all the way to local and regional politicians or citizens' initiatives. When both the company and the stakeholders consider a topic to be "material," it should be pursued. Management level and employee representatives review this analysis during a one-day workshop. They subsequently assess how well-positioned the company already is in the relevant fields of action and where there is still a need for action. Since October 2014, this systematic Check has been free to

all members of the three alliance partners of Chemie³ in the member area at www.chemiehoch3.de. The 31 fields of action are stored in an easy-to-use Excel tool. A practical guideline for conducting the Check is also available.

Twelve Companies Have Tested the Check

To ensure that the Chemie³ Sustainability Check meets the needs of small and medium-sized companies, twelve enterprises tested the Check during the first half of 2014 in a practical application. This pilot project provided important ideas for further improvements. Primarily, however, the test run delivered positive feedback regarding business practice. The experience of the participating companies showed which important processes the Sustainability Check is able to initiate. The participating companies described how they overcame previous departmentalized thinking and gained a mutual understanding of sustainability objectives. The self-assessment caused the companies to critically examine their past activities and resulted in new projects based on employee qualifications, expansion of occupational health management or the systematic integration of sustainability in innovation processes, for example.

The Sustainability Check is designed so companies can conduct it on their own. However, the pilot project has shown that the support of an experienced consultant is helpful to achieve concrete results. The goal of the Sustainability Check is to break down barriers to sustainability, to identify opportunities and risks for the individual company, and to launch corresponding projects. The Chemie³ Initiative promotes the Check during regional information events, events at member organizations, as well as in advertisements in members' publications.

WHAT THE PILOT COMPANIES SAY

"THE CHECK HAS SHOWN US THAT WE NEED TO INCREASINGLY FACTOR IN SUSTAINABILITY ASPECTS IN ADDITION TO QUALITY CRITERIA WHEN WE ASSESS OUR SUPPLIERS."

Henriette Starke, Managing Partner of APOGEPHA Arzneimittel GmbH, Dresden

"THE CHECK HELPED US TO IDENTIFY STRATEGICALLY IMPORTANT AREAS WE WANT TO IMPROVE, FOR INSTANCE BY INTEGRATING SUSTAINABILITY INTO OUR INNOVATION PROCESSES."

Dr. Frank Naumann, CEO of CHT R. Beitlich GmbH, Tübingen

"WE SYSTEMATICALLY IDENTIFIED IMPORTANT FIELDS WITH THE CHECK THAT WE WOULD LIKE TO IMPROVE EVEN FURTHER, FOR INSTANCE HOW WE CAN FURTHER REDUCE OUR ENERGY AND MATERIAL CONSUMPTION."

Martin Kersten, Managing Director of G. E. HABICH's Söhne GmbH & Co. KG, Reinhardshagen

"THE CHECK HAS SHOWN US THAT WE ARE WELL-POSITIONED IN TERMS OF ENVIRONMENTAL ASPECTS, BUT THAT WE CAN STILL DO MORE TO QUALIFY AND DEVELOP AN EMPLOYEE-ORIENTED CORPORATE CULTURE."

Hans-Martin Lohmann, Managing Director of W. Neudorff GmbH KG, Emmerthal

"THE CHECK HAS LET US IDENTIFY IMPORTANT AREAS WHERE WE STILL WANT TO IMPROVE, FOR INSTANCE IN OUR EMPLOYEE HEALTH MANAGEMENT."

Reinhold von Eben-Worlée, Managing Partner of Worlée-Chemie GmbH, Lauenburg

WHAT WE BUILD ON CHEMICAL INDUSTRY INITIATIVES

Sustainability is not a brand-new topic for the chemical industry in Germany — quite the contrary. The industry has strengthened the environmental and social responsibility for decades already with specific industry and social partner initiatives. Chemie³ was thus able to build on a very broad foundation from the start. In 1987, the chemical social partners jointly launched GIBUCI (Joint Initiative for Keeping Works Council Members Informed about Environmental Protection in the Chemical Industry), which primarily addressed corporate environmental protection issues until its reorganization in October 2014. Since 1991, the VCI has coordinated the national implementation of the international Responsible Care initiative. This industry initiative makes a major contribution to improved environmental protection and safety in the chemical industry. In 2008, IG BCE and BAVC agreed on the Wittenberg process within the scope of a social partnership agreement. Since then, the social partners have been promoting responsible action in the social market economy. With their joint Sustainability Initiative, the VCI, IG BCE, and BAVC alliance partners are specifically continuing these traditions and refining the existing programs under the Chemie³ umbrella.

GIBUCI/So.WIN

GIBUCI expanded its range of topics and target market with the social partnership agreement of October 2014, which stated that as well as environmental protection issues, the organization will also address the economic and social dimension of sustainability in the future. Besides works councils, the target group now also includes the management level. GIBUCI thus becomes the educational body of the chemical industry's social partners to convey sustainability to the workforce. To reflect the broadening of content, GIBUCI was renamed Social Partner Lab for Innovation and Sustainability (So.WIN).

Responsible Care



Responsible Care – ein Beitrag zur
Nachhaltigkeitsinitiative Chemie³

Under the umbrella of the voluntary international Responsible Care initiative (RC), which is celebrating its 25th anniversary in 2016 in Germany, management and employees have improved environmental protection in the chemical industry for decades. Aside from classic environmental issues, the fields of action include health protection; occupational, plant, and transport safety; security; and product stewardship. Thanks to their commitment, the companies largely cover the environmental dimension of sustainability and make a major contribution to Chemie³. To highlight this fact, the RC logo has the following addition: “Responsible Care — a contribution to the Chemie³ Sustainability Initiative.”

Wittenberg Process

The Wittenberg Process is an extensive dialogue between the chemical industry's social partners to promote responsible conduct in the social market economy. One milestone is the social partnership agreement signed in 2008. For the first time ever, it established joint ethical principles for an entire industry sector. The core of the agreement is the “Guidelines for Responsible Action in the Social Market Economy.” With the help of this code of ethics, the social partners promote value-oriented and fair conduct in the chemical industry by initiating and supporting dialogue processes on the corporate level (also see the good practice example at the top of page 18). The joint social partners' academy CSSA (Chemical Industry Social Partners' Academy Foundation) offers training courses on business ethics for works councils and management. The dialogue is being continued and reorganized under the Chemie³ umbrella.

WHO WE COMMUNICATE WITH STAKEHOLDER DIALOGUE

THE OPEN DIALOGUE WITH STAKEHOLDERS IS A PRIMARY CONCERN OF CHEMIE³. IT'S ALL ABOUT FINDING OUT WHAT STAKEHOLDERS EXPECT FROM A SUSTAINABLE CHEMICAL INDUSTRY AND HOW THEY RATE THE ACTIVITIES OF THE INITIATIVE. THIS IS WHY A PERMANENT ROUND TABLE ACCOMPANIES THE INITIATIVE'S PROGRESS IN A DISCERNING AND CONSTRUCTIVE MANNER. CHEMIE³ ALSO PROMOTES A BROAD DIALOGUE BY ORGANISING ITS OWN EVENTS

Chemie³ initiated a dialogue with stakeholders from the political, scientific, economic, and social realms early on. Even before the official start of the Initiative, the alliance partners asked the stakeholders about their expectations regarding sustainability in the chemical industry and the central fields of action for an Initiative.

Continuous feedback and critical suggestions are vital for the Initiative. In March 2014, the circle of interested stakeholders became a permanent round table (see box) that has since met once a year to discuss the progress of Chemie³. The debates of the round table are confidential in order to enable an open debate as well as develop new ideas and promote mutual learning. Only general findings may be communicated. For example, the participants emphasized that the alliance partners should specify where exactly they plan to improve. They should also avoid conflicts between individual political positions of the industry and the goals of Chemie³. Yet they also complimented the Initiative on what has been achieved so far and provided con-

structive ideas on developing progress indicators, for example (see page 15).

The start of this broader dialogue was a conference in Nauen in May 2014, during which nearly 100 representatives of non-governmental organizations, companies, science, and ministries discussed the chemical industry and sustainability. In November 2014, Chemie³ continued this dialogue in Berlin at the "Sustainable Development — A Question of the Right Chemistry?" conference. Approximately 200 representatives of the economic and political sectors and non-governmental organizations accepted the joint invitation of the German Council for Sustainable Development (RNE) and Chemie³. Both conferences are extensively documented at www.chemiehoch3.de.

MEMBERS OF THE STAKEHOLDER ROUND TABLE

The stakeholder round table currently has 17 member organizations (as of October 2015), of which 14 have consented to be officially named by Chemie³:

- ▶ The Confederation of German Employers' Associations (BDA)
- ▶ Robert Bosch GmbH
- ▶ CHT R. Beitlich GmbH
- ▶ The German Society for International Cooperation (GIZ)
- ▶ The Confederation of German Trade Unions (DGB)
- ▶ The Sustainable Investment Forum (FNG)
- ▶ Institute for Advanced Sustainability Studies Potsdam e.V. (IASS)
- ▶ The German Union for Nature Conservation (NABU)
- ▶ Otto Group
- ▶ The German Council for Sustainable Development (RNE)
- ▶ The German Advisory Council on the Environment (SRU)
- ▶ The Social Sciences Institute of the Evangelical Church in Germany (EKD)
- ▶ Volkswagen Group
- ▶ Wittenberg Center for Global Ethics (WZGE)

CHEMIE³ HAS INVITED THE STAKEHOLDER ROUND TABLE TO ASK THE INITIATIVE QUESTIONS THAT WE ARE ANSWERING HERE



QUESTIONS FROM BOSCH

With the Guidelines, Chemie³ has defined a comprehensive concept. But the question remains: What actual goals does the chemical industry aim to achieve with its Initiative?

With Chemie³, VCI, IG BCE, and BAVC want to underpin sustainability as the guiding principle of the entire industry sector. The aim is also to support small and medium-sized companies in systematizing their sustainability activities and integrating them in their strategy. This is why Chemie³ has designed the Sustainability Check and other services for companies and their employees. In addition, the industry sector's development will be shown by progress indicators. These indicators are currently being developed (see page 15) and are scheduled to be available by the end of 2016.

To make the sustainability commitment of the chemical industry visible, reporting by companies (above a certain company size) is essential. This raises the question: How does Chemie³ plan to have the industry report back on a broad scale?

Guideline 11 ("Creating Transparency") envisions companies reporting on their sustainability commitment. Chemie³ has developed a concept for small and medium-sized companies to gradually enter reporting, initially through figures based on statutory notifications and the Responsible Care program. Once they have conducted the Chemie³ Sustainability Check, the companies can publish parts of the results during a second step. Common reporting standards such as the German Sustainability Code (DNK) or the Guidelines of the Global Reporting Initiative (GRI) make up another step. Chemie³ does not recommend any particular standard. The companies are supposed to choose the one that suits them best. Chemie³ is currently developing an introduction-to-reporting guideline.

QUESTIONS FROM THE DGB

How is the Initiative going to deal with the challenge to ensure and promote decent work in the chemical industry and what are the focal points?

Guideline 6 specifies decent work and active social partnership as the essential requirements for sustainable corporate success and thus the competitiveness of the chemical industry. The employees are playing a key role in this – their skills, ideas, and motivation as well as great working and income conditions and participation and involvement possibilities. The general conditions for decent work are regulated in large part through collective bargaining by the social partners, for instance through the collective agreements "Working Life and Demographics" and "Organization of Working Time During Different Life Phases." The actual design of what constitutes "decent work" is regulated at the corporate level (e.g. in bargaining agreements). The chemical social partners BAVC and IG BCE will also continue to pursue this aspect with great commitment in the future.

For the actual application of the Chemie³ Guidelines at the corporate level, for instance by conducting the Chemie³ Sustainability Check, we recommend the participation of management and workers' representation to identify the potential for development and derive implementation projects. The focal points can vary on the basis of the actual conditions in the respective company.

Last but not least, the Initiative supports the corporate stakeholders in applying the Chemie³ Guidelines through the joint social partner organization So.WIN (see page 10).

QUESTIONS FROM THE GIZ

How can the findings of the Chemie³ Initiative be internationally applied and adopted?

The Chemie³ Guidelines are based on Germany – for instance, as they pertain to the special social partnership in the German chemical industry – and cannot be directly transferred to other countries. Nevertheless, the international perspective is deliberately taken into account, for instance by globally championing high environmental and social standards and fighting against corruption, child labor, and forced labor. Incorporating sustainability into the corporate strategy through business processes or considering full product life cycles also require an international perspective and thus contribute to sustainable development on site. Many Chemie³ elements can – adapted to local conditions – serve as a model. VCI, IG BCE, and BAVC promote similar activities in international organizations and institutions by introducing the Initiative and reporting on progress.

Can the Chemie³ Sustainability Check be adapted to small and medium-sized enterprises in developing and emerging countries?

The Check can generally also be applied by companies in other countries. Several German companies are currently contemplating how and whether they can use the Chemie³ Sustainability Check in their locations abroad. We have prepared an English translation for this. The conditions and statutory provisions in the respective country need to be incorporated into the application.

QUESTIONS FROM NABU

What contribution can and does the chemical industry want to make to energy efficiency, the reduction of greenhouse gas emissions and the provision of raw materials from non-fossil sources, provided that the planetary boundaries are not being crossed?

Energy efficiency is of high economic and strategic importance for the chemical industry, both in its own energy-intensive production and in the markets for its products. Energy makes up a very significant part of production costs. That is why we are especially interested in increasing efficiency as much as possible. The industry sector has done this over decades and thereby contributed considerably to the reduction of greenhouse gas emissions. In addition, it substantially contributes to improving energy efficiency and reducing greenhouse gas emissions for the overall economy and society through innovations.

When are these goals to be achieved?

Per an agreement with the German federal government, the economy including the chemical industry has committed to increasing energy efficiency by 1.3 percent, and starting in 2017 by 1.35 percent, each year and introducing energy management systems. This is the basis for claiming the maximum ecotax credit.

What source are companies and the industry sector using for this?

As a carbon source, renewable resources account for 13 percent of all raw materials in the chemical industry. The industry sector is working to increase this percentage. However, renewable resources as a carbon source are not more sustainable per se. Carbon can be obtained from CO₂, for instance. The chemical industry is working on ways to also tap into this carbon source. When CO₂ will be available as a raw material is currently unknown.

QUESTIONS FROM RNE

How can we manage to close cycles for all raw materials, and what role do renewable and secondary raw materials with a lower carbon footprint play in this?

Before recycling comes the resource-efficient use of the raw materials themselves. Using integrated processes, the chemical industry has already extensively increased the efficiency potential through integrated production. By closing the cycles, resource efficiency can be further increased. The potential of inorganic raw materials such as metals is higher than that of organic carbon-based raw materials. You also need to differentiate between "used" and "consumed" chemical products. The recycling of "used" products like polymers/plastics or solvents is already taking place where it is technically possible and economically feasible. The industry is intensively working on further economic options. For "consumed" products like paints, varnishes, adhesives, cleaning agents, fertilizers, pesticides etc. direct recycling is generally technically not possible or associated with high energy and further resource consumption to the point where it is no longer sustainable. However, the chemical industry is also exploring the possibility of recycling on a grand scale by using CO₂ as the final product of energetically recovered or consumed products as raw material (see question on raw material source above).

What does the technological change in raw materials supply mean for the training and jobs in the chemical industry?

An important prerequisite for the innovative strength and competitiveness of companies is their employment of qualified experts. Given the existing demographic trends, the industry emphasizes both the safeguarding and the continuing expansion of the competencies of employees and the next generation of experts through initial training.

The alliance partners of Chemie³ get involved in a variety of ways to support the increasing demands on employees, for instance with projects and initiatives in the areas of schools, career guidance, job qualification, lifelong learning, and in university study. They participate in the continuing development of relevant job profiles and study programs, support better mobility between occupational and academic education and endorse professional development programs.

HOW WE ARE GOING TO PROCEED STRATEGY AND MILESTONES

WITH THE CHEMIE³ INITIATIVE, VCI, IG BCE, AND BAVC HAVE SET AMBITIOUS AND LONG-TERM GOALS FOR THEMSELVES. A CLEAR STRATEGY IS CRUCIAL TO ACHIEVE THEM

Initially, the three alliance partners agreed on three primary goals for the joint Sustainability Initiative. It is imperative to continue to expand the chemical industry's position as a key industry for sustainable development — and thus secure its competitiveness and future viability in this country in the long term. Jobs and working conditions in the industry should continue to be attractive so that it remains competitive in the eyes of skilled workers. The Initiative wants to promote transparency and trust through an open dialogue with the political, economic, and social arena to achieve favorable industrial policy conditions for the sector. These goals show that Chemie³ is also designed to provide concrete advantages for companies and employees.

After publishing the Guidelines in May 2013, the Chemie³ steering committee (see page 4) adapted a strategy with five “milestones” that are to be implemented by 2017. The top priority is for member companies to achieve visible progress in the application of the Guidelines. To support companies in this endeavor, Chemie³ has, among other measures, developed the “Practical Guidelines” series (page 7) and the Sustainability Check (page 8). The services address company management as well as employees and their representative bodies.

Second, Chemie³ is intended to be a reliable dialogue partner for stakeholders. To ensure this, platforms for regular dialogue were created. These include the stakeholder round table that gives Chemie³ feedback on a confidential basis to further develop the Initiative as well as provide event formats

where Chemie³ discusses questions of sustainable development with stakeholders (page 11).

Third, the equal consideration of the three dimensions of sustainability must be pursued in political policy formation. Here the alliance partners want to raise awareness of the fact that sustainability does not only entail environmental challenges. Social and economic issues are equally important, and actions in one of the dimensions always impact the other ones as well. VCI, IG BCE, and BAVC promote this in political conversations and have Chemie³ firmly embedded in the industry dialogue with the German Federal Ministry of Economics.

Fourth, the successes of Chemie³ are meant to be verifiable. In 2015, the alliance partners started to identify suitable indicators for this and create new ones if needed. This process is to be completed by the end of 2016 (also see page 15).

And fifth, Chemie³ is meant to be internationally linked. This is why the Guidelines were translated into English and Chinese. The alliance partners regularly report to international committees and organizations about the Initiative and promote similar activities — for instance at the European Chemical Industry Council Cefic, the European Chemical Employers Group ECEG, the International Council of Chemical Associations ICCA, the IndustriAll Global Union, the China Petroleum and Chemical Industry Federation GPCIF, the International Chamber of Commerce ICC, and the International Labour Organization ILO.





WHAT WE ARE MEASURING OUR- SELVES AGAINST MAKING SUCCESSES VERIFIABLE

THE CREDIBILITY OF CHEMIE³ IS A CENTRAL CONCERN OF THE ALLIANCE PARTNERS. THIS IS WHY ONE OF THE INITIATIVE'S MILESTONES FOR THE END OF 2017 IS TO MAKE THE INITIATIVE'S SUCCESS VERIFIABLE

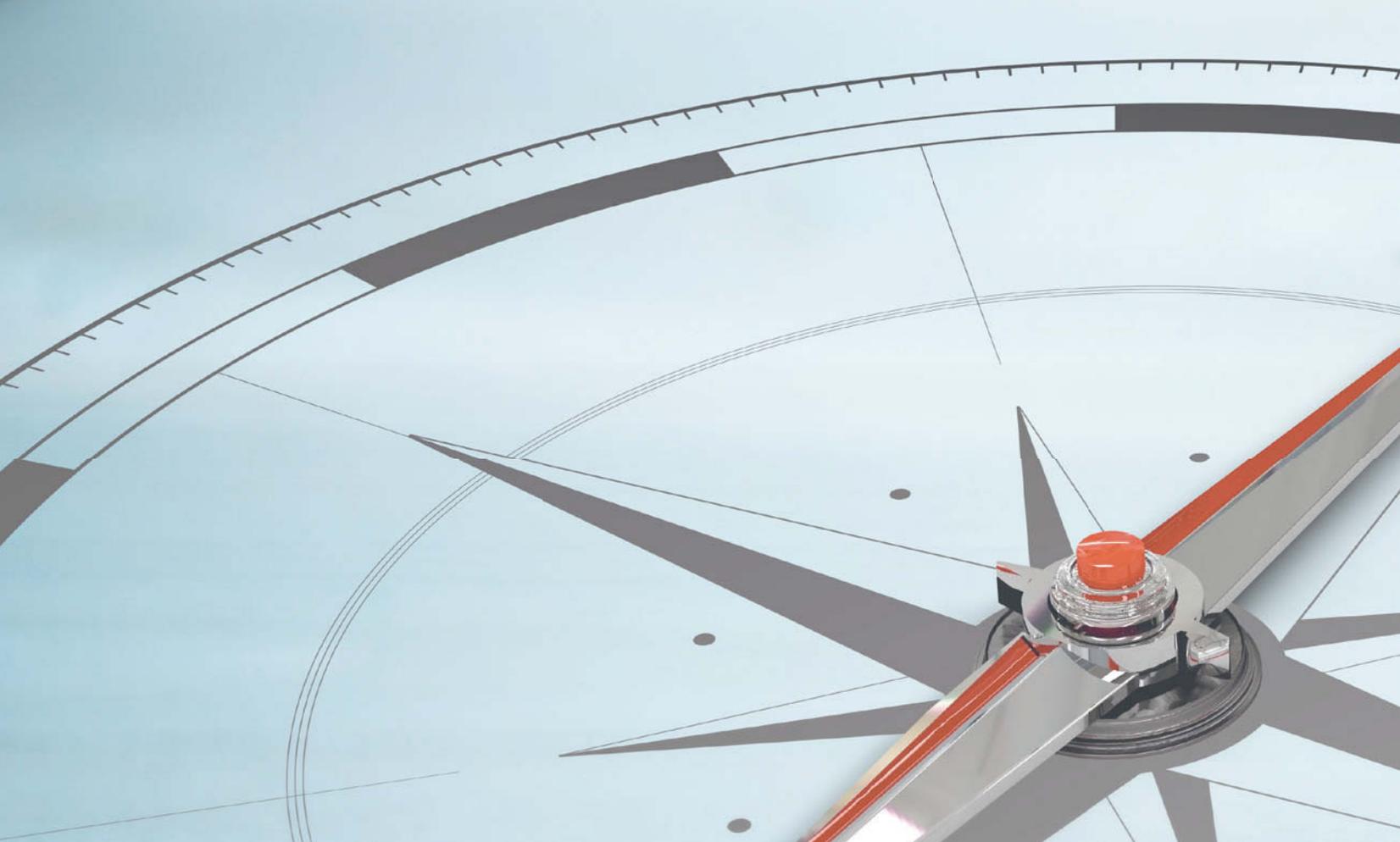
Since early 2015, the Chemie³ alliance partners have been working on selecting suitable parameters, the so-called key performance indicators (KPI in short) to measure the progress of the Initiative. The basis for the selection of the indicators is the twelve Chemie³ Guidelines. The indicators also need to be measurable, collectible with reasonable effort, relevant, and conclusive. The alliance partners have taken on responsibilities in line with their core competencies. As the trade association and coordinator of Responsible Care (see page 10), the VCI prepares indicators pertaining to the economic and environmental dimension. The social partners IG BCE and BAVC along with the Foundation Social Partners Academy (CSSA) jointly focus on social indicators. Both processes are closely coordinated.

First, suitable available indicators were identified. During the next step, the partners ascertained whether indicators are still missing and need to be newly defined. In a first step, the VCI along with an expert team consisting of company representatives and the support of a consultant have analyzed existing standards and economic and environmental key figures that have already been collected. More than 2,000 indicators were identified. This review is a complex task, since many of the KPIs are overlapping or are very specific. In addition, with reference to the Guidelines, topics for which indicators seem necessary were identified and an initial prioritization was made.

While there are already numerous indicators for the economic and environmental dimension that are partially based on legal stipulations, developing social indicators is a more complicated process. There are already existing parameters for this area, for instance the ILO core labor standards and the OECD guidelines at an international level. However, these are uncharted waters, because this is the first time social partners of an industry sector want to mutually agree on a definition of "social sustainability."

This is why IG BCE, BAVC, and CSSA have chosen a scientifically supported approach. In a preliminary study, the social partners and a consultant are defining assessment categories and a shared understanding of social sustainability. An expert forum consisting of CSR, personnel and methodology specialists, and business ethics experts is supporting this task scientifically. A project advisory board that includes association and union representatives and corporate social partners serves as a political "supervisory board" with Chairs Kathrin Menges (BAVC Management Board Member) and Michael Vassiliadis (President of IG BCE) at the helm. Based on these preliminary studies, surveys among stakeholders and within the industry sector will be conducted before an actual indicator catalog is developed.

The alliance partners want to adopt sustainability progress indicators in all three dimensions by the end of 2016. Prior to that, the indicator set is to undergo critical analysis by members and stakeholders.



SUSTAINABILITY GUIDELINES IN PRACTICE WE ILLUSTRATE WHAT OUR MEMBERS ALREADY DO TODAY

SUSTAINABILITY IS NOT A BRAND-NEW CONCEPT FOR MANY COMPANIES IN THE CHEMICAL INDUSTRY IN GERMANY – QUITE THE CONTRARY. THEY ARE MAKING A VARIETY OF SIGNIFICANT CONTRIBUTIONS, RANGING FROM PRODUCTS TO MANUFACTURING PROCESSES ALL THE WAY TO HUMAN RESOURCES AND COMMUNICATION BEYOND COMPANY BORDERS. REASON ENOUGH TO LEARN FROM THEM

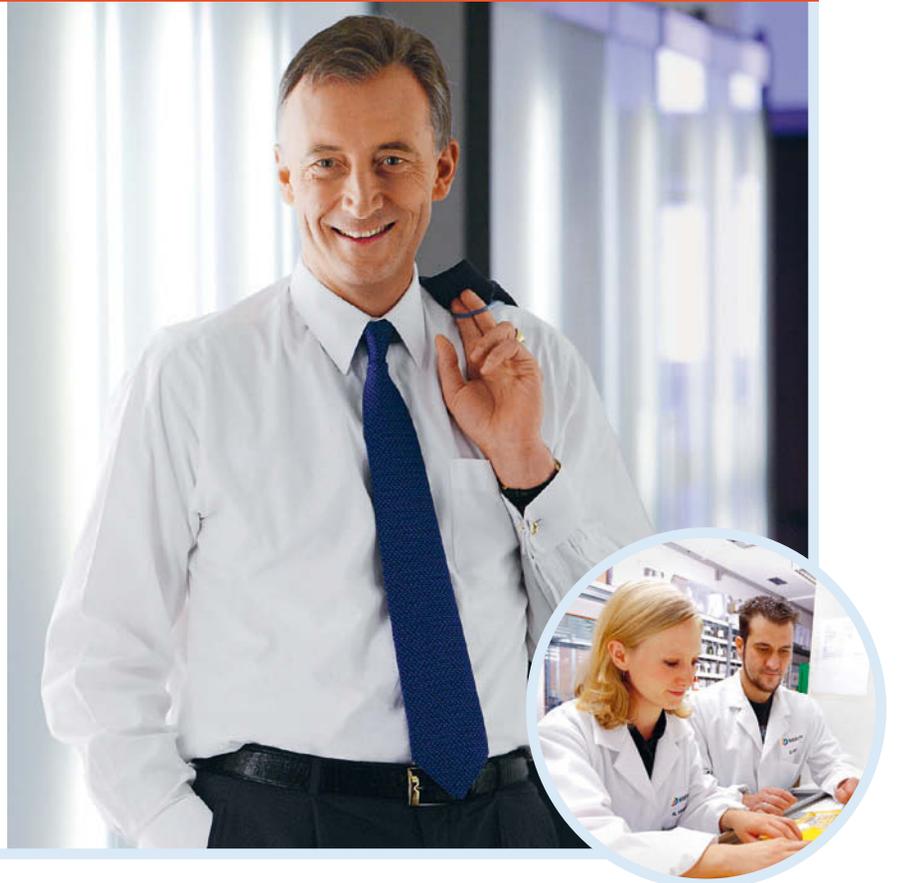
One important goal of the joint Initiative is to get companies excited about sustainability and give them the opportunity to learn from one another. That is why Chemie³ collects good practice examples from its member companies that show how the twelve Guidelines of the Initiative can be applied in business practice. Other companies find suggestions and starting points for their own actions. The good practice examples also give companies and employees incentives to review their own activities which they have not regarded as a contribution to sustainability in the past and to systematically link them to sustainable development. On the following pages, Chemie³ introduces three examples from companies.



GUIDELINE 1: INTEGRATING SUSTAINABILITY INTO THE CORPORATE STRATEGY

SIEGWERK DRUCKFARBEN AG & CO. KGAA

Sustainability has been part of Siegwerk Druckfarben's strategy and guiding principle since 2008. The company analyzed what is important to its customers, employees, suppliers, and the public. Siegwerk supplies printing ink for packaging, primarily for consumer products. Their manufacturers want to know exactly what is being used and how. Siegwerk uses its experience in meeting these sustainability requirements to also support small-sized clients within the supply chain. Approximately 90 percent of Siegwerk printing inks contain renewable resources. And although the ink carbon footprint percentage of the finished packaging is usually below one percent, Siegwerk continues to work on CO₂ savings. A thermal exhaust air purification system with a steam generator plant annually saves 57,000 cubic meters of natural gas. Specially designed multi-compartment tank trucks retrieve solvents with every ink delivery. This saves 100,000 truck kilometers annually. Siegwerk also pursues a sustainable human resource policy – with flexible work models for young families and older associates, for instance.



GUIDELINE 6: SECURING DECENT WORK AND AN ACTIVE SOCIAL PARTNERSHIP

CHEMISCHE FABRIK BUDENHEIM KG



For Chemische Fabrik Budenheim KG, the mutual trust between the works council and the management is very important.

It proved especially resilient during the financial crisis of 2008/2009, which they weathered together without job cuts. The company, which manufactures phosphates for the food and pharmaceutical industries as well as technical applications, reviewed the foundation of this social partnership in the spring 2014. Based on the code of ethics of chemical social partners BAVC and IG BCE, employees from all levels of the hierarchy discussed where and how participation, fairness, and future viability are implemented in daily operations. The Wittenberg Center for Global Ethics supported the company in this endeavor. The corporation is proud of its “shift conversations,” during which managers and employees regularly and openly compare notes. The special work reintegration program stands out by taking effect sooner than the law requires to promote the recovery of employees. The dialogue has revealed many positive examples reflecting the code of ethics that boost the company’s self-image: “We are a company with a healthy spirit.”

GUIDELINE 9: PROMOTING RESOURCE EFFICIENCY AND CLIMATE PROTECTION

WORLÉE-CHEMIE GMBH

For Worlée-Chemie GmbH, sustainability and resource efficiency are core virtues. The company is a commercially successful provider of chemical raw materials and cosmetics ingredients, wants to be a sustainability pioneer, and explicitly markets resource-conserving products for varnishes and coatings. Since 2013, Worlée has practiced certified energy management to systematically work on its own energy efficiency. And with great success: The site near Hamburg saves more than 500 megawatt hours each year thanks to optimized compressed air supply alone. The systematic search for additional energy and material efficiency has led Worlée to simple yet effective solutions: isolated reactor heads in resin production and new rapid action doors at the hall entrances both reduce gas consumption for heating and process heat by 20 percent. Rainwater tanks to operate the two cooling towers reduce freshwater consumption, energy use, and wastewater charges. In the year 2013 alone, the employee suggestion system collected 159 ideas of these kinds. Energy management ensures that they are systematically reviewed and pursued – and that new ideas keep coming.



CHEMICAL INDUSTRY FACTS AND FIGURES

INDICATOR	2013	2000	SOURCE
KEY ECONOMIC FIGURES			
Sales	€190.6 billion	€135.0 billion	Federal Statistical Office of Germany
Foreign Sales	€114.3 billion	€67.7 billion	Federal Statistical Office of Germany
Economic Value Added	€51.8 billion	€40.1 billion	Federal Statistical Office of Germany
Domestic Investments in Plant and Equipment	€6.9 billion	€6.8 billion	Federal Statistical Office of Germany
R&D Expenses	€10.0 billion	€7.1 billion	Foundation for the Promotion of Science and Education in Germany
Number of Persons Employed in R&D	40,248	46,210	Foundation for the Promotion of Science and Education in Germany
KEY SOCIAL FIGURES			
Number of Employees	437,952	470,308	Federal Statistical Office of Germany
Age Pyramid			German Federal Employment Agency, BAVC, effective date: 12/31
< 25 years old	8.0 %	8.5 %	
25–39 years old	29.1 %	41.1 %	
40–49 years old	30.3 %	27.9 %	
50–59 years old	26.9 %	19.9 %	
≥ 60 years old	5.7 %	2.5 %	
Occupational Structure			Own survey/BAVC projection 2013
College/University Graduates	16 %		
Master Craftsman/Technician/Bachelor Professionals	13 %		
Skilled Workers	56 %		
Unskilled/Semiskilled Workers	10 %		
Apprentices	5 %		
New Apprenticeships	9,576	8,542 (2003)	BAVC own survey
Salary per Employee	€55,401	€41,742	Federal Statistical Office of Germany, BAVC
Accident Statistics			German Employers' Liability Insurance Association for the Raw Materials and Chemical Industry (BGRCI). The BGRCI uses an expanded statistical analysis for the chemical industry.
Occupational Injuries (per one million hours worked)	9.3	13.6	
Fatal Occupational Injuries	10	11	
Percentage of Employed Women	32.9 %	29.6 %	German Federal Employment Agency. Effective date: 12/31
			(2010)
Companies Offering Active Continuing Education Opportunities			Cologne Institute for Economic Research, BAVC Special Analysis (chemical, pharmaceutical, rubber and plastics processing industries)
Total Economy	91.3 %	92.5 %	
	86.0 %	83.2 %	
Direct Learning Expenditure per Employee			Cologne Institute for Economic Research, BAVC Special Analysis (chemical, pharmaceutical, rubber and plastics processing industries)
Total Economy	€1,305	€1,467	
	€1,132	€1,035	

INDICATOR	2013	2000	SOURCE
KEY ENVIRONMENTAL FIGURES			
Energy Consumption	645,470 TJ	727,089 TJ	Federal Statistical Office of Germany, VCI
Energy Consumed per Unit of Product (Index 2000 = 100)	87.4	100.0	Federal Statistical Office of Germany, VCI
Greenhouse Gas Emissions, Absolute (energy-induced CO ₂ emissions + nitrous oxide emissions)	45.1 million t	50.7 million t	VCI Monitoring for Voluntary Self-Commitment, Federal Statistical Office of Germany
Greenhouse Gas Emissions per Unit of Product (energy-induced CO ₂ emissions + nitrous oxide emissions, Index 2000 = 100)	74.3	100.0	VCI Monitoring for Voluntary Self-Commitment, Federal Statistical Office of Germany
CO₂ Emissions, Absolute (energy-induced CO ₂ emissions)	44.1 million t	44.1 million t	VCI Monitoring for Voluntary Self-Commitment, Federal Statistical Office of Germany
CO₂ Emissions per Unit of Product (energy-induced CO ₂ emissions, Index 2000 = 100)	83.5	100.0	VCI Monitoring for Voluntary Self-Commitment, Federal Statistical Office of Germany
Water Consumption (in billion m³)	2.62	3.31	VCI Responsible Care Survey
Release into the Air (in thousands t)			
		(2007)	German Federal Environmental Agency, VCI The data from 2000 to 2007 based on the VCI Responsible Care Surveys utilizes a different population and is therefore not comparable to the data provided by the German Federal Environmental Agency.
Nitrogen Oxides (NO _x)	17.7	20.6	
Non-Methane Volatile Organic Compounds (NMVOC)	8.3	11.6	
Sulfur Oxides (SO _x /SO ₂)	8.0	15.9	
Release/Direct Discharge to Waters (in thousands t)			
		(2007)	German Federal Environmental Agency, VCI The data from 2000 to 2007 based on the VCI Responsible Care Surveys utilizes a different population and is therefore not comparable to the data provided by the German Federal Environmental Agency.
Total Phosphorus	0.18	0.24	
Total Nitrogen	4.6	6.5	
Adsorbable Organic Halogens (AOX)	0.09	0.11	
Chemical Oxygen Demand (COD) as Total Organic Carbon (TOC)	9.5	12.0	
Amount of Disposable Waste	0.88 million t	-	
Including Hazardous Waste Content	0.53 million t	-	
Amount of Disposable Waste	-	2.31 million t	VCI Responsible Care Survey
Including Waste Requiring Supervision (Former Definition)	-	0.89 million t	
Transportation and Logistics			
Accidents per 1 million t transported chemicals			VCI Responsible Care Survey
Road	1.04	0.95	
Rails	0.08	0.27	
Inland Waterways	-	0.21	
Maritime Vessels	0.53	0	
Total Environmental Investments	(2012) €507.1 million	€388.1 million	Federal Statistical Office of Germany A different statistical delimitation took place in the year 2000.
Including Water Conservation	€192.1 million		
Including Climate Protection	€176.2 million		
Operating Costs Relative to Environmental Protection	€2.34 billion		Federal Statistical Office of Germany

SUSTAINABILITY GUIDELINES FOR THE CHEMICAL INDUSTRY IN GERMANY

LAUNCHED ON MAY 29, 2013

PREAMBLE

The chemical industry is a key sector for sustainable development. As an innovation driver for business and society, the industry plays its part in helping a growing world population to achieve a better quality of life.

The chemical industry in Germany – from pharmaceutical enterprises to plastics processing firms – has embraced sustainability, understanding it both as an obligation to present and future generations and as a strategy in which economic success is coupled with social equity and environmental responsibility.

The products made by the chemical industry contribute towards a sustainable future, both directly and as the basis for innovations in other industries. With its economic strength and its large number of small and medium-sized enterprises, the German chemical industry is well set up to thrive in the future – in its home market of Germany, in Europe, and around the world. Its conduct is rooted in the fundamental principles of protecting people and the environment and striving for good and fair working conditions. This commitment on the part of the chemical industry in Germany is demonstrated by its participation in the Responsible Care initiative and in its social partnership activities.

The sustainability initiative “Chemie³” (Chemistry³) takes this engagement further. The sense of commitment shared by companies, employees, social partners and trade association highlights the fact that sustainability requires an all-encompassing approach which unites economic, environmental and social aspects.

The aim of these guidelines is to underpin sustainability as a guiding principle of the chemical industry in Germany and to provide inspiration for the international community. As a sector-specific umbrella, the guidelines provide orientation for enterprises and their workforces. They reflect core elements from national, European and international initiatives and standards, such as the 10 principles of the UN Global Compact, the Core Labour Standards of the International Labour Organisation (ILO), and the OECD Guidelines for Multinational Enterprises. They are the result of a dialogue with stakeholders within the industry as well as the political, social, scientific and economic realm.

In our Chemie³ initiative, we are pooling the capabilities, experience and knowledge of a strong alliance comprising VCI, IG BCE and BAVC. Our ambition is to enable people around the globe to utilise the potential that chemistry offers for sustainable development.



Dr. Karl-Ludwig Kley
President of VCI



Michael Vassiliadis
Chairman of IG BCE



Margret Suckale
Vice President of BAVC

THE TWELVE GUIDELINES AT A GLANCE

1

INTEGRATING SUSTAINABILITY INTO THE CORPORATE STRATEGY

Enterprises in the chemical industry make sustainability an integral part of their corporate strategy. Sustainability is relevant to all areas of business. The setting of individual targets prompts each company to adapt to the principles of sustainable development gradually and consistently.

The employees are actively involved in this process. Ideas and suggestions put forward by members of the general public, politicians, the business community and academia are noted and evaluated. Enterprises anchor all three dimensions of sustainability in their strategies – economy, environment, and society:

- Long-term economic targets, global competitiveness and sound financial health of the enterprises are the basis for jobs, innovations and investments. Enduring business success benefits the employees, the owners or shareholders, and the economy.
- The protection of people and the environment and the responsible use of resources are firmly anchored in the companies and are supported and continuously further developed through the implementation of programmes such as Responsible Care.
- The enterprises see themselves as part of society and stand for active social responsibility. In Germany, this translates into commitment to the country's social market economy ("Soziale Marktwirtschaft") and their engagement in the unique social partnership within the chemical industry.

Chemical industry enterprises respect and uphold human rights worldwide. Compliance with laws and regulations is a basic obligation for all companies and a prerequisite for sustainable business.

ACHIEVING SUSTAINABLE INVESTMENTS AND VALUE CREATION

The companies in the chemical industry design their business policies for long-term value creation. Maintaining and improving global competitiveness and securing jobs are of paramount importance. The companies actively work to create sound business structures and establish internal incentive systems designed to promote long-term success. When investing, they combine efficiency with safety, environmental protection, optimised energy and resource use with social responsibility, while applying comparable standards all over the world.

2

PROMOTING ECONOMIC STABILITY AND GLOBAL COOPERATION

Through their economic success, enterprises in the chemical industry create regional and global development opportunities and thus contribute to the economic stability in the local areas where they operate. They show their commitment on a national and international level as partners for sustainable development and as responsible role models. They work to ensure that high environmental and social standards are applied in their value chains around the world.

3

4

DRIVING SUSTAINABILITY THROUGH INNOVATION

Enterprises in the chemical industry develop innovative solutions to meet global and national challenges. Through significant investments in research and development they create added value for business and society. When developing new products and processes, they consider sustainability issues at an early stage.

IMPLEMENTING SUSTAINABILITY IN OPERATIONAL PROCESSES

Enterprises in the chemical industry establish their own individual procedures and structures to ensure clear allocation of responsibilities for implementing their sustainability measures and continuously improving their processes and products. They integrate measures in their corporate processes to abolish child and forced labour as well as to fight corruption.

5

6

SECURING DECENT WORK AND AN ACTIVE SOCIAL PARTNERSHIP

Enterprises and employees in the chemical industry believe in collaborating as social partners and in decent working conditions as a prerequisite for sustainable development. They see the unique chemical industry social partnership as the best way to balance the interests of employers and employees to their mutual benefit. This is also achieved by applying these principles and collaborating as partners on the enterprise level. Through collective agreements and commitment to such agreements, social partner agreements, co-deter-

mination and other forms of collaboration, employers' associations, trade unions, corporate management and works councils establish an atmosphere of security, participation and transparency, while ensuring decent and competitive working conditions in Germany. The enterprises actively include their employees and encourage them to become involved and assume responsibility. They shape sustainable development in a spirit of partnership and endeavour to promote good social standards nationally as well as internationally.

7 MANAGING DEMOGRAPHIC CHANGE AND SECURING SKILLS

Enterprises and employees in the chemical industry see managing demographic change as a shared responsibility. Social partners, management and works councils are further developing their collective agreements and socio-political activities in this area. Enterprises and their employees are committed to promoting professional and vocational training, life-long learning, and assuring the availability of skilled employees as well as establishing work arrangements that are compatible with different phases in life and are family-friendly. Employers and employees rely on good education, a high skill level and reaching the full potential offered by diversity in the workforce.

PROTECTING PEOPLE, THE ENVIRONMENT AND BIODIVERSITY

Enterprises and employees in the chemical industry are committed to protecting people, the environment and biodiversity around the world. In a continuous improvement process, they take into consideration not only their own processes but the entire life cycle of their products. They place a high priority on product and plant safety as well as continuous process optimisation and act according to the principles of the Responsible Care initiative. By assessing risks at an early stage, the companies help to ensure that potential safety risks relating to their products and processes will be detected and can be avoided. Companies seek ways to strike a balance between economic, environmental and social impacts when using biological diversity for purposes of biotechnological and pharmaceutical innovation.

8

9

PROMOTING RESOURCE EFFICIENCY AND CLIMATE PROTECTION

With highly energy-efficient production facilities, resource-friendly processes and innovative products for their customers, enterprises in the chemical industry make a significant and indispensable contribution to global climate protection. They continuously improve efficiency with regard to feedstocks and energy use, for economic as well as environmental reasons. In doing so, they consider the overall product life cycle. The businesses utilise renewable and recyclable raw materials wherever it is technically feasible and economically, environmentally and socially useful or desirable to do so. Respect for natural habitats when sourcing raw materials is of major importance.

ENGAGING WITH COMMUNITIES AS GOOD CITIZENS

As good citizens, enterprises and their employees promote sustainable development in the local communities where they do business at national and international level. They are active partners to the regional actors, engaging in activities and encouraging volunteering so that people in their region can live well. In particular, they help to create educational and other opportunities to empower young people.

10

11

CREATING TRANSPARENCY AND SHOWING INTEGRITY

Enterprises in the chemical industry ensure that their efforts to promote sustainability are communicated in a transparent and understandable way to employees, customers, and the general public. When doing so, they use recognised standards and indicators as an orientation. Companies and their employees behave with openness, credibility and integrity in their dealings with policy-makers and the general public.

FOSTERING A DIALOGUE AND ENHANCING PARTICIPATION

Enterprises of the chemical industry seek a dialogue with their stakeholders in politics, society, academia and the business community in order to include their knowledge, values and interests in their business decision processes. In addition, they encourage involvement and participation of their employees in the decision-making process and maintain a dialogue with the communities they operate in.

12

