

# CHEMICAL MARKET REPORTER

REPORTING THE BUSINESS OF CHEMICALS SINCE 1871

## Public Perception and the Chemical Industry: The European Perspective

The European chemical industry is gradually improving its public image, but European chemical leaders say more needs to be done. **Sean Milmo** reports.

Clay Boswell  
Associate Editor

The European chemical industry is gradually clawing its way to respectability in the eyes of the public. The improved ratings come from its association with economic performance, particularly in countries such as Germany where it is a large generator of jobs and profits. Despite the European industry's Herculean efforts to clean up its act through the Responsible Care program and other initiatives, a large proportion of the population still do not believe it is doing well enough in conserving the environment and protecting human health and safety. Industry leaders now realize the need for an even stronger drive to gain more public support in areas other than economic achievement.

To address that problem, the general assembly of European Chemical Industry Council (Cefic) in Helsinki last month formally agreed to launch a trust and reputation program as part of the restructuring of the organization to make it more project oriented.

One objective of the program is to increase the effectiveness of Responsible Care and other initiatives in sustainable development. However, the largest impetus behind it is the belief that far more needs to be done than just raising environmental and safety performance. Being responsible is no longer enough because the industry must also be capable of understanding and reacting to changing public expectations.

"We need to consider a whole new concept of sustainable consumption," Jean-Pierre Tirouflet, Cefic president and chairman and chief executive of Rhodia, said at the assembly.

"Improved environmental performance is a good start, but it is not on its own a sufficient condition of sustainability," he explained.

He pointed out that 30 years ago the chemical industry in Europe had a much better reputation than at present. Since then the quality of its products has been raised substantially, but its image has diminished.

"We all know that reputations are very easily lost, [but] we also know that they are hard won," he said.

The trust and reputation program will be focusing on values and actions that will gain the approval of the industry's stakeholders, especially environmentalists and the consumers who are end-users of chemicals.

"We have been looking at the basic values that the public is entitled to expect from us and these are honesty, transparency, integrity and trust," said Mr. Tirouflet.

National chemical associations in Europe have also been mounting their own reputation-building exercises, many of which involve opening up a more regular dialogue with groups outside the industry, such as environmentalists and consumer groups.

The UK Chemical Industries' Association (CIA) has set up an industry reputation board, comprising chief executives of the country's lead-

ing chemical companies. They have already agreed to a 25-percent increase in CIA expenditure on image improvement.

The board has decided to concentrate on conveying key messages to a limited number of target groups in the expectation that in the longer term this will yield better results. Preliminary figures from the latest opinion poll commissioned by the CIA have shown that the UK public are becoming more friendly to the industry.



"We need to consider a whole new concept of sustainable consumption," Jean-Pierre Tirouflet, Cefic president, told the general assembly of Cefic last month.

The target audiences are the news media, government, legislators and regulators, non-governmental organizations (NGOs), employees and local communities and primary schools for the under-11s.

"We are omitting the general public from our reputation program because we do not have a large enough budget nor the expertise," says Elliot Finer, the CIA's director general. "This is a job which is better left to the downstream associations, like those dealing with cosmetics and toiletries, which are nearer to the consumer."

The CIA also aims to make more use of 'multiplier' effects, so that the associations' messages are passed on at the local level by its 175-member companies and their employees.

"If all of our members' 250,000 employees acted as ambassadors for the industry, it would have a huge impact on the public," says Mr Finer. "Our members can also achieve a lot by being set targets for numbers of visits to their sites by local politicians and by schools."

The latest pan-European survey of public opinion on the industry, organized by Cefic last year, showed that the decline in the industry's image was beginning to bottom out. Nonetheless, it demonstrated that the industry's reputation builders will have a tough task eradicating embedded skepticism about the sector.

In the eight countries covered by the study—Germany, UK, Italy, France, Spain, Netherlands, Belgium and Sweden—45 percent of people had a more positive opinion than before about the industry, against 42 percent in the last survey in 1998. Those with a negative view dropped from 52 percent to 50 percent. For the first time since 1994 there had not been a fall in support for the industry.

Over half the respondents—54 percent against 48 percent in 1998—agreed that the industry "provides tangible benefits to the quality of their life through new and safer products."

The number of people acknowledging that the chemical industry is "more informative and open than it used to be" went up by 10 percent, although the figure in the UK dropped.

Nevertheless, the reputation of the industry in Europe still lags well

behind that of other major industries. Electronics has an approval rating of 82 percent, electricity 77 percent, food 76 percent, pharmaceuticals 72 percent and automotive 70 percent.

The public generally remains critical not only of the environmental and health risks of chemical products but also of the industry's ethical business practices and conducting of its social responsibilities.

The rise in positive opinion in last year's survey was mainly due to increases in support in countries where backing for the industry was already relatively low. In Belgium it rose from 35 percent to 43 percent and in Spain from 25 percent to 39 percent.

In France, which is Europe's second largest chemicals producer behind Germany, support for the industry went up from 24 percent to 31 percent. But 69 percent of the French still have a negative attitude to the sector.

In Sweden, which was included in the survey for the first time last year, only 24 percent were backing the industry while 67 percent had a negative opinion of it. But it had, after the UK, the second highest proportion of 'don't know's' at 9 percent.

Germany has by far the highest level of approval for the industry with 59 percent of Germans having a positive view of the sector and only 37 percent a negative one. In fact it is the only country covered by the Cefic survey where the backers of the industry outnumber its critics.

Opinion polls conducted on behalf the German chemical industries association (VCI) reveal that two thirds of people believe that the industry is important to the country.

"It is a high level of approval, which has risen from around half 10 years ago," says Stefan Hilger, VCI's head of communications. "But it stems from the economic performance of the industry, which is seen by the public as being internationally competitive, a profits earner and as a provider of good jobs.

"The reputation of the industry is not so high when people look at its environmental performance and difficulties with certain individual chemicals," he adds.

The VCI's strategy is to concentrate on specific issues, much of which revolve round perceived dangers of individual products, many of them subject to campaigns by environmental groups.

"The public is worried about particular products because of warnings about them by environmentalist organizations like Greenpeace," says Mr. Hilger. "In our response to these warnings, we emphasize the need for more research to find out the extent of any danger. But we are also making progress through a regular dialogue with the environmental organizations, so that each side is much more aware of what the other regards as a problem area."

The VCI has also been more proactive in drawing the public attention's to the industry's improved accident rate among its employees. Because of increased safety awareness at the workplace, this has fallen by around 40 percent over the last 10 years. "Accidents tend to harm the industry's reputation so a low accident level is a good way to boost its image," says a VCI official.

The association has also been highlighting its involvement in a number of voluntary agreements with the German government relating to health safety and the environment (HSE). These arrangements tend to get little publicity in the mainstream German media.

An increasing share of the endeavors to bolster the European industry's image will be taken by large chemical companies, who will incorporate the sort of messages being conveyed by Cefic and the national associations into their own publicity material.

This will result in a reputation program being conducted on a global scale with European associations and companies playing a major role. 