

**CODE OF ETHICS ON THE
INTERNATIONAL TRADE
IN CHEMICALS**

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CODE OF ETHICS ON THE INTERNATIONAL TRADE IN CHEMICALS

INTRODUCTION TO THE CODE

1. The code is general in nature and addressed industry and other private sector parties in all countries with the aim of setting out the principles and guidance, governing standards of conduct for the promotion of environmentally sound management of chemicals in international trade. The standards of conduct set out in the principles and guidance covers such activities as production and management of chemicals in international trade, taking into account their entire life cycle.
2. The code is developed in response to decision 16/35 of the Governing Council of the United Nations Environment Programme (UNEP) of May 1991 entitled "Toxic chemicals", and to Agenda 21, in particular its chapter 19 on environmentally sound management of toxic chemicals which was adopted by the United Nations Conference on Environment and Development at Rio de Janeiro in June 1992 and endorsed by resolution 47/190 of the United Nations General Assembly in December 1992.
3. The code is a complement to the amended London Guidelines for the Exchange of Information on Chemicals in International Trade¹ which address Governments and the scope of the code is broader than that of the amended London Guidelines. By the implementation of this code, the private sector parties are expected to enter into voluntary commitment to help achieve the objectives of the amended London Guidelines, i.e., to increase chemical safety and to enhance the sound management of chemicals in all countries through the exchange of information on chemicals in international trade.
4. Some of the subjects addressed in the code apply not only to chemicals in international trade but are generally applicable to all chemicals whether exported or retained for domestic use. This is consistent with the idea that there should not be a double standard vis a vis exported and domestically marketed chemicals with respect to health, safety and the environment. In this regard, several provisions in this code address chemicals in domestic and international trade.
5. The principles and guidance set out in the code apply globally and have been developed to permit flexible application taking into account local conditions in countries. There is a need to take full account of the special situation in developing countries in order to achieve the highest possible level of human health and environmental protection in all countries.
6. The code provides for procedures to monitor voluntary compliance by the parties concerned with the standards of conduct set out in the principles and guidance.
7. Subjects which are relevant to the management of chemicals for health and environmental reasons, but which do not relate to chemicals in international trade, have not been addressed in the code.²
8. The code is developed fully taking into account the work already done by private sector parties,

¹ The amended London Guidelines were adopted by the fifteenth session of the Governing Council of the United Nations Environment Programme on 25 May 1989.

² This includes, for example, issues related to process safety and accident prevention, preparedness and response at fixed installations. International guidance materials have been prepared to address many of these subjects. References to a selection of these guidance materials have been included in the attached bibliography.

in particular voluntary initiatives and programmes by industry. It is designed to be compatible with those existing initiatives and programmes developed and being implemented by the private sector parties. For the development of the code, the International Code of Conduct on the Distribution and Use of Pesticides of the Food and Agriculture Organization of the United Nations (FAO) was also fully taken into account.

9. The code is designed to be consistent with and complementary to existing instruments developed by United Nations agencies, including those under UNEP, FAO, the International Labour Organisation (ILO), the World Health Organization (WHO) and other intergovernmental organizations such as the Organisation for Economic Co-operation and Development (OECD), avoiding any duplication.

10. This code should not be interpreted to preclude private sector parties taking additional actions with respect to protection of health, safety and environment, nor should the code have the effect of replacing existing voluntary codes. Private sector parties should be encouraged to implement this code in a manner consistent with other health, safety and environmental initiatives and to go beyond what is stated in the code.

11. The adoption of the code is a voluntary action of the private sector parties³. It is not intended that the approval of the Government is required for adopting the code by the private sector parties.

12. This code should not be used by Governments or intergovernmental organizations to sustain or create tariff or non-tariff barriers to trade in chemicals.

³ In a country where the government owns or has interest in chemical industry, "industry" and "private sector parties" may be read "enterprises".

PART I. GENERAL PROVISIONS

I. OBJECTIVE

1. The objective of this code is to set forth principles and guidance for private sector parties, governing standards of conduct in the production and management of chemicals in international trade, taking into account their entire life cycle, with the purpose of reducing risks to human health and the environment which might be posed by such chemicals.

II. DEFINITIONS⁴

2. For purposes of the code:

(a) "Banned chemical" means a chemical which has, for health or environmental reasons, been prohibited for all uses by final governmental regulatory action;

(b) "Severely restricted chemical" means a chemical for which , for health or environmental reasons, virtually all uses have been prohibited nationally by final government regulatory action, but for which certain specific uses remain authorized;

(c) "Hazardous chemical" means a chemical which represents a threat to human or animal health or to the environment.

(d) "Private sector parties" means industry, workers and their representatives, environmental and consumer groups and other non-governmental organizations, and the public.

(e) "Industry" means all segments involved in production and management of chemicals, taking into account their entire life cycle, including producers, formulators, importers and exporters, traders, and transporters.⁵

(f) "International trade in chemicals" means export or import of chemicals.

(g) "Export" and "import" mean, in their respective connotations, the movement of a chemical from one State to another State, but exclude mere transit operations.

(h) "Management" means the handling, supply transport, storage, treatment, application or other use of a chemical subsequent to its initial manufacture or formulation.

⁴ Definitions of "banned chemical", "severely restricted chemical", "international trade", "export", "import", "management", "prior informed consent", "prior informed consent procedure" are identical to those in the amended London Guidelines.

⁵ Where appropriate, some sections refer specifically to particular segments of the industry, for example chemical producers and formulators. In those countries in which some or all sectors of industry are owned and/or operated by government offices, it is expected that the parts of the code directed to industry would apply to the government agencies to the extent they are responsible for the relevant industrial activity.

(i) "Prior informed consent" (PIC) refers to the principle that international shipment of a chemical that is banned or severely restricted in order to protect human health and the environment should not proceed without the agreement, where such agreement exists, or contrary to the decision of, the designated national authority in the importing country. For the purpose of this code, "designated national authority" means a national government authority designated for purposes of information exchange and the prior informed consent procedure being carried out by UNEP and FAO.

(j) "Prior informed consent procedure" (PIC procedure) means the procedure for formally obtaining and disseminating the decisions of importing countries as to whether they wish to receive future shipments of chemicals which have been banned or severely restricted, being carried out by UNEP and FAO.

(k) "PIC decision" means a decision by a importing country of a chemical subject to the PIC procedure with respect to the future import of chemicals.

*III. EXEMPTIONS*⁶

3. The code should not apply to:

- (a) Pharmaceuticals, including narcotics, drugs and psychotropic substances;
- (b) Radioactive materials;
- (c) Chemicals imported for the purpose of research or analysis in quantities not likely to affect the environment or human health;
- (d) Chemicals imported as personal or household effects, in quantities reasonable for these uses;
- (e) Food additives.

⁶ The exemptions are identical to those set out in guideline 3 of the amended London Guidelines.

**IV. THE COMMITMENT TO IMPROVED HEALTH, SAFETY AND ENVIRONMENTAL
PROTECTION RELATED TO THE INTERNATIONAL TRADE
IN CHEMICALS**

4. Private sector parties involved in the international trade in chemicals should make a commitment to undertake self-regulatory measures to meet the standards of conduct set out in the principles and guidance contained in Part II below in order to ensure the safe production and management of chemicals in domestic and international trade, taking into account their entire life cycle.
5. Private sector parties should recognize in the commitment their shared responsibility, along with the governments of chemical exporting and importing countries, for the protection of human health and the environment. In particular, business and industry should recognize their responsibility for fully participating in the implementation and evaluation of activities related to Agenda 21⁷.
6. The private sector parties that have already entered into the commitment under "Responsible Care" or a similar instrument consistent with this code, such as the FAO Code of Conduct, are encouraged to make a declaration, expressing that existing commitments are consistent with this code. The parties that have not made commitment under "Responsible Care" or a similar instrument should demonstrate their commitment by making an appropriate declaration in a written statement and publish such declaration.
7. Private sector parties making such written declaration should notify UNEP of their respective decisions to enter into commitment to meet the standards of conduct set out in the principles and guidance contained in the code.
8. The parties that have made such written declaration under paragraph 5 and entered into voluntary commitment under the code should initiate necessary action to meet the standards of conduct set out in the principles and guidance below within 180 days after the commitment is notified to UNEP.
9. The commitment by the private sector parties should include the following elements:
 - (a) Increase chemical safety and enhance the sound production and management of chemicals, taking into account their entire life cycle, in all countries by providing government authorities and relevant private sector parties with relevant information on chemicals in domestic and international trade.
 - (b) Comply with the PIC procedure being carried out by UNEP and FAO to the extent applicable to private sector parties.
10. Enterprises/companies involved in the production or management of chemicals in domestic and international trade, taking into account their entire life cycle, should demonstrate this commitment at all levels of their enterprises/companies, starting with the highest level of management. This commitment should be communicated throughout the enterprises/companies.

⁷ Agenda 21, chapter 30, paragraph 1.

PART II. GENERAL PRINCIPLES AND
GUIDANCE FOR THE IMPLEMENTATION OF THE GENERAL PRINCIPLES

1. GENERAL PRINCIPLES

11. Having agreed to take appropriate actions to protect human health and the environment from adverse effects from the production and management of chemicals in international trade, taking into account their entire life cycle, and to promote chemical safety, private sector parties should:

(a) Act in accordance with the guidance set out in this code, and develop the means for applying the guidance in a manner appropriate to local circumstances;

(b) Allocate the resources necessary for the application of the guidance to their own activities;

(c) Enhance co-operation among private sector parties as well as with government agencies and relevant international organizations for the promotion the code;

(d) Cooperate with local community to address problems related to chemicals in international trade and solving such problems, including the provision of relevant information.

12. Enterprises/companies involved in the international trade in chemicals, such as producers, formulators, transporters, traders including exporters and importers, should:

(a) Develop management systems to enable the proper production and management of chemicals, taking into account their entire life cycle;

(b) To the extent practicable, evaluate and do business with suppliers, contract manufacturers, transporters, traders and professional users who meet applicable safety, health and environmental criteria.

13. Private sector parties should promote the application of the guidance set out in the code by:

(a) Establishing the means for sharing experience with various private sector parties, including those parties in different countries or regions, and, as appropriate, with relevant government authorities, concerning measures taken in accordance with the code;

(b) Offering assistance to others who produce and manage chemicals, taking into account their entire life cycle.

14. Private sector parties should work with government authorities responsible for health and environmental protection from harmful effect of chemicals in international trade, including customs offices, in accordance with the principles and guidance in the code.

15. Private sector parties should take initiatives to assist in the implementation of internationally agreed instruments related to chemicals in international trade, in particular the prior informed consent procedure being carried out by UNEP and FAO, as well as those instruments related to chemical accident prevention, preparedness and response.⁸

16. Private sector parties, in co-operation with Governments and relevant international organizations, should establish a procedure for reviewing and revising the code, as appropriate.

⁸ References will be found in the selected bibliography attached to the code.

II. GUIDANCE FOR THE IMPLEMENTATION OF THE GENERAL PRINCIPLES

17. The following guidance, set out in seven categories, represent the standards of conduct which should be undertaken in order to fulfil the commitment and general principles set out above. Private sector parties should apply the paragraphs relevant to them, in a way which will be effective under their particular circumstances.

A. Reducing Risks

18. Chemical producers and formulators should:

- (a) Make every reasonable effort, to the extent practicable, to reduce risks by:
 - (i) Introducing appropriate procedures to minimize adverse health and environmental effects from chemicals being manufactured and managed, taking into account their entire life cycle, under both normal operating conditions as well as emergency situations.
 - (ii) Developing safer packaging, and using clear and concise labelling, taking into account existing international scheme with respect to packaging and labelling.
 - (iii) Take initiatives, to the extent possible, in following chemicals to the ultimate consumer, keeping track of any problems arising in actual use of the chemicals, as a basis for changes in labelling, directions and packaging.
- (b) When safe manufacture and management of a chemical, taking into account its entire life cycle, does not seem possible, voluntarily take corrective action and help find solutions to difficulties.
- (c) Halt manufacturing and trade, and recall products when appropriate due to the unacceptable risks associated with the product.

19. Chemical producers, formulators and traders should:

- (a) Co-operate with relevant government authorities of importing countries and comply with their PIC decisions, recognizing that this might be dependent upon the governments of exporting countries fulfilling their responsibility to transmit to their industry the PIC decisions of importing countries under the PIC procedure⁹.
- (b) Co-operate with government authorities in order to ensure implementation of the export notification procedures for banned or severely restricted chemicals, where applicable.

⁹ Paragraph 7.4(b) of the amended London Guidelines.

20. Industry should:

- (a) Whenever possible, endeavour to reduce the quantity of hazardous chemicals used.
- (b) Co-operate with government authorities in activities related to chemical accident prevention, preparedness and response, including the development of emergency preparedness plans and support international activities in this area.¹⁰
- (c) In co-operation with the Government, ensure safe management and disposal of chemicals, taking into account their entire life cycle.

21. Private sector parties should ensure that transfer of know-how for the production of chemicals be subject to the standards of conduct set out in the code.

B. Testing and Assessment

22. Chemical producers and formulators should:

- (a) As regards new chemicals, produce and commercialize only the chemicals that are known to have gone through a process of testing and assessment that is conducted in accordance with national laws and regulations or internationally accepted procedures and updated where appropriate, and where necessary, taking into account the specific conditions of intended use. This testing and assessment should provide the necessary basis for an evaluation of the risks of the chemical in order to allow appropriate actions to protect human health and the environment.¹¹
- (b) Provide summaries of the reports of such testing and assessment to government authorities and, upon request, provide these authorities with the full reports in accordance with applicable national laws and regulations, where such laws and regulations have been in force.
- (c) Identify reasonably foreseeable uses and misuses of chemicals and, in order to do so, seek feedback from occupational users on use and misuse of chemicals. To the extent appropriate, undertake additional testing and revision of assessment taking into account the information on uses and misuses of chemicals.
- (d) Ensure that proposed uses, labelling, information and advertising reflect the results of the testing and assessment.
- (e) Provide, as appropriate, chemical producers and formulators in other countries or government authorities with advice and assistance related to testing and assessment, including assistance in the interpretation and evaluation of data.
- (f) Ensure that contract manufacturers are kept informed of new significant health, safe and environmental data on chemicals in international trade.

¹⁰ References will be found in the selected bibliography.

¹¹ For existing chemicals, assessment could be done based on existing data, recognizing ongoing effort in this area.

C. Quality Assurance

23. Chemical producers and formulators should:

(a) Maintain quality assurance procedures to ensure that chemicals comply with relevant human health and environmental standards and specifications, including non-exploitation of products which are out of date and, to this end, co-operate with government authorities, as appropriate.

(b) Ensure, to the extent possible, that chemicals manufactured or formulated by a subsidiary company or a contract manufacturer meets appropriate human health and environmental requirements and standards which are consistent with the requirements of the country of manufacture as well as those of the parent or contracting company.

24. Chemical producers, formulator and traders should ensure that the quality of a chemical complies with the information in the attached label and with the literature and specifications published by a chemical's manufacturer.

D. Classification, Packaging and Labelling

25. Chemical producers, formulators and traders should:

(a) Ensure that:

(i) chemicals are labelled;

(ii) labels include appropriate recommendations, instructions, warnings, precautions and first aid information;

(iii) labels show appropriate hazard classifications;

(iv) labels provide appropriate lot or batch information;

(v) labels are in a format appropriate for traders, transporters and occupational users with respect to, for example the language used and the use of symbols and pictograms.

(b) Ensure that classification, packaging and labelling of chemicals conform to applicable international rules, regulations and guidelines, such as the FAO Guidelines, including, for example those dealing with transportation. Where no such international rules, regulations or guidelines are available, an appropriate national or regional system for classification, packaging and labelling should be applied. Labelling requirements should cover:

(i) information to be given in the label;

(ii) legibility, durability and size of the label;

(iii) uniformity of labels and symbols, including colours.

26. Traders and transporters should ensure that chemicals are handled and transported safely in accordance with the information in the labels attached to the packages.

E. Provision of Information

27. Chemical producers and formulators should:

(a) Provide occupational users, traders, transporters and contract manufacturers with appropriate information and guidance, which should be kept up-dated, to enable proper development, manufacture and management of all chemicals, taking into account their entire life cycle. Safety data sheets (or material safety data sheets) should be prepared for hazardous chemicals and be provided to occupational users, traders, and contract manufacturers to the extent that this could improve safety in the handling and use of the chemicals.

(b) Provide information and instructions in a form and language which will ensure safe and effective use of a chemical.

(c) Ensure consistency of all safety information provided on a given chemicals.

(d) Provide government authorities and consumers with relevant information on:

(i) health and environmental hazards which might be posed by chemicals in international trade;

(ii) recommended protective measures;

(iii) first aid measures.

In providing such information, claims for protection of confidential and proprietary information should not compromise the overriding objective of protecting health and the environment and promoting safety.

(e) Provide the information on safe handling of chemicals when they are outdated or expired.

28. Industry should:

(a) Make reasonable efforts to ensure that the information relevant to health and environmental protection from harmful effects of chemicals reaches the occupational users or traders in importing countries. The information should be included in the labels attached to the packages whenever possible.

(b) Co-operate with governments and competent international organizations for the purpose of information exchange, including the provision of information, upon request, to a government authority in an importing country concerning banned or severely restricted chemicals and alternatives to such chemicals.

(c) Communicate on health, safety and environmental matters to government authorities and other interested parties. In this regard, industry should establish and implement policies to ensure openness in health, safety and environmental information in a manner appropriate to local circumstances.

(d) Assist UNEP to establish databases to be used by designated national authorities for registration and monitoring of chemicals, taking into account their entire life cycle, and for attention to emergencies.

F. Education and Training

29. For the purpose of preventing harmful effects of chemicals in international trade to health and the environment, industry should continue to:

- (a) Educate and train employees at all levels on the proper management of chemicals, taking into account their entire life cycle.
- (b) Provide employees with safety data sheets or similar relevant information.
- (c) Educate and train relevant employees so that they can advise occupational users and traders on the proper management of chemicals, taking into account their entire life cycle.
- (d) Disseminate educational information to, *inter alia*, chemical handlers and consumers, as well as other interested parties such as medical personnel and customs officials, through a coordinated effort of Governments, international organizations and industry.
- (e) Provide support for training of occupational users and government authorities in importing countries, including training for emergency responses.

G. Advertising and Marketing

30. Recognizing difference in countries, and with a view to providing accurate information of chemicals to ultimate consumers, such as occupational users, industry should:

- (a) Ensure that advertising is consistent with the standards of conduct set out in the code. Statements used in advertising should be capable of technical substantiation. Advertising should not be likely to mislead any buyer, in particular with regard to safety or suitability of use. Advertisements should not encourage uses inconsistent with approved labels or at variance with generally-accepted recommendations. Advertising should draw attention to warnings and should encourage careful reading of labels.
- (b) Encourage importing enterprises/companies and relevant trade associations to cooperate in order to achieve fair and safe marketing and trade practices and to help government authorities to stamp out malpractice.

PART III. MONITORING AND FOLLOW-UP

31. Industry, non-governmental organizations, workers and consumers unions, and other relevant public interest groups, in cooperation with Governments and international organizations, should:

(a) Take active role to monitor activities of industry and other private sector parties involved in the international trade in chemicals as to whether those activities are in compliance with the standards of conduct set out in the principles and guidance above.

(b) Report the results of the monitoring to government authorities and competent international organizations, such as UNEP, with a view to:

(i) Improving performance of industry and other private sector parties involved in the international trade in chemicals;

(ii) Assisting Governments to adopt or amend national laws, regulations and administrative measures governing activities in the international trade in chemicals.

(iii) Co-operating with Governments and international organizations to develop relevant international instruments.

(c) Communicate on health, safety and environmental matters related to chemicals in international trade with other interested parties.

32. Industry is encouraged to cooperate with UNEP and non-governmental organizations in the implementation and monitoring of the standards of conduct set out in the principles and guidance above.

33. Industry should ensure that workers and others are not punished for monitoring and reporting its performance to Governments, international organizations and relevant private sector parties.

34. Private sector parties are encouraged to enter into voluntary agreements with Governments for the application of the standards of conduct set out in the principles and guidance above.

35. Private sector parties, in cooperation with Governments and international organizations such as UNEP, should promote the code to extend the parties committed to apply the standards of conduct set out in the principles and guidance above.

36. Private sector parties should develop procedures for self-evaluation to assess performance in undertaking self-regulatory measures to meet the standards of conduct set out in the principles and guidance above.

37. Private sector parties, in cooperation with Governments and international organizations, should periodically monitor compliance, review and revise, as appropriate, the code at international fora which will be convened by UNEP subject to the availability of resources.

38. UNEP will, within available resources:

(a) maintain, up-date and publish a list of those private sector parties that have entered into commitment under the code;

(b) compile and publish reports on progress in the application of the standards of conduct set out in the principles and guidance above.

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