Learn how to assess your chemical footprint

Chemical Footprint Project Webinar

November 7, 2017

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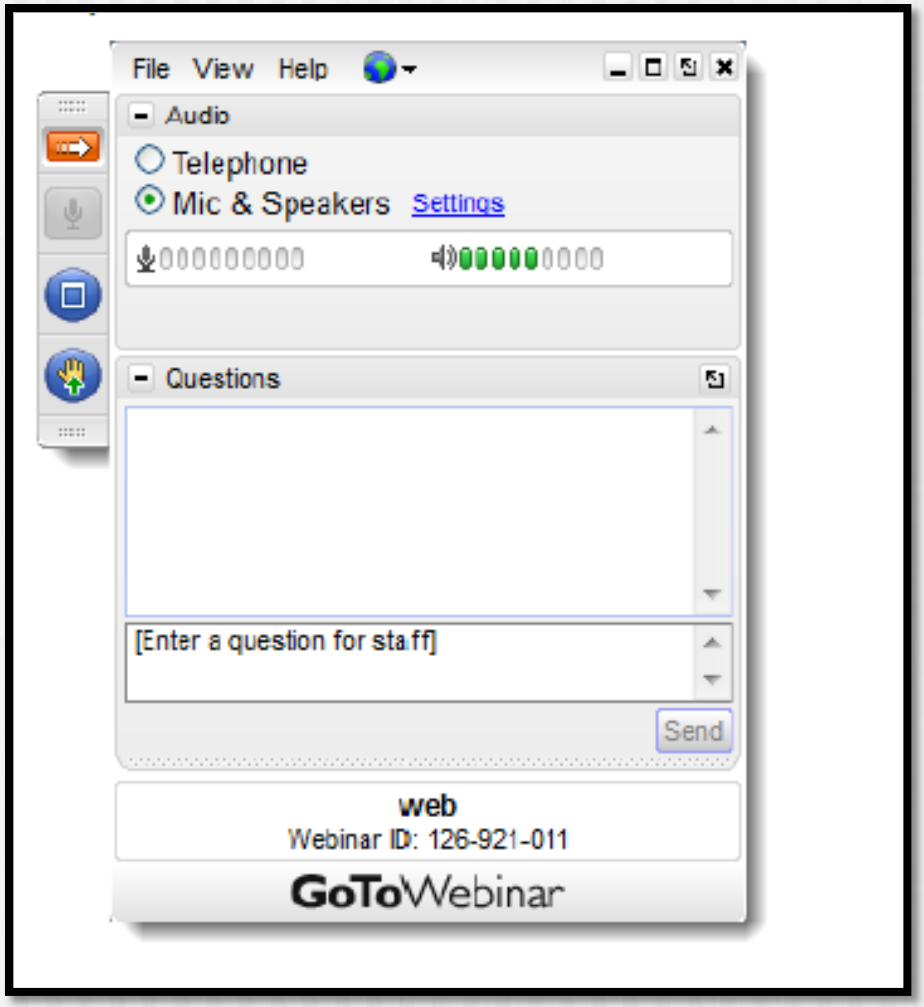
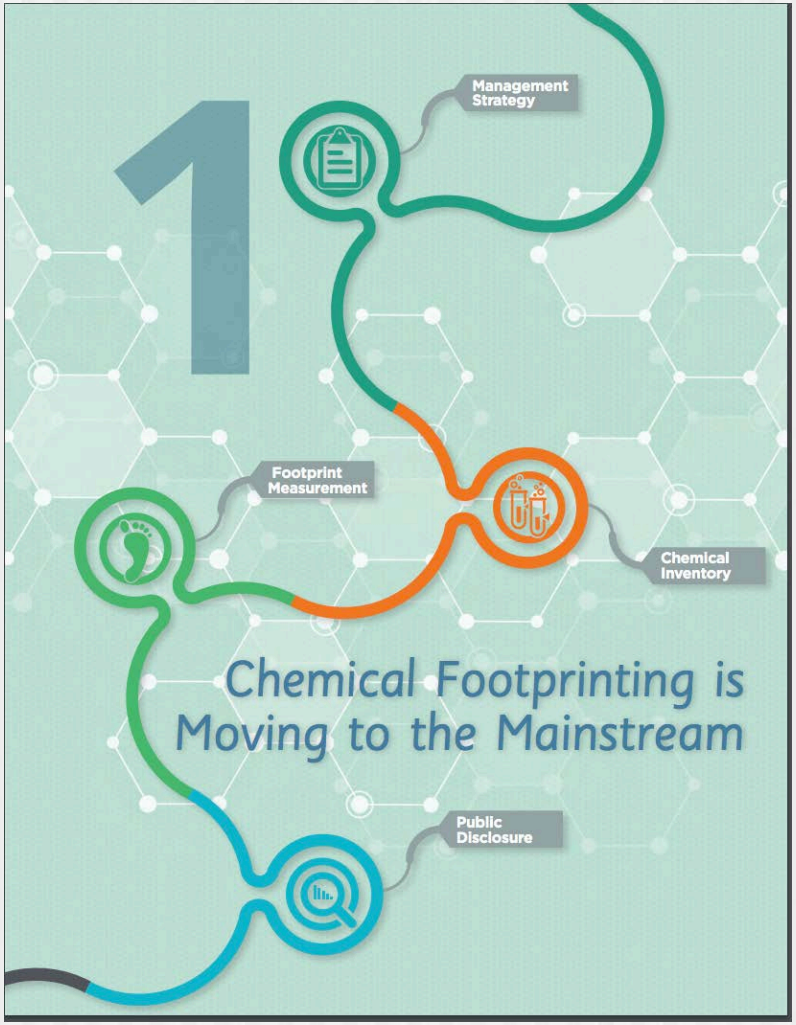
Questions?



- Post your question to the Questions pane in your Control Panel
- Presentation and recording will be available at chemicalfootprint.org

Overview

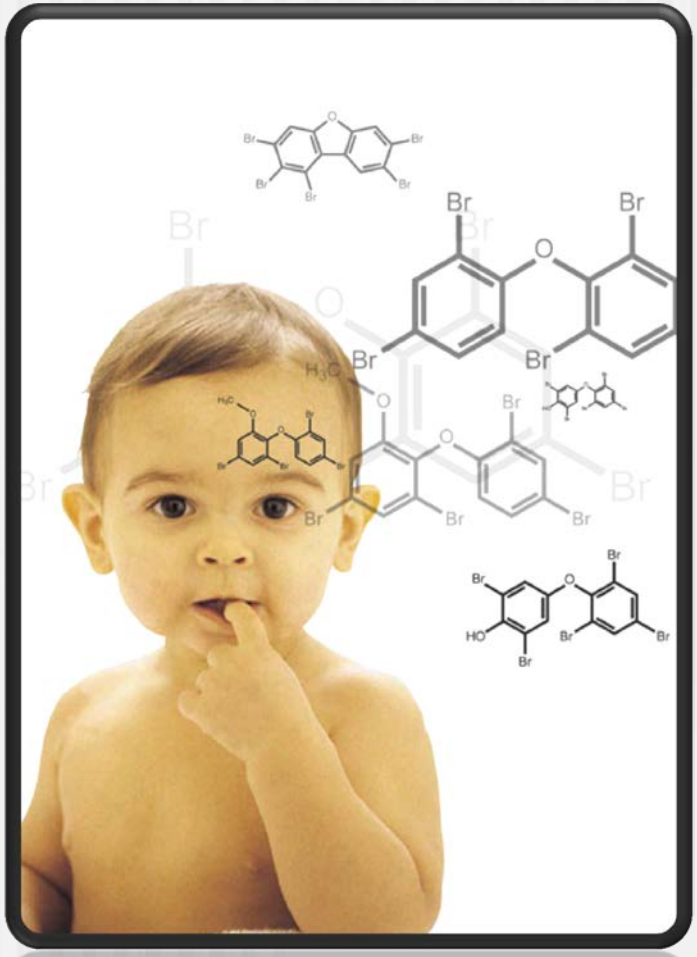


- Introduction to the CFP Survey
- CFP Survey Pillars
  - Management Strategy
  - Chemical Inventory
  - Footprint Measurement
  - Public Disclosure
- Q&A

All materials can be found at: chemicalfootprint.org

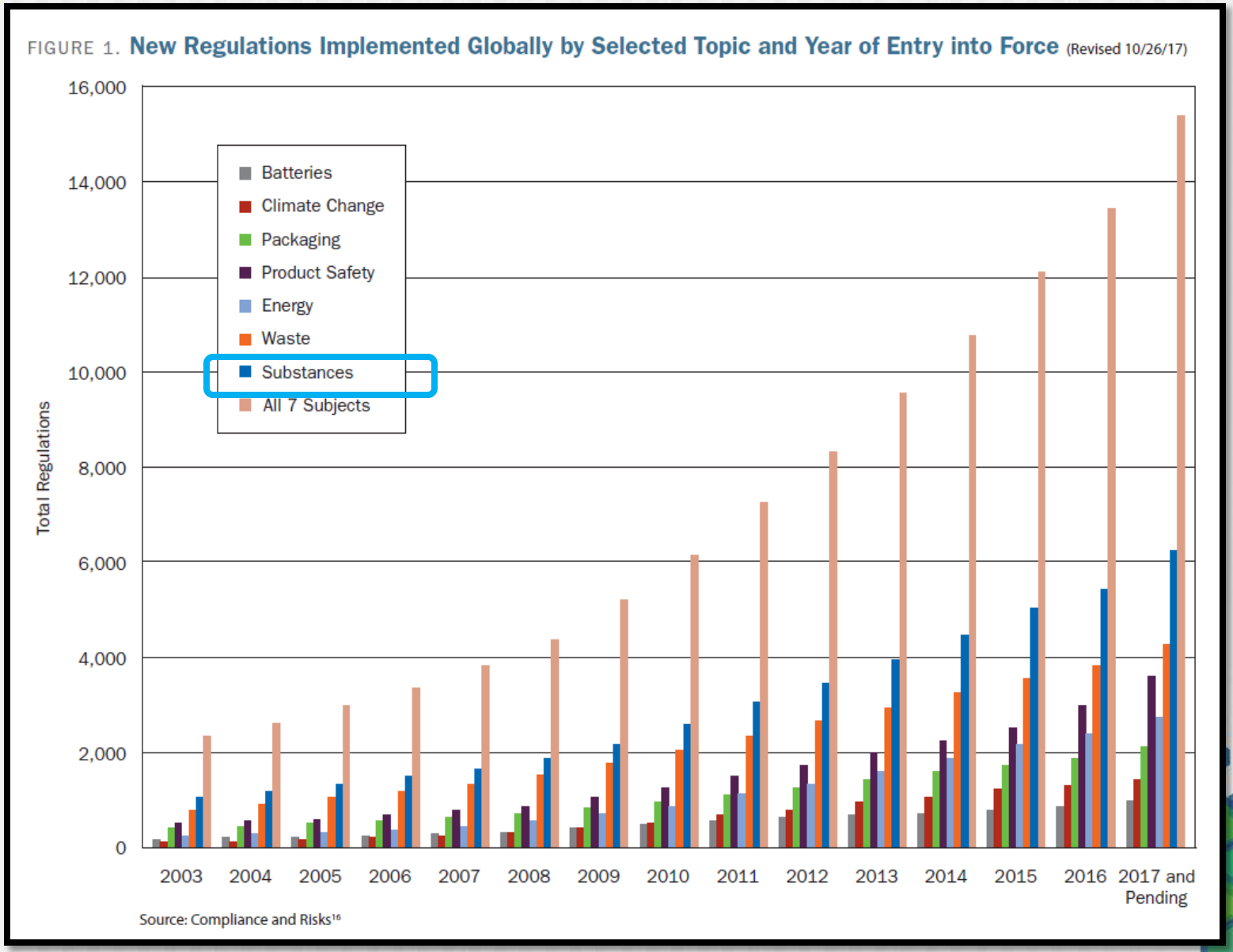
Chronic Disease Burden of Children from Chemical Exposure

- 5% of childhood cancer*
- 10% of children's neurodevelopmental disorders* (e.g., ADHD, autism -- 1 in 6 children diagnosed with neurodevelopmental disorder)
- 30% of childhood asthma**

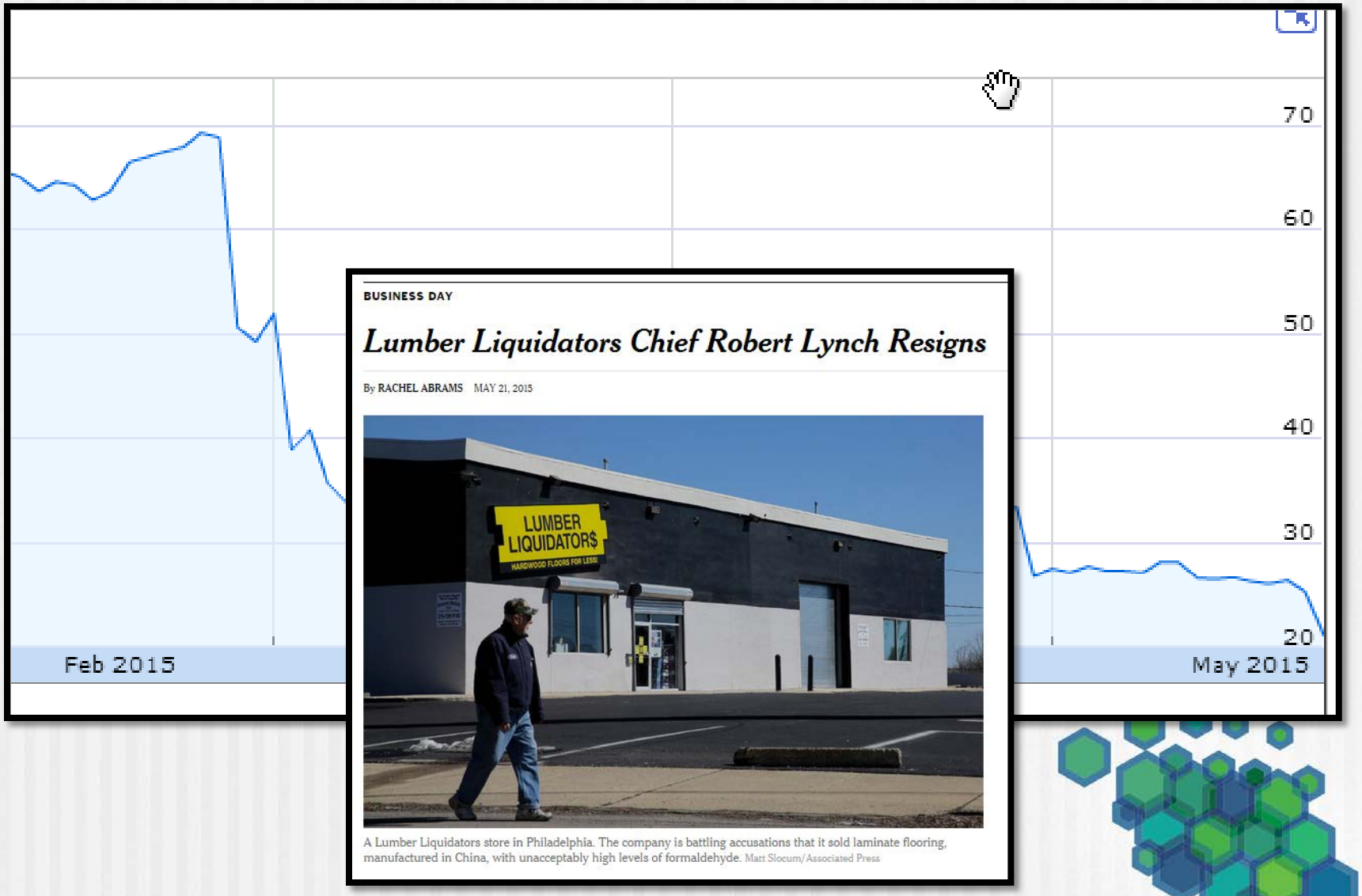


* Mt. Sinai School of Medicine Center for Children's Health and the Environment
** European Commission

Chemical Regulatory Risks



Chemical Reputation Risks



Chemical Redesign Opportunities

FAST COMPANY

05.26.17 | WELL TO DO

What's Driving The Billion-Dollar Natural Beauty Movement?

A growing number of consumers are rejecting chemical-filled cosmetics for pricey, plant-based alternatives. It's a thriving sector—one that some experts think could change the beauty industry for good.

Source: https://www.fastcompany.com/3068710/whats-driving-the-billion-dollar-natural-beauty-movement

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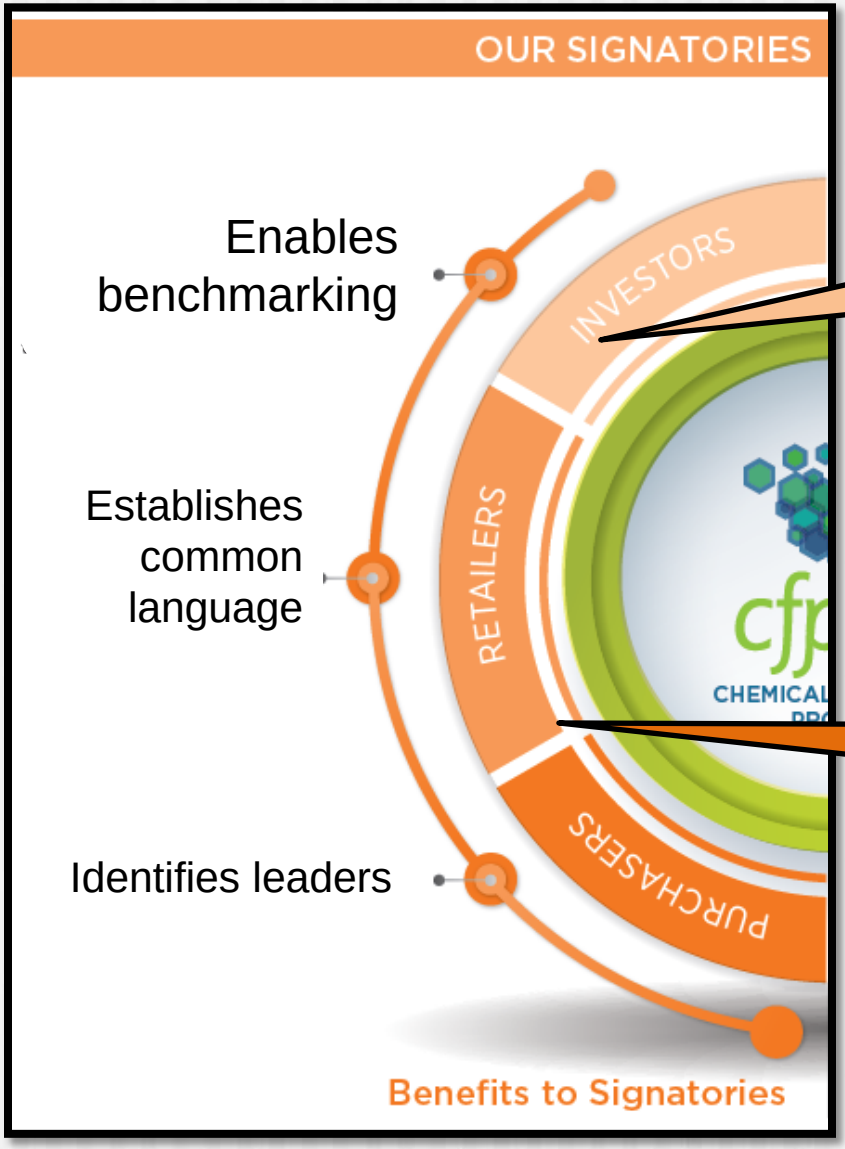
"You can't manage what you don't measure."

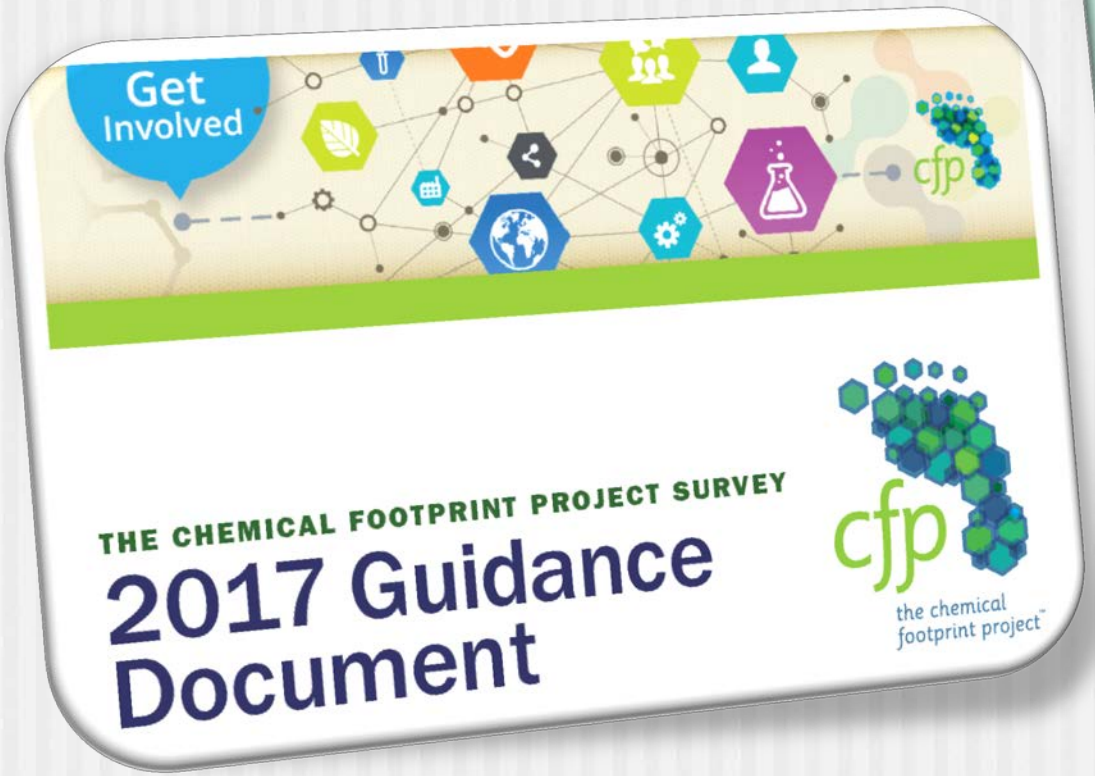
CFP Signatories



$2.3 trillion in assets under management

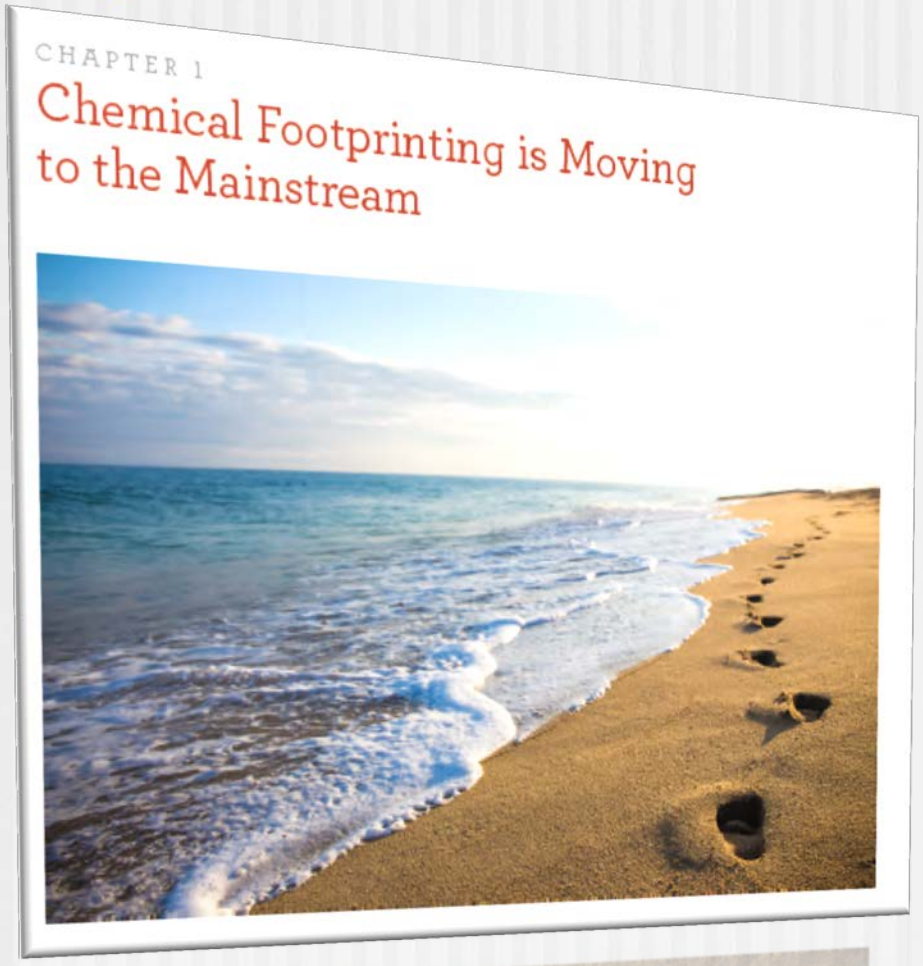
$600 billion in purchasing power

CFP Annual Survey & Report



Responders to the 2016 Survey

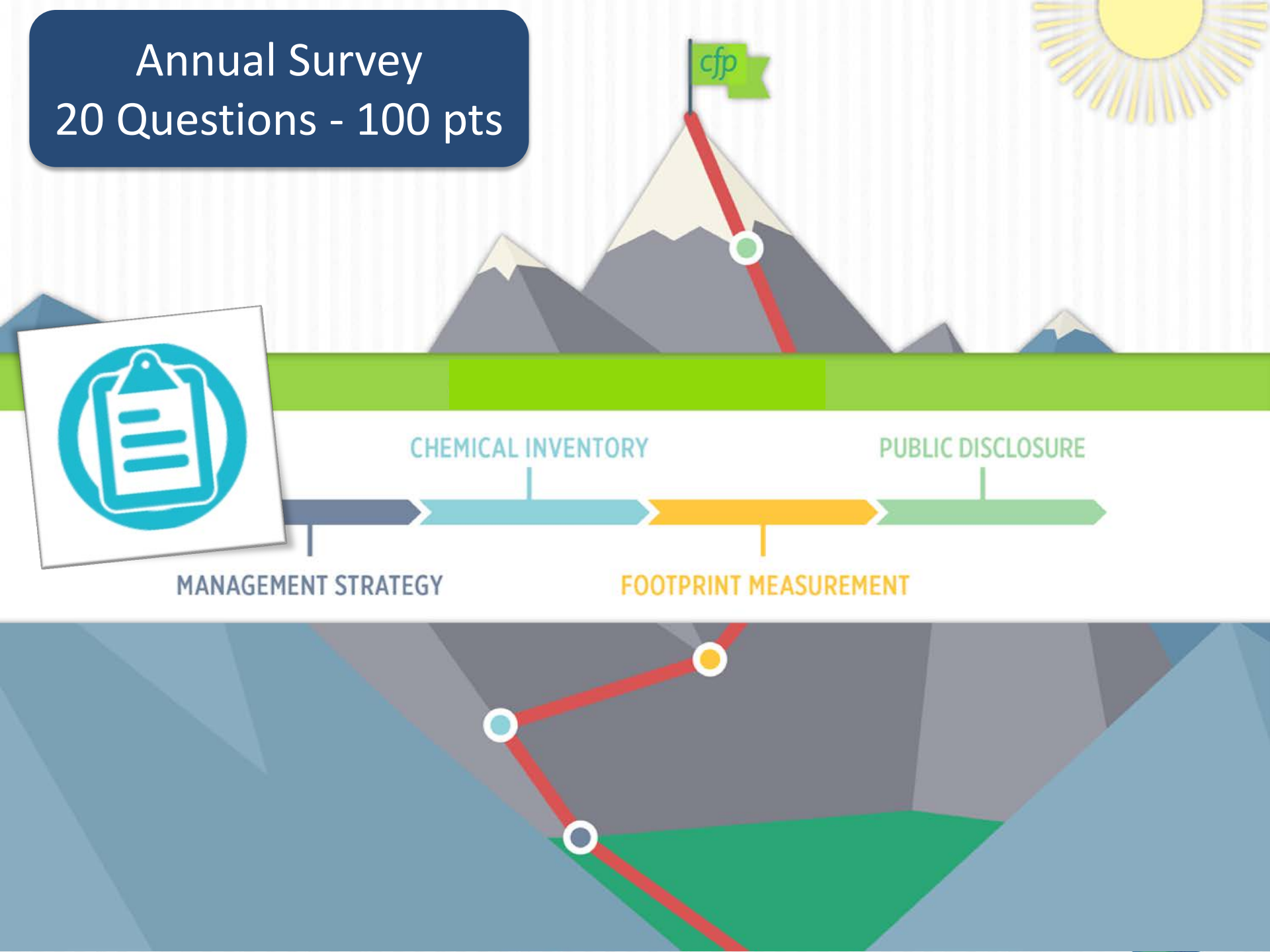
Value of CFP



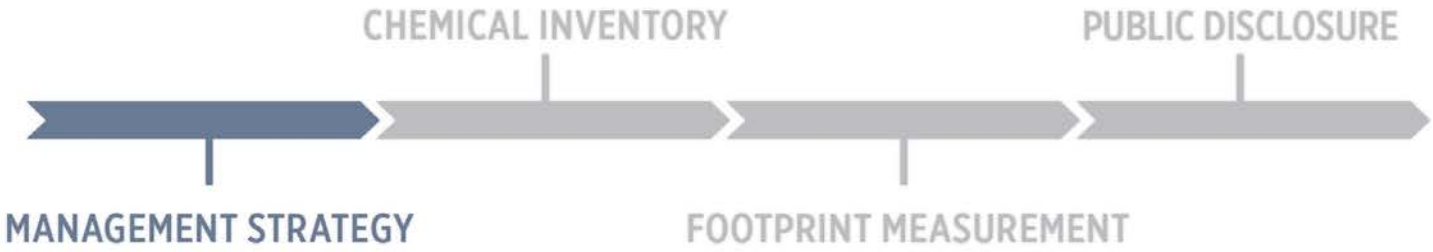
- Common language
- Quantitative metric to measure progress
- Gap analysis
- Alignment with leading business practices & investors

Annual Survey
20 Questions - 100 pts

Annual Survey
20 Questions - 100 pts



Why focus on Management Strategy?



MANAGEMENT STRATEGY INDICATORS (20 points)

Corporate Policies

M1. Creating a policy that aims to avoid chemicals of high concern (CoHCs)

M2. Including a preference for the use of safer alternatives

Corporate Integration and Accountability

M3. Integrating chemicals policies into business strategy

M5. Ensuring accountability for implementation of chemicals policies

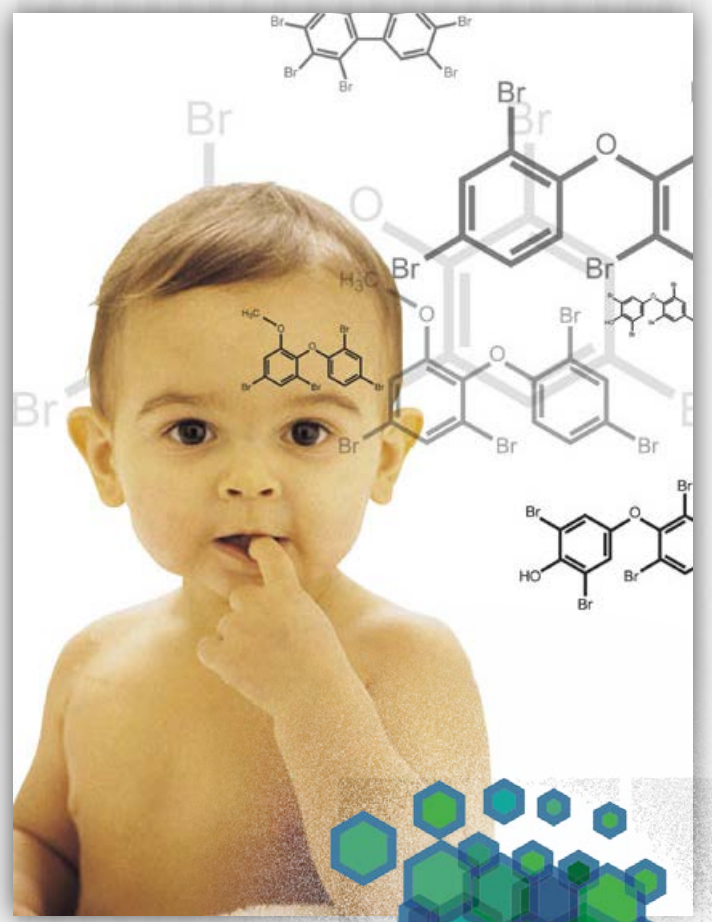
External advocacy

M4. Advocating for initiatives that promote the use of safer chemicals

Chemicals of High Concern
(CoHCs)

- carcinogen, mutagen, or reproductive toxicant (CMR)
- persistent, bioaccumulative and toxic substance (PBT)
- any other chemical for which there is scientific evidence of probable serious effects to human health or the environment that give rise to an equivalent level of concern
- a chemical whose breakdown products result in a CoHC that meets any of the above criteria

- **CFP 2017 CoHC List (same as 2016)**



Safer Alternative Definition

- *A chemical that due to its inherent chemical and physical properties exhibits a lower propensity to persist in the environment, accumulate in organisms, and induce adverse effects in humans or animals than chemicals in current use*
  - *Must deliver needed function*
  - *In some cases, process or product redesign may eliminate need for chemical*

Corporate Policy – M1 and M2

M1 *Does your company have a chemicals policy that aims to avoid CoHCs?*

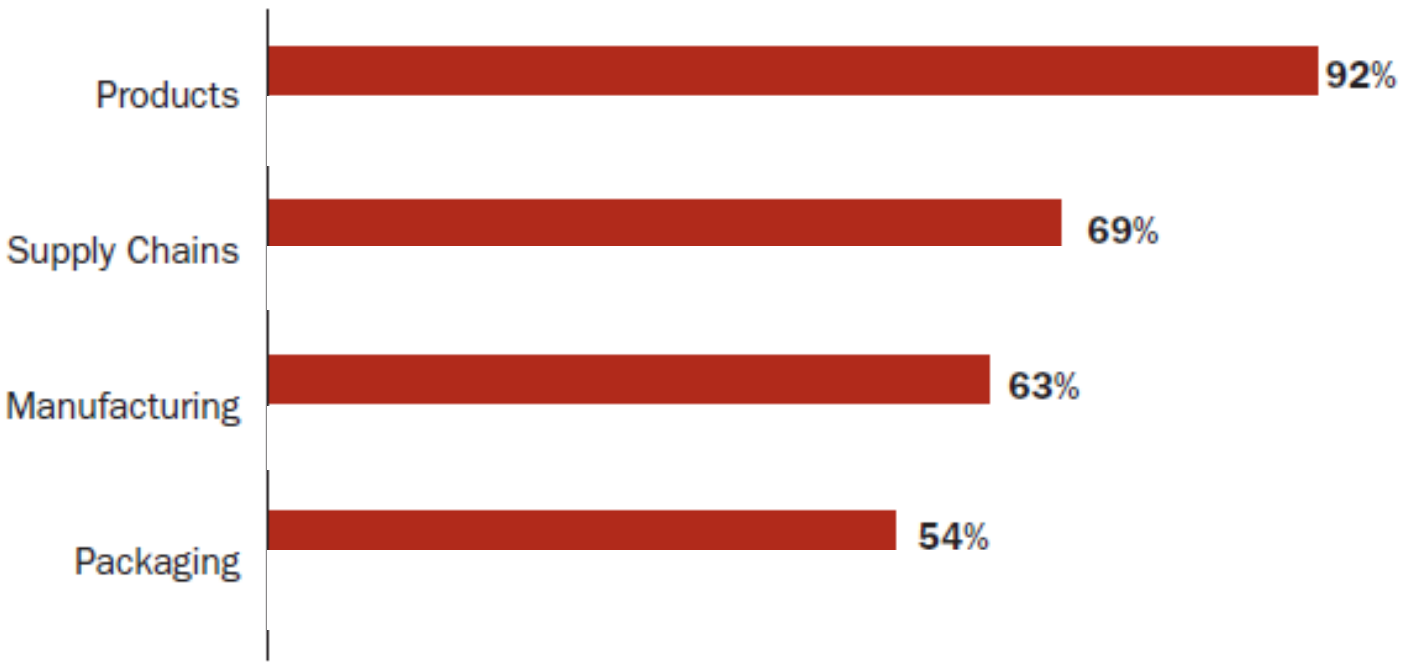
M2 *Does your company have a chemicals policy that in addition to avoiding CoHCs includes an explicit preference for the use of safer alternatives?*

SCOPE of these policies: products, manufacturing, supply chain, packaging

Publicly available?

2017 Findings: Corporate Policy (question M1)

Management Strategy: percent of companies with corporate policy addressing chemicals of high concern (M1)



Elements of more Comprehensive Policies

- Active and ongoing evaluation of ingredients
- Details on applicability, scope, and actions to be taken
- Purchasing, product stewardship
- Preference for safer alternatives is specified

Example: HP Materials and Chemicals Management Policy

Model Chemicals Policy for Brands and Manufacturers

- Built from EDF's template for retailers
- Includes 6 elements:
  - Intent
  - Scope
  - Supply Chain Transparency
  - Safer Chemistry
  - Informed Consumers
  - Public Commitment

https://www.biznogo.org/safer-chemicals/corporate-policies

Corporate Integration and Accountability

M3. *Is reducing CoHCs and/or advancing safer alternatives beyond regulatory requirements integrated into your company's business strategy?*

M5. *What means of accountability does your company have in place to ensure implementation of your chemicals policy?*

M3 – change for 2017 – CFP asks for narrative response

- Product design/redesign
- New product development
- Growth strategy
- Communication (B to B)
- Communication with consumers

GOJO: Example of Integration into Business Strategy

- Sustainable chemistry implementation team
- Product development – reformulation away from chemicals of concern
- Internal communication about goals
- External communication to customers

Key Elements of Accountability

- Explicit support
- Metrics
- Regular reporting
- Cross-functional teams
- Active engagement and questioning

MANAGEMENT STRATEGY INDICATORS (20 points)

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Annual Survey
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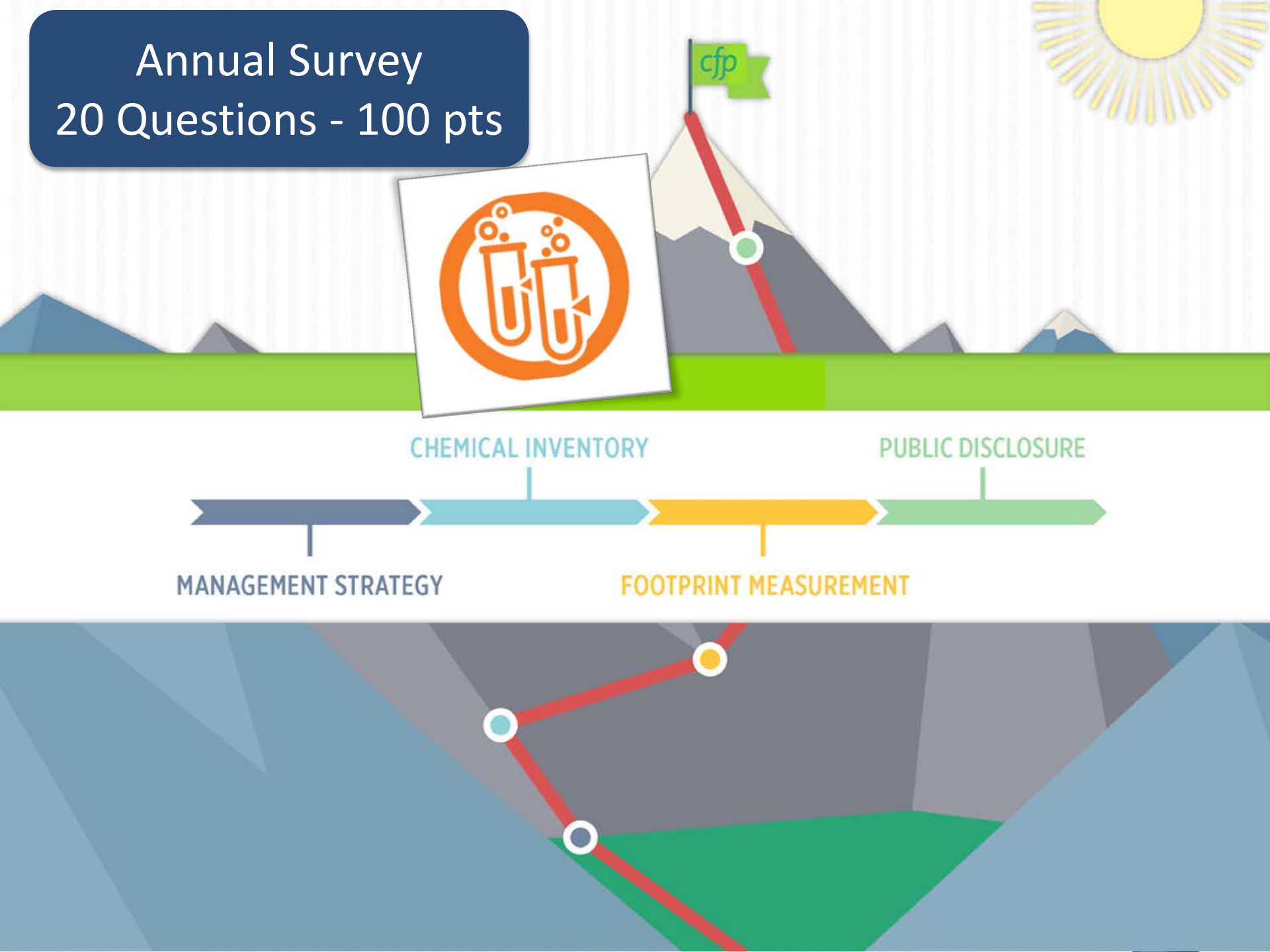

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RSL	• What is the scope of your RSL
RSL Compliance	• How do you ensure currency & supplier compliance
Supplier	• What data do you request from suppliers
Inventory	• What % of products do you have full chemical ingredient info
Data Management	• What capabilities do you have for managing data?

Key Terms

Restricted Substances List (RSL): A list of chemicals restricted by a company in products, parts, or components from its suppliers.

Manufacturing Restricted Substances List (MRSL): A list of chemicals banned from intentional use in facilities that process materials, components and/or products.

Watch List: A list of chemicals of concern that a company does not currently prohibit, but is considering prohibiting in the future due to scientific evidence that a chemical may cause harm to human health or the environment.

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I1. What is the scope of chemicals of concern you restrict in your products and manufacturing processes? (5 points)

- **Restricted Substances List** (covers products)
  - legal compliance only
  - strictest standard across jurisdictions where company operates
  - strictest standard worldwide
  - voluntary limits beyond strictest regulations
- **Manufacturing RSL** (covers process chemistry)

I2. What actions does your company take to ensure that its list of restricted substances beyond compliance is current and implemented effectively? (5 points)

a. delineates requirements for complying with our RSL/MRSL in contracts with suppliers
b. trains suppliers about how to comply with our RSL/MRSL
c. updates our RSL/MRSL at minimum on an annual basis
d. engages external stakeholders such as non-governmental organizations (NGOs), business customers, and consumers in the development of our RSL/MRSL.
e. publicly discloses our RSL/MRSL

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I3. What chemical information does your company collect from suppliers?
(5 points)

a. confirm RSL compliance
b. confirm RSL compliance + info on Watch List (1 – 50 chemicals)
c. confirm RSL compliance + info on Watch List (> 50 chemicals)
d. request full chemical ingredient information.
e. require full chemical ingredient information

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I4. For what percentage of products sold by your company do you collect chemical ingredient information? (5 points)

Full Chemical Ingredient Information:

- **For formulated products:**
  100% of the intentionally added substances by mass and
  any likely impurities that are both a CoHC and present at 100 parts per million (ppm) or higher in the formulation.

- **For articles, at the level of homogeneous material:**
  95% of the intentionally added substances by mass and
  any likely impurities that are both a CoHC and present at 1,000 ppm or higher.

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I5. What capabilities does your company have for managing data on chemical ingredients in its products? In your documentation, please include a description of your data system. (5 points)

a. internal point(s) of contact or outside contractor
b. data system to manage an inventory of chemicals in products
c. data system that links our inventory of chemicals in products to chemical hazard information
d. data system for generating reports on chemical/material ingredient declarations to customers

Example: Seagate Technology

Footprint Measurement

CHEMICAL INVENTORY

PUBLIC DISCLOSURE

MANAGEMENT STRATEGY

FOOTPRINT MEASUREMENT

FOOTPRINT MEASUREMENT INDICATORS (30 points)

Measurement

F1. Setting goals for measuring CoHCs and measuring progress
F2. Measuring baseline chemical footprint
F3. Measuring reduced use of CoHCs

Safer alternatives

F4. Assessing the hazards of chemicals
F5. Encouraging the use of safer alternatives

Why Footprint Measurement?

- Quantitative metrics
- Key to internal and external communication
- Understand if/where CoHCs are in products
- Identify opportunities for moving to safer alternatives

Measurement:F1, F2, F3

F1. *Setting goals for reducing CoHCs and measuring progress*

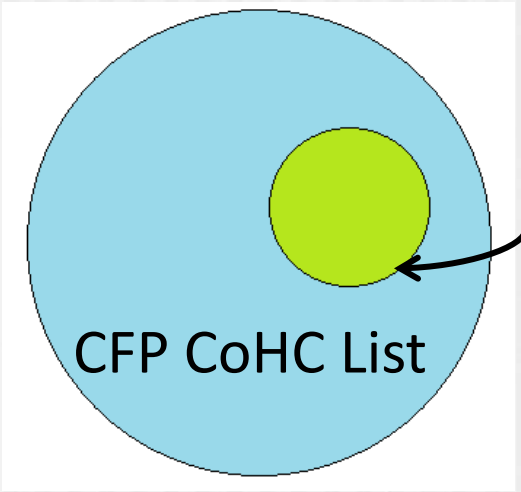
F2. *Measuring baseline chemical footprint*

F3. *Measuring reduced use of CoHCs*

Chemical Footprint: ***the total mass of chemicals of high concern (CoHCs) in products sold by a company, used in its manufacturing operations and by its suppliers, and contained in packaging*****.**

Footprint Measurement

- Chemicals in products (not manufacturing, supply chains, or packaging)
- Report mass and/or count of CoHCs
- Two reference list options:
  - CFP CoHC List + EU REACH Candidate SVHC List (169 chemicals)



Footprint challenges

- New metric
- Depends on robust inventory
- On ramp option designed to enable more companies to calculate

Safer alternatives:F4, F5

F4 *How does your company assess the hazards of chemicals in its products beyond regulatory requirements?*

F5 *How does your company encourage the use of safer alternatives?*

Public Disclosure and Verification

CHEMICAL INVENTORY

PUBLIC DISCLOSURE

MANAGEMENT STRATEGY

FOOTPRINT MEASUREMENT

Disclosure & Verification — 20%

Average % of possible points scored in 2016 survey

CHEMICAL INVENTORY

PUBLIC DISCLOSURE

MANAGEMENT STRATEGY

FOOTPRINT MEASUREMENT

DISCLOSURE & VERIFICATION INDICATORS (20 points)

Public Disclosure

D1. Chemicals in products (8 points)
D2. CFP Survey responses (3 points)
D3. CFP Survey score (5 points)

Verification

D4. Third party verification of responses (4 points)

D1.a – Formulated Products

D1. What information does your company disclose about the chemical ingredients in its products? (8 points)

Response Options

Answer all that apply.

D1.a. Enter the percentages for all that apply. For formulated products, our company publicly discloses:

i. Chemical identity beyond legal requirements for ____ percentage of sales at the SKU level

ii. All intentionally added chemicals including fragrances, flavors, and preservatives in products for ____ percentage of sales at the SKU level

iii. We do not publicly disclose information about chemical ingredients in our formulated products beyond legal requirements.

D1.b – Articles

D1. What information does your company disclose about the chemical ingredients in its products? (8 points)

Response Options

D1.b. Enter the percentages for all that apply. For articles, our company publicly discloses:

i. Generic material content for 95% by mass of chemicals in products for ____ percentage of sales or spend at the SKU level

ii. Chemical identity for 95% by mass of chemicals in products for ____ percentage of sales or spend (e.g., Health Product Declaration)

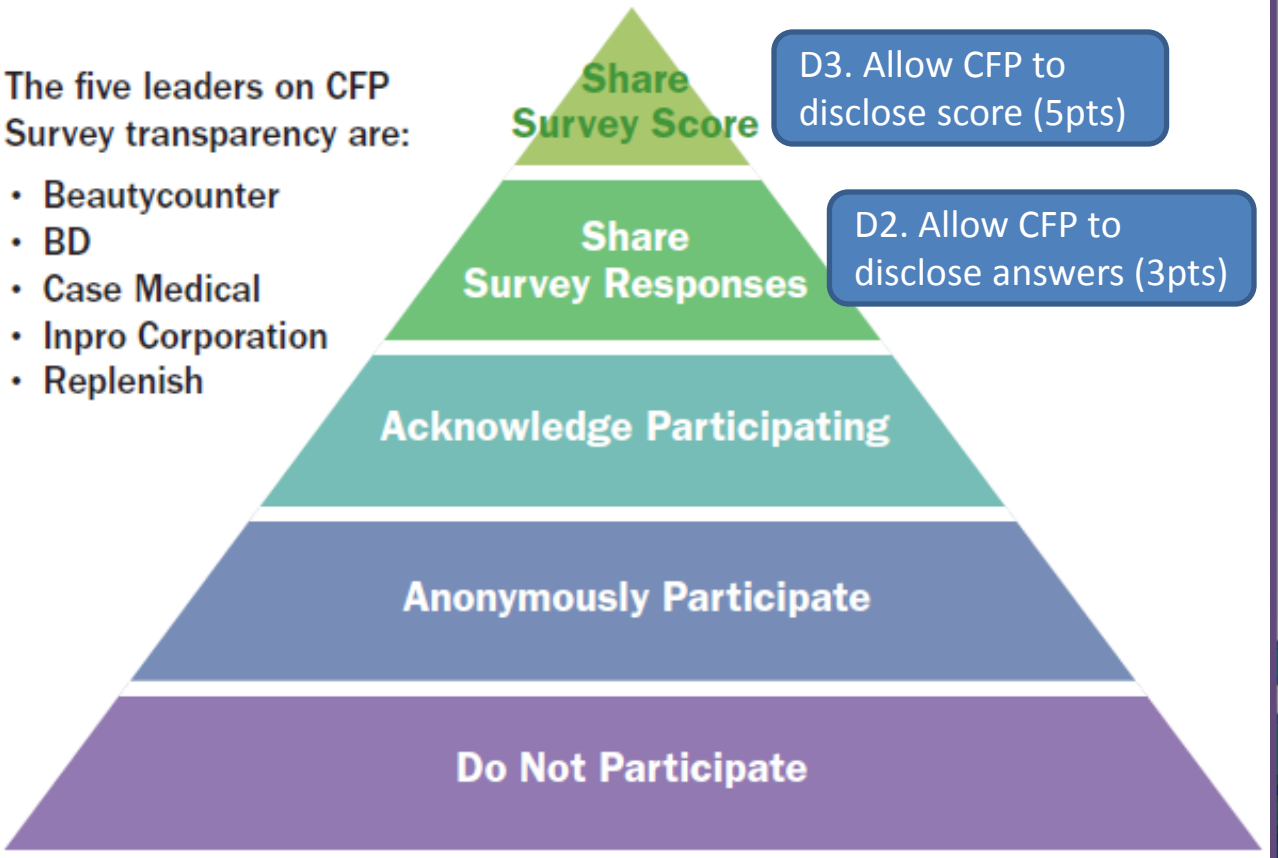
iii. We do not publicly disclose information about chemicals in our articles beyond legal requirements.

Points for publicly disclosing CFP answers (D2) & score (D3)

FIGURE 28. **Disclosure & Verification:**
Levels of Transparency in CFP Participation

The five leaders on CFP Survey transparency are:

- Beautycounter
- BD
- Case Medical
- Inpro Corporation
- Replenish



D3. Allow CFP to disclose score (5pts)

D2. Allow CFP to disclose answers (3pts)

D4. Verification

Guideline
Independence
Competence & Ethics
Subject Matter
Criteria
Quality Control
Sufficient and appropriate evidence
Results Report

D4. Have any of your company's responses to the questions in the Survey been verified by an independent third party? (4 points)

Response Options

Check only one response option. Our company's response options have been verified by an independent third party for:

a. none to one of our response options

b. two to four of our response options

c. at least eight of our response options

d. at least twelve of our response options

e. all response options except D2, D3, and D4

Timeline

November 1, 2017: CFP Survey opened

December 7, 2017: CFP Workshop (Boston)

January 31, 2018: CFP Survey closed

June 2018: CFP Annual Report released

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Questions & Thank You

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