

Position on SQAS

ECTA rings the SQAS alarm bell and asks Cefic's members for a more professional use of SQAS when re-launching SQAS 2019.

Formulated on behalf of the Board of Directors of ECTA, the European Chemical Logistics Association.

Introduction

More than 25 years ago Cefic and its members from the chemical industry created a unique assessment tool which was to become the basis of SQAS. Already in the pilot phase of this project representatives of chemical logistics companies were invited to join deliberations and provide input to create the best system. After ECTA was formed 20 years ago, its President joined the SQAS Working Group members and quite soon all logistic members of the group became spokespersons on behalf of ECTA as well.

ECTA, its members, and the members of the ECTA Board of Directors recognize the great initiative from the chemical industry as coordinated by Cefic staff. The results of this initiative have historically formed a cornerstone towards a more safe and sustainable European Chemical Logistics supply chain and provided in addition much knowledge and improvement opportunities to individual chemical logistics companies. SQAS, as such, is appreciated as *the* tool for assessment for our chemical industry. We have always with much energy and willingness participated in the further development and improvement of SQAS. ECTA also recognizes similar contributions of other associations, such as FECC and EFTCO.

Current Situation Analysis

During the last few years a steadily growing number of complaints has been communicated to ECTA by its members (and others). We believe that this deterioration has further continued during 2017 and particularly during 2018 where our ECTA members are witnessing observations and company behaviours which undermine SQAS as a best practice. A summary list of the most important issues and observations at hand are:

1. A steady decline in the willingness of chemical industry representatives to use SQAS as it is intended. Many queries show that the provided comments in the completed assessment reports are hardly read. The requirement of mandatory comments to specific questions is nowadays much more used for assessor evaluation. Although that is a noble objective, the original purpose was to enable the assessed company to provide a status report of the company's implementation levels for some of the questions that were scored negatively. Since the comments are often not read, the valuable information regarding the assessed company stays unknown to the users of the system.
2. While originally a scoring summary was included in the system, this was correctly taken out because the scoring levels would insufficiently provide details regarding the compliance levels in particular important areas. Chemical companies were encouraged to create their own templates and really read the chapters relevant to their business. During recent years the "SQAS scoring percentages" have become more and more the single norm to take business decisions to the extent that some chemical logistics companies now consider the SQAS score as more important than the content. This results in situations where historically solid SQAS assessed companies using an occasional subcontractor are now being incorrectly assessed based upon the lowest "score" of that occasional subcontractor.

3. Some Chemical Companies introduce “individual” safety audit systems independent of SQAS. This leads to multiple audits and extra effort at the LSP side like it was in the early nineties. Besides, Chemical Companies start engaging to work with logistics service providers who have not been SQAS assessed yet undermining once more the complete SQAS system.
4. While the assessor is being assigned and agreed by both parties, some companies observe a unilateral decision when making the choice of the assessor, leading to favoritism.
5. Groups of members and individual members of Cefic have been promoting or developing both completely different assessment systems or deviations in the use of SQAS which are uncontrolled by Cefic. The first is mostly creating a repetition of work and thus an increase in the related costs. ECTA strongly doubts the added value of additional assessment systems covering the same subjects – it can even be expected that higher expenses would lead to less safety and environmental care because money paid for extra auditing on the same subjects cannot be spent in other areas. The improper practices added to the SQAS implementation by individual chemical companies (e.g. the restriction to the assessed company to have a free choice of assessor from the list of approved assessors) may even be not in compliance with European legislation.
6. As part of the 2018 revision process an additional component was considered in the SQAS Report Summary Sheet. This component consists of the inclusion of weighing factors for the specific subchapters on subcontracting, which will lower the overall score if the particular subsection is showing a lower score than the others. ECTA believes the previous Summary Sheet already clearly indicated the scores per subsection, and creating the weighing factor on the same page will lead to even more concentration on scoring percentages and even less attention for the contents of the assessment report.
7. During recent years ECTA members have seen a change in the ‘enforcement’ of SQAS by Cefic, particularly towards its own members. It is not transparent how this control has slipped away. While each individual chemical company can and will make its own choices, the SQAS rules have been decided together and deviations or misuse of the system should be addressed more strongly, more aggressively and more transparently. It is the prerogative of each individual company to design its own assessment system and return to the situation of before 1990. It should however do so openly and discontinue with SQAS.

Conclusion

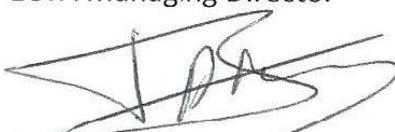
Referring to the afore-mentioned statements in our analysis of the current situation ECTA’s Board of Directors are gravely concerned about the deteriorating stature of SQAS and asks for a correct and more professional use of the SQAS audit system to secure the safe and compliant movement of Chemicals throughout Europe. ECTA confirms its commitment to maintaining the strength of the system and pleads for an open dialogue to use SQAS as it was originally intended. At the same time ECTA proposes to meet with high level representatives of Cefic to further understand the business drivers behind the above observations, to discuss the current situation and consider possible steps to be taken to improve when launching the new SQAS 2019 version.

ECTA RC Director



Evert de Jong

ECTA Managing Director



Peter Devos

ECTA President



Andreas Zink