



CORPORATE RESPONSIBILITY IMPLEMENTATION SURVEY 2016

ITCO – International Tank Container Organisation

Based on the ITCO Corporate Responsibility Code of Practice this is the first Implementation Survey to check on the accuracy of the Code and the need for updates. The Survey provides an overview on CR activities in the tank container industry, provides guidance and helps tank container related companies to benchmark their own CR activities against participating ITCO members.



MANAGEMENT SUMMARY

Around one third of all ITCO members participated in the Survey. 50 participating companies looked into the 4 CR areas with its pre-defined 18 key priorities:



Participating companies answered 48 questions (answers: yes/no/n.a.) covering the 18 priorities above, resulting in 1,569 times “yes”, and 154 times “no”, meaning that 91% of all questions were positively answered. This calculation takes only yes/no answers into account. In those cases the company confirms that the aspect is relevant for them and checks, if they follow the aspect or not.

ITCO CR CODE OF PRACTICE IMPLEMENTATION SURVEY

- OVERVIEW: FULFILLMENT DEGREE*

(1) IN TOTAL for all companies and all CR areas

(2) PER CR AREA for all companies

(3) PER CR AREA for each business division

OPERATOR			90%	(3)	OPERATOR			93%	(3)
LESSOR			100%		LESSOR			75%	
MANUFACTURER			100%		MANUFACTURER			96%	
SERVICE PROVIDERS			85%		SERVICE PROVIDERS			81%	
INSPECTION/SURVEY			90%		INSPECTION/SURVEY			91%	
ECONOMICALLY RESPONSIBLE			(2)	90%	ENVIRONMENTALLY RESPONSIBLE			(2)	85%
					(1)				
In total 91% of all requirements fulfilled									
ETHICALLY / LEGALLY RESPONSIBLE			(2)	95%	LOCALLY RESPONSIBLE			(2)	92%
					(3)				
OPERATOR			95%	(3)	OPERATOR			96%	
LESSOR			100%		LESSOR			81%	
MANUFACTURER			87%		MANUFACTURER			100%	
SERVICE PROVIDERS			94%		SERVICE PROVIDERS			92%	
INSPECTION/SURVEY			94%		INSPECTION/SURVEY			90%	

*The fulfillment degree is the % of positive answers ("yes") to performance indicators, that are relevant for the ITCO member.

In the area of Environmental Responsibility participating companies show a lower fulfillment degree when it comes to target setting and supplier assessment, while the same companies do believe that both is relevant. Looking into Local Responsibility lower fulfillment degrees are in particular due to lacking supplier assessments on labor practices. The reason for lower fulfillment degrees in Ethical/Legal Responsibility is in particular the partially missing written commitment to certain CR aspects, e.g. in the form of a Code of Conduct.

In general the results do confirm an earlier ITCO CR Survey and the CR Workgroup outcome, showing that ITCO members are CR wise very strong in local and legal aspects, but show room for improvement in environmental aspects. In general it can be seen that the more “formalized” CR efforts are (e.g. through setting targets, measuring, supplier assessments, covering aspects in Codes of Conduct or similar documents), the less active some ITCO members are.

RECOMMENDATIONS

Regarding the ITCO CR Code of Practice and continuation of the respective Survey the following is recommended to raise further CR awareness, get a common understanding, promote the tank container in the CR context and provide support and guidance to ITCO members:

- Continue the ITCO Implementation Survey in the coming years.
- Continue discussions in ITCO Workgroups and Meetings.
- Keep the currently decided CR priorities and performance indicators for 2016/2017, and focus on increasing Survey participation by inspiring more ITCO members to contribute and to set a visible sign of their engagement. *Note: This year in particular the participation rate of manufacturers was with only 7% of all ITCO members in their respective business division very low.*
- Strengthen the CR priorities and performance indicators for 2018+, as CR matures in the tank container industry and as demanded by customers and regulatory bodies.
- Further encourage ITCO business divisions and members to further narrow down and sharpen their own priorities, targets and KPIs. This is because ITCO is serving a broad variety of companies and the current ITCO CR Code of Practice can therefore only cover broader aspects that are relevant for the majority of all ITCO members.

ITCO members are recommended:

- To benchmark themselves against the Survey results.
- To use the Survey in 2017 to run through the questionnaire together with employees from different job functions in the company. This can increase the companywide CR awareness and staff usually comes up with good ideas to raise the CR performance.
- To further formalize their CR efforts to gain visibility and credibility.
- In the area “Environmental Responsibility” members can raise the fulfillment degree e.g. by setting targets for the company and carrying out supplier assessment.
- In the area “Local Responsibility” the fulfillment degree can in particular be raised by carrying out supplier assessments on labor practices.

In the area “Ethical/Legal Responsibility” the fulfillment degree can in particular be raised by covering CR aspects in in a Code of Conduct or a similar document.

Regarding the methodology of the Survey it is recommended:

- To distinguish the data not only by business division, but also by headquarter, company size, and job function of the person filling in the Survey.
- Add questions to check, why certain aspects are not relevant for specific companies or why certain aspects are rated as being relevant, but are nevertheless not implemented.
- Add questions to get a glimpse into the future by asking for upcoming aspects of importance and the plans to cover those.

BACKGROUND

ITCO believes in the necessity of the integration of CR into business processes and partnering along the value added chain in order to ensure a sustainable business approach and be a long term partner on eye level with its customers from the chemical, food grade, pharmaceutical and other industries.

Therefore the organisation issued in early 2016 the first Corporate Responsibility Code of Practice for the tank container industry. Due to the huge variety of companies represented by the ITCO organisation (different business divisions, global spread, different sizes etc.) the ITCO CR Code of Practice can only serve as guideline for minimum requirements relevant to most companies in our industry.

ITCO defines CR as harmonious balance between economic, environmental, local and ethical aspects of a business. Meaning that a company:

- (a) Runs the business along the lines of short- and long term economic sustainability – economically responsible.
- (b) Takes care of health, safety, quality of service and material as well as the environmental impact of the business – environmentally responsible.
- (c) Is a good employer with good labor practices and awareness for neighbours – locally responsible.
- (d) Develops, communicates and implements corporate values and guidelines for human rights matters as well as other business practices – ethically/legally responsible.

CR programs should be integrated into the management practices of companies.

METHODOLOGY

ITCO runs a regular Survey to check on the implementation and status of the CR Code of Practice. The Survey 2016 is the first one that has been carried out. In the Survey ITCO looked into the pre-defined 18 key priorities in the tank container industry (see first figure on page 2).

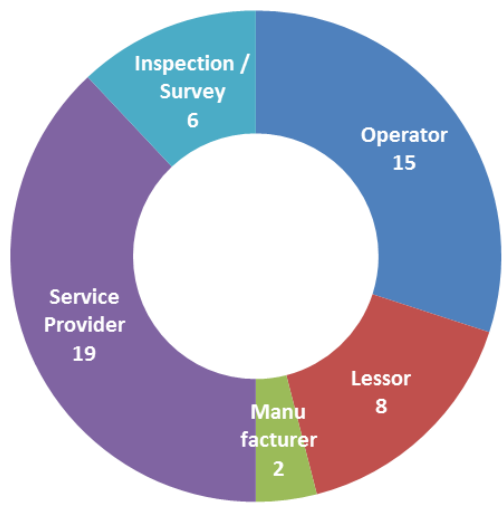
Due to the heterogeneous group of ITCO members, not all CR Indicators are relevant to all companies. In order to keep this report simple and focusing on the relevant factors the answer “n/a” is not represented in the graphs and skipped questions count as “no”. If a company indicated an “n/a” this means that the aspect is not relevant for the company.

While the detailed charts on page 5 ff. show the summaries of the results across all ITCO members, comments on the results for single business division are added to the charts.

The tank container business is a niche market and therefore ITCO is also a relatively small association, while it represents the majority of the tank container business. Therefore the absolute number of companies participating in this Survey is low and should not be seen as representative. However, companies can use the results as benchmark for themselves. An additional difficulty when interpreting the results is that different companies might interpret categories in their own, very specific way. For example, a manufacturer has a different perspective on recycling material than an office based lessor, who might look e.g. into paper use as material. Different companies can also have different ideas about the sufficient long-term business planning.

CR IMPLEMENTATION SURVEY RESULTS IN DETAIL

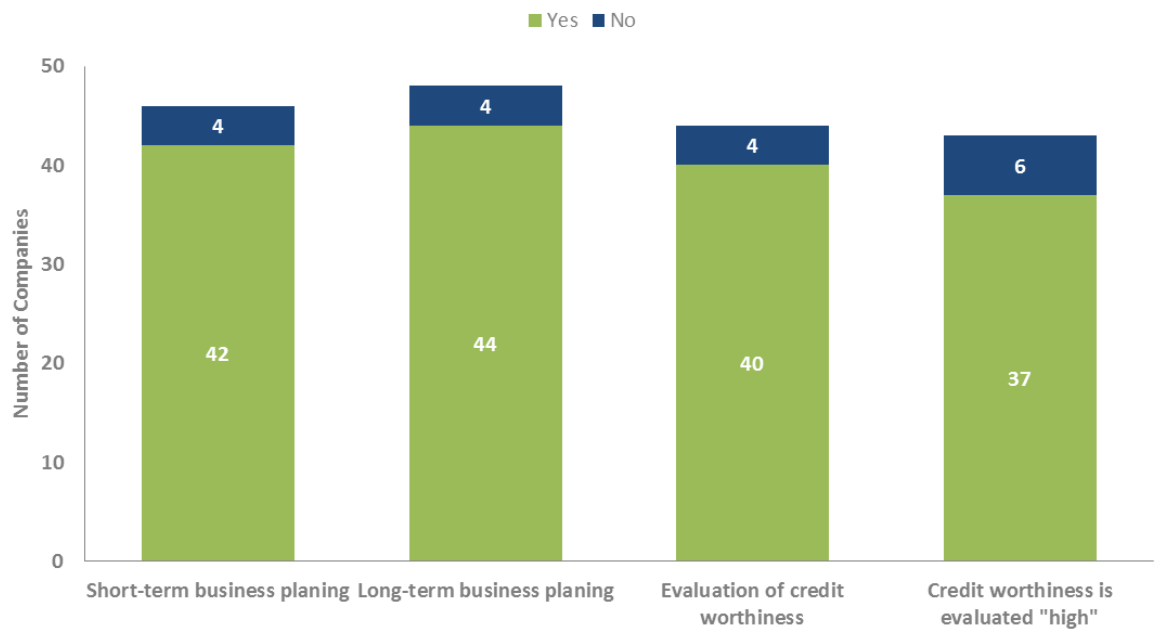
Which Business are you in?



Out of the 165 ITCO member companies 50 companies participated in the Implementation Survey. While in total less than 1/3 of all ITCO members participated in this Survey, it can be positively mentioned that approx. 50% of inspection/survey members, approx. 43% of the service providers and 36% of the lessors participated. Disappointing is the low percentage with that the manufacturers participated. The 2 manufacturers represent only approx. 7% of the manufacturers in the respective ITCO business division. It is important to point out, that even if an ITCO member didn't participate in this Survey the respective company might still be very much engaged into CR.

ECONOMICALLY RESPONSIBLE

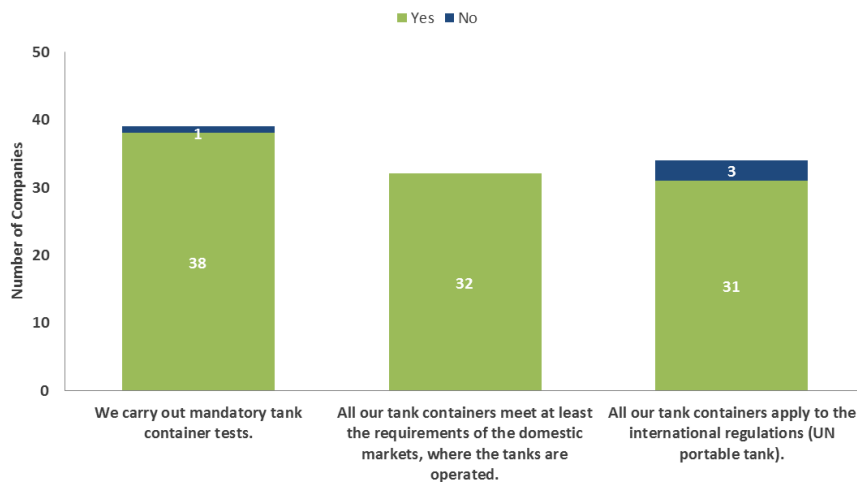
ECONOMICALLY RESPONSIBLE: Members are encouraged to have a short- and long term business planning in place.
Do you cover the following areas?



The manufacturers and lessors answered the questions positively, while “no’s” are predominantly given by service providers.

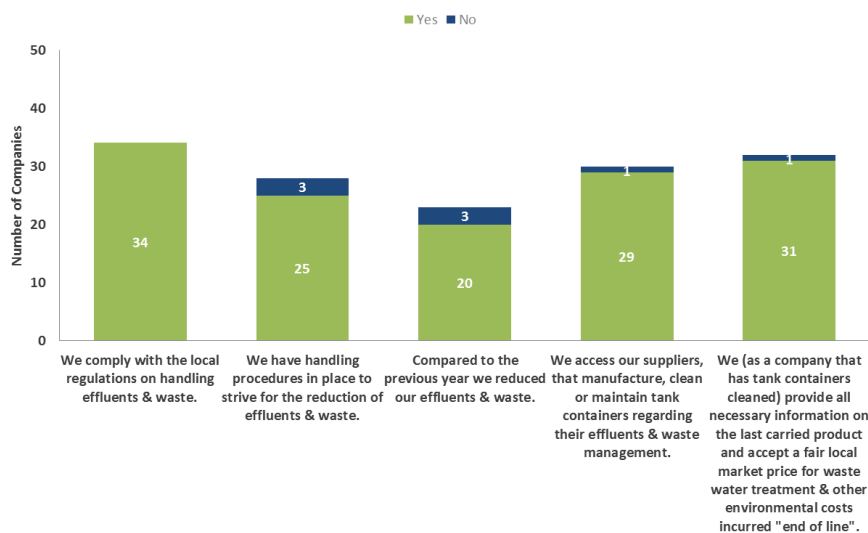
ENVIRONMENTALLY RESPONSIBLE

Do you cover the following areas within "Product & Service Responsibility"?



This aspect is in particular relevant to tank owning and operating companies. All operators and lessors positively answered the first two aspects with "yes".

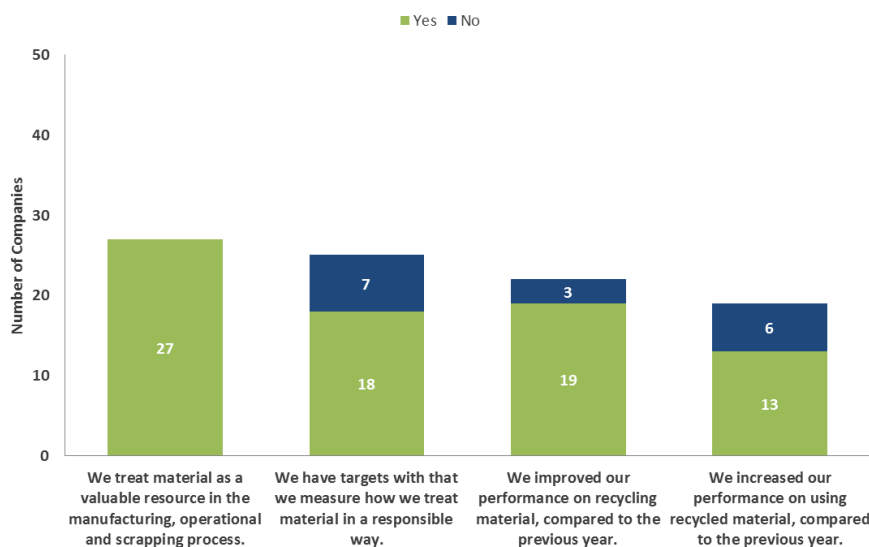
Do you cover the following areas within "Effluents & Waste"?



While all companies comply with the local regulations on handling effluents & waste, in particular service provider have room for improvement when it comes to handling procedures, reduction and assessment.

"Effluents & Waste" are for most inspection/survey companies of no relevance.

Do you cover the following area within "Material"?

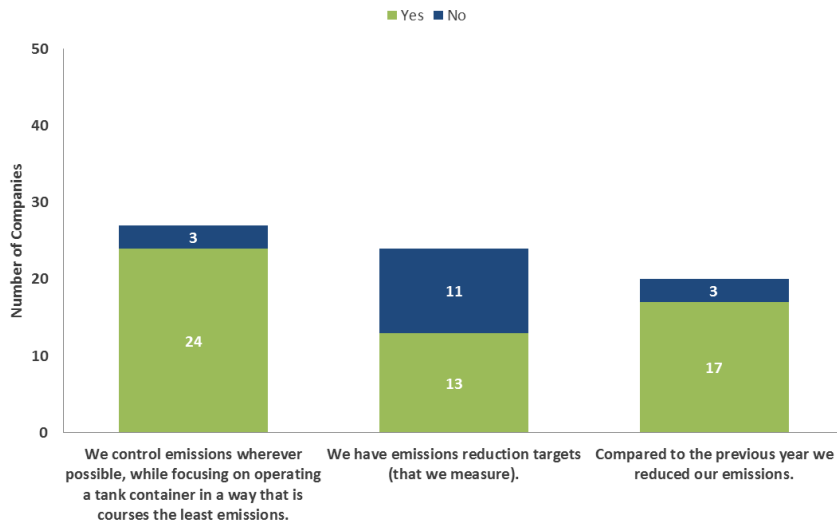


Material is very relevant for manufacturers, who therefore also set targets and monitor the recycling of material and the use of recycled material.

In particular service providers and lessors give "no"-answers in three categories, while they at the same time feel that it is relevant to them.

"Material" is for most inspection/survey companies of no relevance.

Do you cover the following areas within "Emissions"?

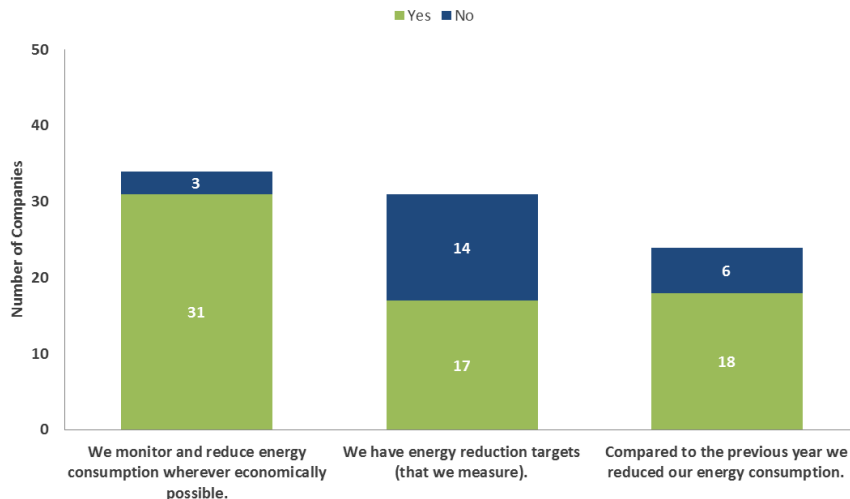


In general this category seems to be of less relevance for the ITCO members.

Among the companies that feel that it is relevant, in particular the target setting can be improved. However, also without setting targets companies at least measure the emissions and claim, that they reduced emissions.

"Emissions" are for most inspection/survey companies of no relevance.

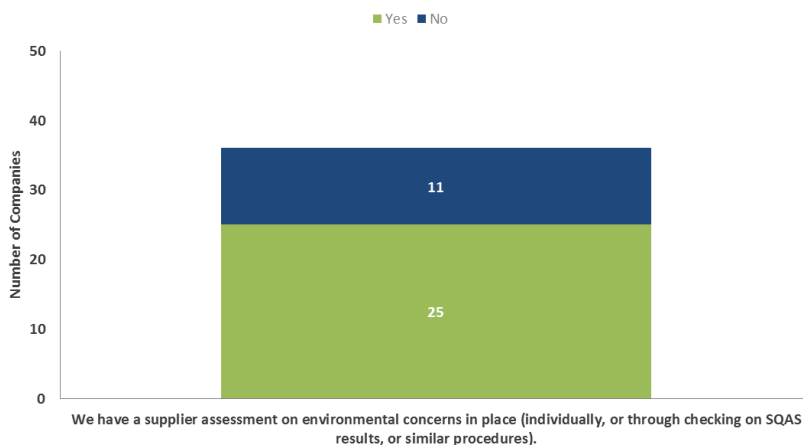
Do you cover the following areas within "Energy"?



While energy consumption is in general monitored and reduced when possible, the target setting is a weak point across all business divisions, with in particular service providers being among the companies, that didn't manage to reduce energy consumption compared to the previous year.

"Energy" is for most inspection/survey companies of no relevance.

Do you cover "Supplier Assessments" in the field of being Environmentally responsible?

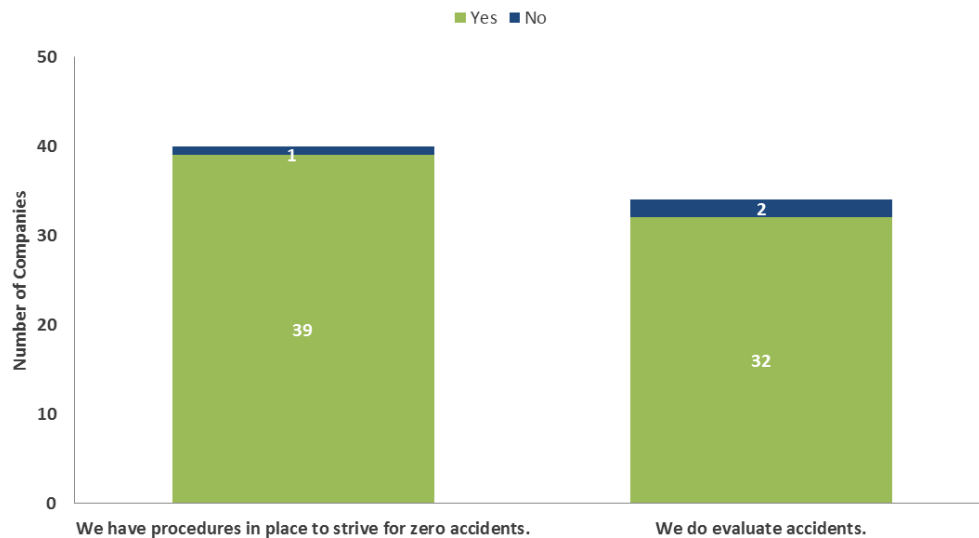


Half of the participating ITCO members carry out supplier assessments.

In particular service providers, but also some lessors and operators do still not carry out supplier assessments, while they believe that these are relevant.

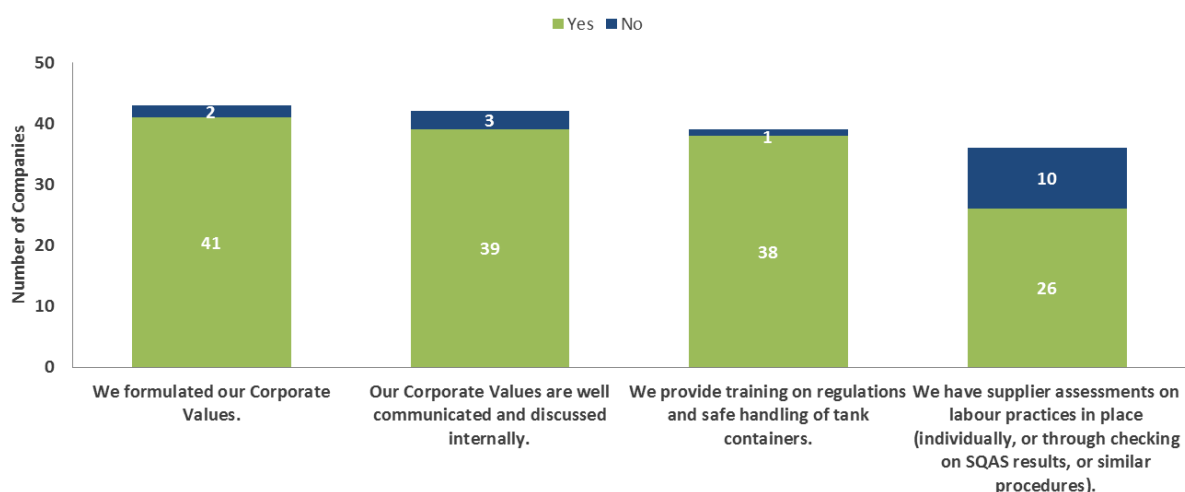
LOCALLY RESPONSIBLE

Do you cover the following areas within "Occupational Health and Safety"?



Occupational Health and Safety is very important in the tank container industry. Therefore all operators, manufacturers and inspection/survey companies for whom this category is relevant do have procedures in place to strive for zero accidents and they evaluate accidents. Accordingly 34 of the participating companies reported in this Survey the number of accidents; ranging from 1 fatal accident to 19 accidents resulting in absence of work for more than 3 days and 14 accidents that caused serious damage to a tank container / the environment and where the intervention of emergency services was called upon. Please note, that it is not clear if those numbers are reported only for the previous 12 months or go further back. The fatal accident and accidents resulting in absence of work did happen more in the area of the service providers, while accidents with environmental impact / damage at the tank container happened more in the area of the operators.

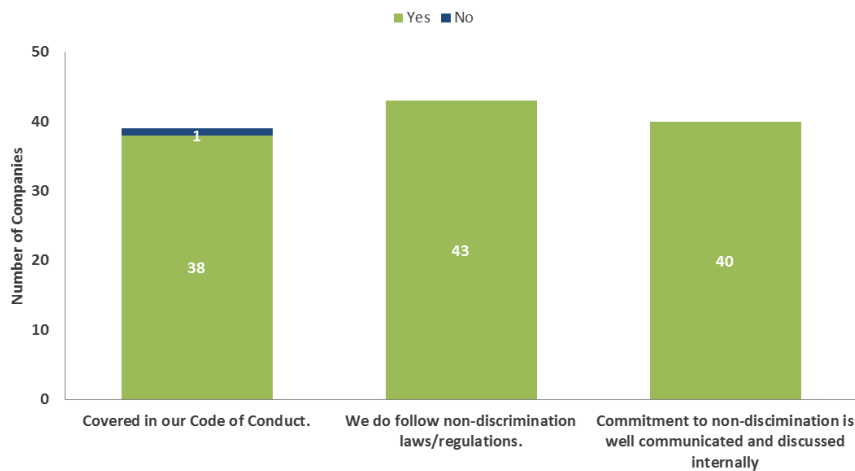
Do you cover the following areas within "Corporate Culture", "Training & Education", "Supplier Assessments"?



Participating ITCO members do believe in the importance of corporate values; they formulate those, communicate and discuss those internally. Furthermore they believe in "training and education" and do provide training and education on "safe handling of tank containers" to their staff. In general participating ITCO members do perform very well in the area "locally responsible", but can further formalize this through supplier assessments.

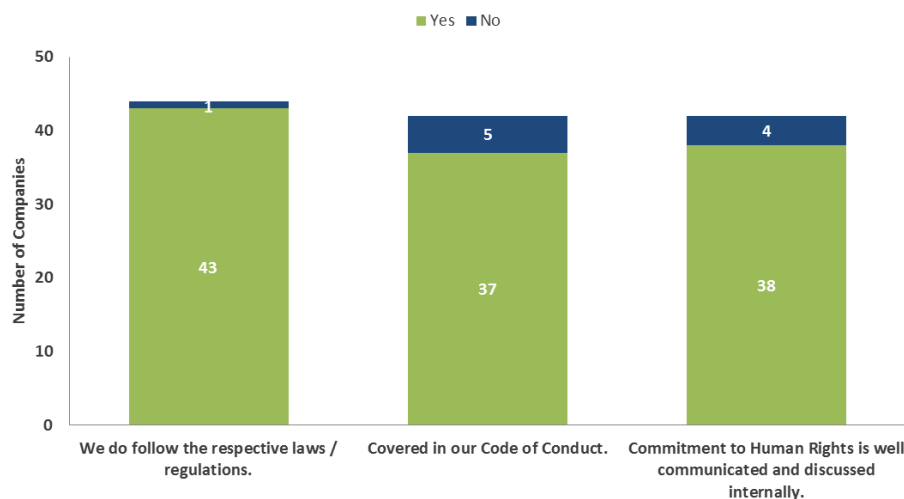
ETHICALLY / LEGALLY RESPONSIBLE

Do you cover the following areas within
"Non-discrimination"?



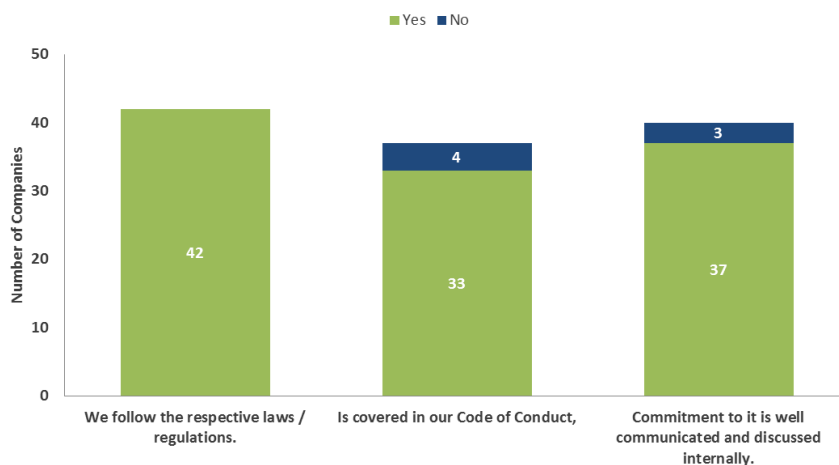
"Non-discrimination" is an important, well covered area for ITCO members from all business divisions.

Do you cover the following areas within
"Human Rights Investment"?



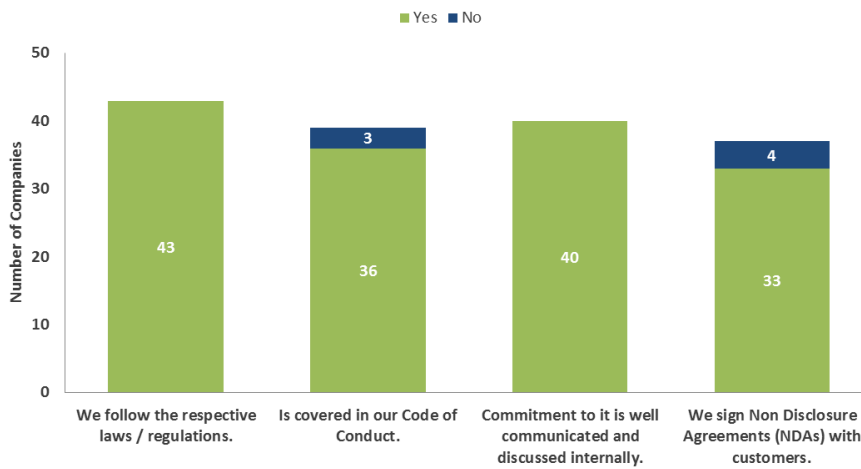
While companies in general follow the respective law/regulations, there might be room for improvement in putting the commitment down on paper, communicating and discussing those. In particular because it is an area recognized for its importance.

Do you cover the following areas within
"Anti-competitive Behaviour"?



Inspection/survey, lessors, and manufacturers answer all those aspects with "yes". In general the area is well covered. Just like with "human rights investments" there is room for improvement in putting the commitment down in writing, communicating and discussing those. In particular because it is an area recognized for its importance.

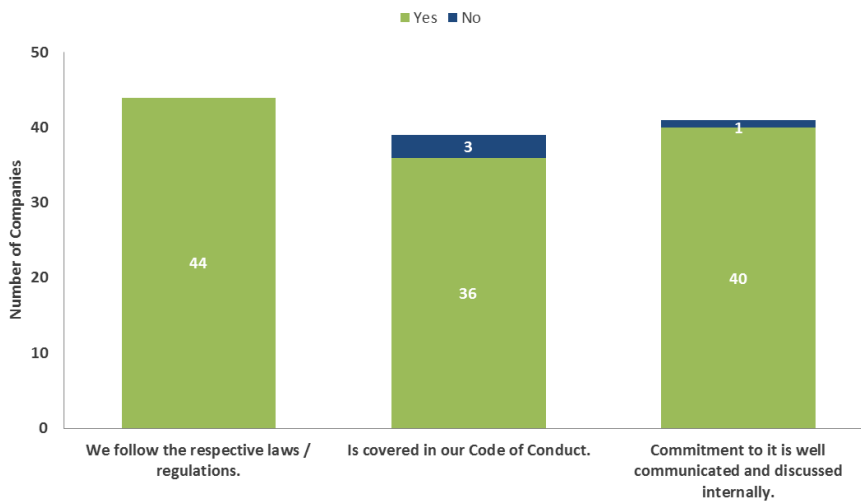
Do you cover the following areas within "Customer Privacy"?



"Customer Privacy" is important and in general well covered; even if it is not necessarily written down in a Code of Conduct or similar document.

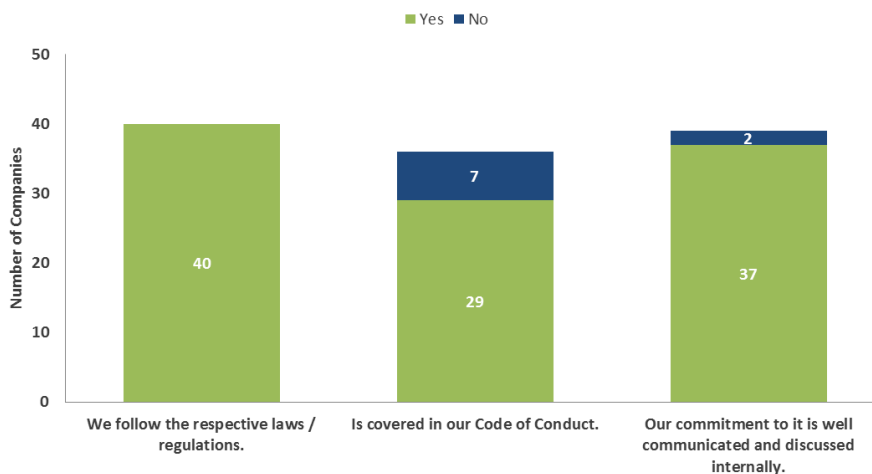
17 companies also indicated the percentage of NDAs signed across their database. While the percentage varies between 0 and 100%, the average is around 55%.

Do you cover the following areas within "Anti-Corruption"?



"Anti-Corruption" is important and in general well covered. Just like with "Customer Privacy" it is just not necessarily written down in a Code of Conduct or a similar document.

Do you cover the following aspects within "Fair Procurement"?



"Fair Procurement" is important and in general well covered. Like for previous aspects it is just not necessarily written down in a Code of Conduct or a similar document.

Lessors and inspection/survey answer all three aspects positively with "yes".

ABOUT ITCO, THE CR WORKGROUP, AND CONTACT

About ITCO

Established in 1998, the International Tank Container Organisation represents the international tank container industry to the public and to governmental bodies. With over 160 members worldwide, ITCO's mission is to promote and represent tank containers as safe, cost-efficient and flexible means of transport. In doing so, the association has a strong focus on enhancing technological and business developments for the sake of quality, health, safety, environment, and Corporate Responsibility in the tank container industry. ITCO designs the frame work and platform for the strengthening and future growth of the global tank container business. With this the association contributes to the competitiveness and success of the tank container industry.

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About the ITCO CR Workgroup

The ITCO CR Workgroup has been established in 2014 and is since then working on CR related issues that concern all ITCO members. Depending on the content of single projects and / or meetings different member companies and people are contributing.

The first project of the CR Workgroup was the development of the ITCO CR Code of Practice. The following companies contributed to its development: **Chemion Logistik, Eurotainer, Group Van Loon – ATR, Interbulk Group, MCC Tiangong Equipment Manufacturing Corporation, SGS Netherlands, Suttons International, TLS Global Logistics, Trifleet Leasing.**

In case of questions about the ITCO Corporate Responsibility Program, please contact:



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