

RESPONSIBLE CARE
PROPOSED PROCESS SAFETY
CODE OF MANAGEMENT PRACTICE

BACKGROUND

The Process Safety Code of Management Practice is the third code developed under CMA's Responsible Care initiative. This Code was developed by a Code Drafting Group representing a variety of disciplines from member companies including plant management, process safety, engineering, legal, and communications. The Process Safety Code will be followed in 1991 by the Employee Health and Safety Code.

The Process Safety Code was presented for approval at the June CMA Board of Directors meeting. Approval was delayed pending additional review of potential legal risks posed by the Process Safety Code. This review is summarized below.

The question regarding the nature of the commitments members would make by agreeing to particular management practices has been reviewed by the Responsible Care Coordinating Group, the Safe Plant Operations Task Group, the Engineering and Operations Committee, CMA's Office of General Counsel, and the Executive Committee General Counsels' Group.

SUMMARY OF KEY ELEMENTS OF THE PROCESS SAFETY CODE

This Code, like all Responsible Care Codes, is mandatory in the sense that good faith implementation of individual management practices is an obligation of CMA membership. The following points highlight the key elements of the Code:

- o Application of the Code is not limited to any pre-determined list of substances.
- o The CAER process is to be used to consider the public's concerns associated with the design and safe operation of member's facilities.
- o Process hazards are to be assessed periodically.
- o The Code is applicable to employees and contractors.

RESPONSE TO JUNE BOARD MEETING CONCERNS

The concern expressed by several members of the Board in June focussed on two points. First, do certain management practices in the draft code commit the members to unobtainable objectives, thereby increasing their liability risks? Second, what are the overall legal risks posed by the Responsible Care initiative and how are they being managed? In addition, since the June Board meeting, a question has arisen as to

whether language should be added to the Process Safety Code which makes clear how and to what extent the code will apply to contractors in addition to full time employees.

Like nearly every activity undertaken by an industry, some risks are inherent. Responsible Care and the Process Safety Code present additional risks, but they are manageable and are being managed.

From the inception of Responsible Care, Codes of Management Practices have been drafted to identify expected management practices as objectives or goals rather than absolute or quantitative standards. As such, they can complement existing member company programs that achieve the same goals.

Acceptable member compliance with a particular code means that the member commits to making a good faith effort to implement the code and each of its practices and commits to continuously improve performance in those practice areas. For example, the Process Safety Code commits a member to put in place through good faith efforts a program designed to assure that employees are fit for duty. The commitment is to have a program in place. There has never been any intention of requiring CMA members to commit to guaranteeing that no employee will ever be compromised by "external influences".

ACTION REQUESTED

Approve the Process Safety Code of Management Practices as set forth in Exhibit A and as further defined by Exhibits B (self evaluation form) and C (question and answer paper).

CMA
EC - 9/10/90
BD - 9/11/90

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