Management Strategy Webinar
January 16, 2020
Chemical Footprint Project (CFP) Survey Webinar Series

- January 16: Management Strategy
- January 23: Chemical Inventory
- January 30: Footprint Measurement
- February 6: Public Disclosure & Verification

All webinars: 1:00pm - 2:00pm EST

Survey open: February 2 – April 30
Zoom Webinar: Q&A
Speaker

Cheri Peele
Program Manager
Chemical Footprint Project
Clean Production Action
Clean Production Action
Solutions for a safer & healthier tomorrow
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Today’s Webinar

• Today: Management Strategy
  – Introduction to the CFP Survey
  – Management Strategy:
    • M1: corporate policy
    • M2: business strategy
    • M3: external advocacy
    • M4: accountability
  – Q&A
“THE GLOBAL GOAL TO MINIMIZE ADVERSE IMPACTS OF CHEMICALS AND WASTE WILL NOT BE ACHIEVED BY 2020. SOLUTIONS EXIST, BUT MORE AMBITIOUS WORLDWIDE ACTION BY ALL STAKEHOLDERS IS URGENTLY REQUIRED”

UNited Nations Environment Programme, Global Chemicals Outlook II*
3R’s of “Chemical Risks”

- Regulatory Risks
- Reputation Risks
- Redesign Risks
Investors include:
- Bank J Safra Sarasin
- BNP Paribas Investment Partners
- Boston Common Asset Management
- Calvert Research & Management
- Impax Asset Management
- Legal & General Investment Management
- Rhode Island Treasury
- The Sustainability Group of Loring, Wolcott & Coolidge
- Trillium Asset Management

Health Care & Retail include:
- CVS Health, Rite Aid, Staples, Target & Walmart
- Dignity Health, Kaiser Permanente, & Vizient
Investor Environmental Health Network (IEHN) members engaged 46 companies in CFP including Dollar Tree, Hasbro, & Target.

Mind the Store campaign to eliminate toxics in retail, gives points in its Retailer Report Card to companies participating in CFP.

Vizient, with over $100 billion in health care related purchasing volume, invited all its awarded suppliers to participate in the CFP 2019 Survey.

Walmart is engaging private and national brand suppliers in meeting its goal of a reduced chemical footprint by 10% by 2022.

The Environmental Defense Fund’s (EDF’s) new Supply Chain Solutions Center features resources to support chemicals management.
CFP SURVEY ALIGNS WITH SASB MATERIALITY METRICS

“FOUR OF THE WORLD’S LARGEST MONEY MANAGERS — BLACKROCK, VANGUARD, STATE STREET GLOBAL ADVISORS, AND FIDELITY INVESTMENTS — ALONG WITH CALSTRS, CALPERS, AND OTHER STATE PENSION FUNDS WANT BUSINESSES TO REPORT TO SASB STANDARDS.”
JOIN THE CHEMICAL FOOTPRINT PROJECT AND MOVE BEYOND COMPLIANCE

ENGAGE
investors in market opportunities & reduced risks

MEASURE
& reduce your chemical footprint

MEET
customer demand for transparency & safer products

SHARE
your journey to safer chemicals & clean production
THE CFP SURVEY

19 questions leading companies to environmentally sound chemicals management — a holistic framework necessary for systemic solutions
Participants in 2019 Survey

- **Apparel / Textiles**: Levi Strauss & Co., Standard Textile
- **Building / Furnishings**: Herman Miller, Miliken, Naturepedic, Nora Systems, **Steelcase**
- **Cleaning / Personal Care**: Beautycounter, Clorox, Diversey, Ecolab, GOJO, Kimberly-Clark Corporation, **Meliora Cleaning Products**, RB, Seventh Generation
- **Medical devices/supplies**: BD, Case Medical, J&J, **Philips**, Steris
- **Technology**: HP Inc., Xerox
- **Retail**: Dollar Tree, Target, Walmart
- **Toys**: Hasbro, Radio Flyer

3 additional companies chose to remain anonymous

*Companies in orange participated for the first time in 2019.*
Continuous Improvement

53% Returning companies: 1st year data

67% Returning companies: 2018 data

FIGURE 1.
CFP Survey results, returning companies: first year data versus 2018 data. Percent of total possible points.
New Platform in 2020

- Scaled program to the Toxnot software platform this year
- Continued high security
- Confidential data: Toxnot serves as a platform with no access to content, similar to Box
- Improved user experience
- Returning responders: For 2019 responses or earlier, contact Cheri Peele
Why focus on Management Strategy?
Chemical of High Concern (CoHC):

- carcinogen, mutagen, or reproductive toxicant (CMR), or
- persistent, bioaccumulative and toxic substance (PBT), or
- 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, or
- a chemical whose breakdown products result in a CoHC that meets any of the above criteria

The criteria for a CFP CoHC align with GHS criteria and GreenScreen Benchmark 1 criteria.
Safer Alternative

A chemical, material, product, process or technology that is less hazardous for humans and the environment than the existing approach.
CFP Survey Questions
Management Strategy (4 Qs – 20 pts)

M1. Does your company have a chemicals policy that aims to avoid chemicals of high concern (CoHCs) and includes a stated preference for the use of safer alternatives? (8 points)

M2. Is reducing the use of CoHCs and advancing safer alternatives beyond regulatory requirements integrated into your company’s business strategy? (4 points)

M3. How does your company advocate externally for the use of safer chemicals? (4 points)

M4. What means of accountability does your company have in place to ensure implementation of your chemicals policy? (4 points)
MANAGEMENT STRATEGY (SECTION M) TOPICS
M1: Corporate Chemicals Policy (8 points)

Does your company have a chemicals policy that:

• aims to **avoid chemicals of high concern (CoHCs)** and
• includes a stated preference for the use of **safer alternatives**?

• **Scope**: products, packaging, facilities, manufacturing, & supply chain
• **Publicly available**?
# M1: Components & Scoring

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<th>Scope</th>
<th>Reduce CoHCs</th>
<th>Preference for Safer Alternatives</th>
<th>Publicly Available (provide web link)</th>
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<td>Packaging</td>
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Has manufacturing/ does not have manufacturing
Elements of Comprehensive Chemicals/Materials 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
HP Inc.’s Chemicals & Materials Management Policy

Commitments include:

• “Proactively evaluate materials and chemicals in HP’s products and supply chain …”
• “Redesign products and processes to avoid the use of chemicals of concern.”
• “Collaborate with supply chain partners to drive innovation in the development and adoption of environmentally preferable alternatives.”

We are committed to ensuring the principles outlined in this policy are integrated into our business operations. This includes conducting assessments, defining performance goals and metrics, reviewing results with senior management regularly, and publicly reporting on our continual improvement in areas covered by this policy.

Judy Glazer
Global Head of Sustainability and Product Compliance

https://www.chemicalfootprint.org/results/2017-report
BizNGO Chemicals Policy Template for Brands and Manufacturers

Six elements:
- Intent
- Scope
- Supply Chain Transparency
- Safer Chemistry
- Informed Consumers
- Public Commitment

https://www.bizngo.org/safer-chemicals/corporate-policies
Percent of Companies with Chemicals Policies, 2019
Chemicals Policies
(Question M1)
Average % of possible points across all companies

26% improvement since 2015
Improvements in Chemicals Policies

- Increase scope of chemicals management policy
  - Manufacturing (2 companies)
  - Packaging (2 companies)
- Add explicit preference for safer alternatives (2 companies)
- Make policy(ies) public (7 companies)
M2.

Is reducing the use of chemicals of high concern and advancing safer alternatives beyond regulatory requirements integrated into your company’s business strategy?

(4 points)
M2: Integration in Business Strategy

Check all that apply:

a. **Screen**: We screen for CoHCs in product design and/or procurement.

b. **Prefer**: We have a list of safer chemicals or safer materials that are preferred in product design and/or procurement.

c. **Avoid**: We avoid the use of CoHCs in manufacturing processes.

d. **Not applicable**: We do not manufacture products.

e. **Marketing**: Our company highlights the use of safer chemicals and materials in its product marketing.

f. None of the above.

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M2a: Screen for CoHHCs in product design/procurement

What is your process for screening chemicals?
What are your criteria for screening chemicals?
Note: this is not about RSLs, which is addressed in Chemical Inventory

Using the best available sources, we screen every potential ingredient for information on specific hazards like cancer, developmental toxicity, hormone disruption, and infertility.
M2b: Prefer safer chemicals in product design/procurement

- What is your list of preferred chemicals?
- How was it created?
- How is it integrated into product design and/or procurement?
M2c: Avoid CoHCs in manufacturing operations (or M2d – no manufacturing)

- Only relevant if you have manufacturing operations; does not apply to supply chain.
- What is your list of CoHCs (it could be an MRSL)?
- What are your criteria for identifying CoHCs?
- How is the avoidance process implemented? e.g., all cases or only under certain situations

Metal finishing is a common yet complex process that occurs either as a sole function of a facility or as part of the overall operation of a manufacturing facility. Metal finishing often uses highly toxic chemicals such as heavy metals, acids, solvents and reactants, that makes this a particularly important sector from a toxics use reduction (TUR) perspective.

With the designation of cadmium, hexavalent chromium, lead and trichloroethylene as high hazard substances, this industry sector has increased need for innovative TUR opportunities.

New -- check out the case study from Independent Plating, a metal finishing company that recently converted a nickel plating line to accommodate a new technology that substitutes trivalent chromium for hexavalent chromium. The case study documents the company's decision-making process and the business case for making the change.
M2e: Use of safer chemicals and materials in product marketing
M3.
How does your company **advocate externally** for the use of safer chemicals?
(4 points)
Check all that apply. Our company engages in external initiatives that clearly promote the:

a. prioritization of chemicals for reduction based on their inherent hazards.
b. reduction in the use of CoHCs.
c. development and adoption of safer alternatives, including green chemistry solutions.
d. public disclosure of CoHCs or other chemical ingredients in products.

Options a – d are each worth one point.
M3: External Advocacy

Check all that apply. Our company engages in external initiatives that clearly promote the:

- **“External initiatives”**
  - Public policy initiatives: legislation, regulation, executive order, procurement specification
  - Standards and ecolabels: EPEAT, HPDC, LEED, etc.
  - NGO initiatives: BizNGO, Chemical Footprint Project, Green Chemistry & Commerce Council, etc.

- **“Clearly”**
  - Public evidence that the organization supports relevant initiatives
M3: External Advocacy

Our company engages in external initiatives that clearly promote the:

a. prioritization of chemicals for reduction based on their inherent hazards. Examples:
   - BizNGO Principles for Safer Chemicals: implementation of Principle #2: “assess and avoid hazards”
   - U.S. EPA Safer Choice Program
   - California Safer Consumer Product Regulations
   - Massachusetts Toxics Use Reduction Act
   - UNIDO/UNEP Cleaner Production Programs
Our company engages in external initiatives that clearly promote the:

b. **reduction in the use of CoHCs.** Examples:

- Any restriction of a CoHC:
  - Local or state: e.g., Washington State restriction of PFAS chemicals in food packaging or fire fighting foam
  - National or Regional: US EPA (TSCA), EU REACH (SVHCs)
- BizNGO Principles for Safer Chemicals: implementation of Principle #2: “assess and avoid hazards”
- U.S. EPA Safer Choice Program
- UN Stockholm POPs: support addition of new chemicals
M3: External Advocacy

Our company engages in external initiatives that clearly promote the:
c. development and adoption of **safer alternatives**, including green chemistry solutions. Examples:

- California Safer Consumer Product Regulations
- Standards with alternatives assessments: e.g., EPEAT
- BizNGO Principles for Safer Chemicals: implementation of Principle #2: “assess and avoid hazards”
- U.S. EPA Safer Choice Program
- Sweden KemI – toxic-free everyday program
Our company engages in external initiatives that clearly promote the:
d. public disclosure of CoHCs or other chemical ingredients in products. Examples:

• California Cleaning Right to Know Act
• Health Product Declaration Collaboration
• BizNGO Principles for Safer Chemicals: implementation of Principle #1: “know and disclose”
• U.S. EPA Safer Choice Program
• UNEP Chemicals in Products Programme
M3a,b,c,&d: Support US EPA Safer Choice Program

Companies write urging Pruitt to back Safer Choice

Signatories include Walmart, Levi Strauss, Henkel and P&G

23 March 2017 / Cleaning products, Green chemistry, Personal care, Retail, Textiles & apparel, United States

More than 180 organisations have written to US EPA administrator Scott Pruitt to support the agency’s Safer Choice programme. Among signatories to the letter are the Consumer
M3a,b,c,&d: Become a Signatory to the Chemical Footprint Project
Governor Brown Signs Cleaning Product Right to Know Act to Create First-in-Nation Label Law for Consumers

Leading manufacturers of cleaning products also embraced the Cleaning Product Right to Know Act, including California-based Honest Company and WD-40, Seventh Generation, Procter & Gamble, SC Johnson, Reckitt Benckiser, Unilever, Eco Lab, fragrance maker Givaudan, and the Consumer Specialty Products Association, the trade association representing major manufacturers.

SACRAMENTO, CA – Today Governor Brown signed the Cleaning Product Right to Know Act of 2017, authored by Senator Ricardo Lara (D-Bell Gardens). The Cleaning Product Right to Know Act makes California the first state to require ingredient labeling both on product labels and online for cleaning products used by millions of consumers and workers.
M3a,b,c,&d: Seventh Generation

- Co-founder of the Companies for Safer Chemicals Coalition
- Signatory to the BizNGO Principles for Safer Chemicals and active participant in the BizNGO Public Policy & Advocacy Work Group
- Partners with NGOs Safer Chemicals Healthy Families, Breast Cancer Fund, and Women’s Voices for the Earth
- Took progressive position on TSCA reform and commented publicly
- Supported California Cleaning Product Right to Know Act
M4.
What means of **accountability** does your company have in place to ensure implementation of your chemicals policy? (4 points)
M4. Accountability

Our company:

a. delineates chemicals management responsibilities in job descriptions and individual annual performance metrics

b. assigns member(s) of senior management responsibility for meeting chemical policy goals and objectives

c. has financial incentives for senior management to meet corporate sustainability goals. These goals include reducing the use of some or all CoHCs.

d. has board level engagement in the implementation of our chemicals policy

e. none of the above

Options a – d are each worth one point.
Key Elements of Accountability

- Explicit support
- Metrics
- Regular reporting
- Cross-functional teams
- Active engagement and questioning
Options for getting started

• Use Survey as a self-assessment tool
• Participate anonymously
• Calculate footprint for one or a few product categories
• Use the shorter chemicals of high concern reference list (EU SVHC)
Schedule 2020

- Jan – Feb 2020  CFP webinar series
- Feb 2 – Apr 30, 2020  CFP Survey open
- May – June 2020  Scoring & Analysis
- July – Sept 2020  Annual Report written
- October 2020  Scores reported to companies

2020 Annual Report release
Questions:

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