

Statement of Union Carbide Corporation Regarding the Bhopal Tragedy

The 1984 gas leak in Bhopal was a terrible tragedy that understandably continues to evoke strong emotions even 25 years later. In the wake of the gas release, Union Carbide Corporation, and then chairman Warren Anderson, worked diligently to provide aid to the victims and set up a process to resolve their claims. All claims arising out of the release were settled 18 years ago at the explicit direction of and with the approval of the Supreme Court of India.

The Bhopal plant was owned and operated by Union Carbide India, Limited (UCIL), an Indian company in which Union Carbide Corporation held just over half the stock. The other stockholders included Indian financial institutions and thousands of private investors in India. Union Carbide India Limited designed, built and managed the plant using Indian consultants and workers. In 1994, Union Carbide sold its entire stake in UCIL to MacLeod Russell (India) Limited of Calcutta, and UCIL was renamed Eveready Industries India Limited (Eveready Industries). As a result of the sale of its shares in UCIL, Union Carbide retained no interest in - or liability for - the Bhopal site. The proceeds of the UCIL sale were placed in a trust and exclusively used to fund a hospital in Bhopal, which now provides specialist care to victims of the tragedy.

After the disaster, plant owner UCIL obtained permission from the government to conduct clean-up work at the site and did so under the direction of Indian central and state government authorities. Eveready Industries continued this remediation effort until 1998. That year, the Madhya Pradesh State Government, which owns and had been leasing the property to UCIL, took over the facility and assumed all accountability for the site, including the completion of any additional remediation. What additional clean-up work, if any, has been undertaken since that time is unclear.

Shortly after the gas release, Union Carbide launched an aggressive effort to identify the cause. Engineering consulting firm, Arthur D. Little, Inc., conducted a thorough investigation. Its conclusion: The gas leak could only have been caused by deliberate sabotage. Someone purposely put water in the gas storage tank, and this caused a massive chemical reaction. Process safety systems had been put in place that would have kept the water from entering into the tank by accident.

Union Carbide, together with the rest of the chemical industry, has worked to develop and globally implement Responsible Care to help prevent such an event in the future by improving community awareness, emergency preparedness and process safety standards.

For more information about Bhopal, see www.unioncarbide.com/bhopal.

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For more information about Responsible Care®, see www.responsiblecare.com or www.icca-chem.org.

