As my contribution to this afternoon’s panel, I will focus on how the Canadian chemistry industry has gone about establishing and sustaining an industry-wide safety culture through our Responsible Care® efforts. While what I say comes from the perspective of an industry association, I trust you will see the relevance for any large and complex organization going about the business of establishing a strong and unique character and culture – whether it be a culture of safety, a culture of service, or a culture of sustainability.

By 1979, even before the Mississauga train derailment, leaders in the Canadian chemistry industry knew they had a problem. While being largely invisible to the public had its advantages, the industry knew it lacked support and would be particularly vulnerable should anything go wrong. Early attempts to define and sign on to the concept of ‘responsible chemicals management’ were drafted, but ultimately went nowhere on the basis of CEO’s legal counsel concerns that such a statement could lead to increased liabilities.

In 1983, Industry Canada commissioned a study of the industry which noted that the general public perceived the chemistry industry as creating more problems than it was worth. Shortly thereafter, the unthinkable happened in Bhopal India. In a report produced for our association not long after, Allen Gregg of Decima Research commented that “Our national survey finds the Canadian chemistry industry..."
is faced with the most challenging and difficult public attitudes which Decima has ever measured relative to any industry.” In short, we were told that as far as the public and regulators were concerned, it wasn’t a case of “a few bad apples in the barrel”, but rather a terrible indictment of the entire chemistry industry.

But the truth is, not all the apples were bad. There were companies who were recognized leaders and good corporate citizens, just as there are in the energy sector of today. Those leaders, however, really did see themselves and their industry on a “burning platform.” They understood that despite their good intentions and leading practices, they would be consumed by the fires of public opinion if they could not win back trust and confidence in the chemistry industry as a whole. Changing one company or a handful of companies wouldn’t be enough as the problem would always be the performance of the weakest link. What was needed was a “bet-the-farm” leap-of-faith, and a willingness to embark on a long and arduous journey to truly change – and be seen to change – the culture of the entire industry.

As an interested observer, I can say there seem to be many similarities between the challenges faced by the then-leadership of Canada’s chemistry industry, and the leadership within Canada’s energy sector today.

(Slide 3: Responsible Care Ethic)

Before I continue though, two brief comments on terminology:

- First, within Responsible Care, we don’t actually use the word “culture.” Rather, we talk about the “Responsible Care Ethic”. More on that in a minute.
Second, I am going to commit the sin of using the term “safety” rather loosely. At times, I will be referring to occupational health and safety, process safety, public safety, and environmental safety. One of the hard lessons-learned in the chemistry industry, was that an attention to excellence in occupational safety does not necessarily translate into excellence in process safety. This was a message strongly reinforced in the findings on the BP Texas City disaster, and other more recent events. For the sake of my remarks today, however, I will use the term safety in the broadest sense.

So, what is our Responsible Care Ethic? Simply put, this ethic is a concise articulation of our culture: our way of life, our belief system, our set of values, and our public commitment to “Do the Right Thing, and be Seen to Do the Right Thing” always, and everywhere.

**Slide 4 – Elements of a Culture**

For someone new and unfamiliar with Responsible Care, there are two things that jump out quickly: the first, is the immense amount of supporting machinery and architecture that had to be put in place to create and sustain Responsible Care. The second, is that all of this came about in an evolutionary manner over three decades, and without a grand design. We do not view Responsible Care as a program or an initiative. There is no master strategic plan. Rather, given the need for a new way of thinking and behaving, we have allowed Responsible Care to be guided by the external environment and society’s ever-changing expectations for the industry.

Looking back 28 years after that first leap of faith, we have nevertheless managed to create our own unique and defining culture, one which has many of the same recognizable elements of any other accepted culture. For instance, our Responsible Care culture consists of (amongst others):
• Recognizable symbols;
• Identifiable beliefs & attitudes;
• Unique language and descriptors;
• Codified rules and norms;
• Identified and accepted leaders;
• Regular rituals, rites and ceremonies;
• Reinforcing structures;
• Compliance processes;
• Discipline mechanisms; and
• External, critical perspectives*

Note the asterisk beside this last element. I’ll come back to it in a minute, but it’s important to note that the openness is the basis of trust. From the earliest days, the industry’s leaders were able to overcome their own arrogance about what society needed, and set aside their biases in favour of conventional wisdom. They held fast to the belief that an “inside job” would not suffice. They understood that the opinions of the industry’s toughest critics needed to heard and trusted, and that those willing to work with the industry in good faith had a key role to play in determining the path forward.

By now, you are familiar with our globally-recognized symbol consisting of two caring hands keeping our molecules contained, and thus the outside world safe. Let’s touch on a few of these other cultural elements in the next few minutes.
Slide 5 – Our Beliefs and Attitudes

A key part of Responsible Care is the clear, written articulation of our beliefs and attitudes, and what we mean by the new “Responsible Care way of life” versus the industry’s old way of thinking. We intentionally set these up as a dichotomy of choices – choices which can be easily communicated and understood by our public, which we can hold each other to account, and which be accountable to the public for, through our verification process. On the one side we have the old way of thinking and acting - essentially articulating what is good for business. On other side we have the Responsible Care way of thinking and acting. This articulates what is good for business and – equally importantly – good for the society that we operate in.

While each of these are essential in their own right, I want to take a moment to focus on one of the beliefs and attitudes which is most important to our efforts to inculcate and sustain our culture. Collectively, we talk about the industry’s commitment to mutual support and peer pressure as the twin pillars that support the Responsible Care ethic, and which work to counteract the dilemma of the weakest link.

With respect to mutual support, the industry made a decision three decades ago to stop competing and start collaborating on aspects of safety, process safety and environmental protection. Rather than keeping best practices and lessons-learned internally - in the hopes of building market share and public positioning - the industry agreed to share best practices in all aspects of Responsible Care. Moreover, we have established structures to ensure these best practices – and lessons learned – are shared on an ongoing basis.
With respect to peer pressure, companies are obliged to participate in these structures and must come prepared to share recent incidents within their operations – what happened, why it happened, what is being done about it, and what others need to think about when they return to their own operations, to ensure the same doesn’t happen to them. We don’t practise name and shame, but we also don’t hide weak performers behind our impressive industry average results. Detailed performance data is available to the public on a company-by-company and site-by-site basis. And, when any individual company or site’s performance is seen as being an outlier to the industry as a whole, the members are not afraid to ask their peers the tough questions, offer assistance, and communicate their expectations for improved performance.

Left to the association alone, Responsible Care would have fizzled out years ago. Ultimately, it is this belief and supporting attitude in the importance of mutual support and peer pressure by the participating companies themselves which has done the most to sustain it and overcome the weak-link syndrome.

**Slide 6 – Rules and Norms**

These beliefs and our Responsible Care principles are supported by a comprehensive set of Codes, articulating over 152 specific aspects which Responsible Care companies must take into account, establish management systems for, and be publicly accountable to. The codes do not prescribe a specific course of action. Rather, they act as warning signs – advising where others have gone wrong before, in the hopes of avoiding similar mistakes. They also act to communicate public expectations for responsible behaviour within the chemistry industry. These are our rules, our norms, and our cultural
yardsticks— if you can’t conduct of your activities or operations in accordance with the expectations of these codes, then you shouldn’t be doing those activities and operations.

**Slide 7 – Management Systems**

The Responsible Care requirement is that each of these codes and associated elements by implemented through a rigorous and self-healing ‘Plan Do Check Act’ management system.

**Slide 8: Leaders**

Another of the central features that has helped sustain Responsible Care has been the insistence that it must be owned, and visibly owned by Senior Management. In too many instances, we have seen ISO or other initiatives start out with senior management oversight and involvement. But, once the first certification process is complete these initiatives quickly filter down to mid-level management, only getting attention in the rare instance when something goes wrong.

Within Responsible Care, the senior-most representative of the company in Canada becomes the Executive Contact. This individual makes the written commitment to abide by the Responsible Care principles, and to implement the Responsible Care codes and be publicly accountable for these. They must also re-commit publicly to Responsible Care each and every year. By signing that commitment, the Executive Contact communicates that they accept personal responsibility for the actions of the company. As well, when a new Executive Contact replaces the old, she must renew the company’s commitment with her own signature. In this way, commitment to the codes is maintained at a level of personal answerability, very much an "I believe, and the buck stops here!" concept, rather than the more vague concept of "We signed on years ago!"
As suggested, these leaders must be seen to “walk the walk and talk the talk” both within their operations, and among the interested public. They are expected to talk about Responsible Care in their newsletters, their emails, their speeches, and open houses. They are expected to model the required behaviours and instill a sense of accountability amongst their personnel for those same behaviours.

Finally, as but one ritual and process, it is important to note that these Executive Contacts meet three times per year – face-to-face – to discuss relevant developments, share recent experiences and lessons-learned, and provide ongoing ownership, direction and oversight for Responsible Care. Again, I want to stress that these are the business leaders of their respective companies in Canada – not mid-level managers.

**Slide 9: Reinforcing Structures**

Every enduring culture requires a means for knowledge and norms to be extended to newcomers, and passed on from generation to generation. Within the association, we have several networks in place where participating companies are expected to come together, establish standards and benchmarks, and share best practices and lessons-learned in areas such as occupational health and safety, process safety, transportation safety, environmental safety, community engagement, and others. It’s through these processes that the beliefs and norms are translated into actionable language, where understanding is built and shared, where new ideas are incubated and hatched, and where disagreements and objections are aired and resolved.

**Slide 10: Compliance Mechanisms**

The ideal for any culture is that it be self-policing, that the desired behaviours and attitudes become so ingrained that they become the compass that automatically guides thoughts and decisions. Strong
cultures also provide opportunities for reflection and self-assessment, leading to individual course-correction. Responsible Care shares this desire, and it is expected that by signing the annual recommitment, the Executive Contact will have a process in place to identify where the company is meeting Responsible Care expectations, where it is falling short, and where it needs to plan for improvement.

Despite this noble objective, the truth is that most cultures do find it necessary to complement reflective and self-assessment processes with stronger forms of assurance that the norms and rules are being followed as expected. Within Responsible Care, each company undergoes a triennial external verification process. This is a gruelling, multi-day process conducted by a team comprised of past industry leaders, and representatives of the public and local communities where the company operates.

In addition to examining the company’s implementation of the codes, members of the Verification team are at liberty to ask any pertinent question they wish. They scrutinize the company's records, and interview contractors, customers, suppliers, neighbours, officials and others affected by the processes and products of the company. Most importantly, they engage the company leadership – asking the question “Why should we trust you?” and “How do You know your company is meeting the Responsible Care Commitments you signed your name to?

This is not an audit. Rather, the team forms an ultimate judgement as to whether or not the company is sufficiently conforming to the expected culture articulated by the Responsible Care ethic. It is a rigorous and challenging process, with about one of every five companies being judged as in need of additional effort before the team is willing to sign off on the process. The resulting verification reports – warts and
all – are made publicly available, and must be communicated directly to employees and local communities.

And I should add that we do have a formal three-stage conformance process that, in the first two stages, provides peer pressure and mutual support to those lagging behind and in need of assistance. In the third and final stage, however, delinquents can and have been expelled from the Responsible Care family and the association’s membership.

**Slide 11: External Perspectives**

From the earliest days of Responsible Care, we have been guided by the advice and input of our National Advisory Panel. This is a collection of about 16 or so individuals representing academia, civil society organizations dedicated to protecting the environment and health, labour, communities, first responders, and others. The panel has played a key role in every step of the development and implementation of Responsible Care. The core role of the panel though is to act as the industry’s critic. Telling us when we are on the right track, when we are falling behind, and alerting us to emerging issues that will confront us in the near future. It is through the panel process, and the involvement of the public in our verification process, that Responsible Care has been able maintain its relevance to Canadian society over three decades.

**Slide 12 Payoffs**

There is no question there are short term costs associated with a company’s efforts to inculcate a Responsible Care culture within their operations. However, moving from a mentality of compliance and we know best to one of doing the right thing and being seen to do the right thing delivers results and improves long-term profitability. Here are just a few of the payoffs our industry sees from its
Responsible Care efforts. Take note especially of these last two. We hear regularly of skills shortages and the challenges in recruiting and retaining professionals. We have found that Responsible care, when properly communicated, can be an asset in recruiting the new generation of professionals who do expect their employers to do the right thing, and be seen to do the right thing.

**Slide 13 Conclusion**

For those of you in companies and associations that are embarking on a similar journey, you will need to ask yourselves a key question – are you really trying to change your company or industry’s culture, or are you content with merely implementing an initiative? If lasting and deep culture-change is your true objective, then you may wish to benchmark your efforts against the elements of culture discussed over the past 15 minutes. How many of these elements (and others) have you put in place or are you contemplating? You will need to be comprehensive, and you will need external engagement and involvement. Ethical behaviour has a societal context and trust is judged externally, whether we like it or not.

If I can leave you with one last thought, it’s this: culture change is not rocket science – in fact, it’s much harder. There is no one right answer. There is not an easy roadmap to guide you from start to finish, and there are no shortcuts. Nevertheless, for Canada’s chemistry industry, it has been a journey worth taking. Not only have we changed the culture of Canada’s chemistry industry, but we have contributed to similar changes in the chemistry industry globally. From its humble beginnings in Canada 28 years ago, Responsible Care is now practised by the leaders of the global chemistry industry in 62 countries worldwide. For those in the energy sector, I hope our story inspires you to dream big, and begin the tough but much needed journey to change the culture – and perception of the culture – of your own industry.