Chemical Inventory Webinar
January 23, 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
Clean Production Action
Solutions for a safer & healthier tomorrow
Chemical Footprint Project (CFP) Survey Webinar Series

- January 16: Management Strategy
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Today’s Webinar

• Today: Chemical Inventory
  – Introduction to the CFP Survey
  – Chemical Inventory:
    • I1 & I2: Restrictions on chemicals of concern
    • I3 & I4: Data collection
    • I5 & I6: Data management
  – Q&A
CFP SIGNATORIES
Investors, Health Care, Governments, NGOs, and Retailers

Signatories are:
• Investors with $2.78 trillion in assets under management (AUM)
• Health care systems, group purchasing organizations, & retailers with over $700 billion in purchasing power

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
AN INCREASE OF 29% FROM 2018

31

COMPANIES RESPONDED TO THIS YEAR’S SURVEY

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
Chemical Inventory
Why focus on Chemical Inventory?
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.
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.
CHEMICAL INVENTORY INDICATORS (30 points)

**Restricted Substances**
1. What is the scope of chemicals you restrict?
2. How do you ensure requirements are up-to-date & implemented effectively?

**Data collection**
3. What chemical information do you request from suppliers?
4. For what % of products do you collect full chemical ingredient info?

**Data Management & Conformance**
5. What capabilities do you have for managing data?
6. How does your company ensure conformance with your chemicals requirements?
Chemical Inventory

Absence of chemicals

Presence of chemicals

Data management/conformance
I1: What is the scope of chemicals of concern you restrict in your products and manufacturing processes? (5 points)

- **Restricted Substances List** (chemicals in products)
  - legal compliance only
  - strictest standard across jurisdictions where company operates
  - strictest standard worldwide
  - voluntary limits beyond strictest regulations
- **Manufacturing RSL** (chemicals used in manufacturing)
- **List of chemicals identified for reduction**: may or may not be required
Absence of Chemicals: Scope of Restricted Substances List (RSL)

- Manufacturing RSL (MRSL)
- Market-specific legal restrictions
- Most stringent legal restrictions worldwide
- Most stringent restrictions
- Voluntary restrictions
Example of I1c: AAFA 2018 RSL
Example of I1e: ZDHC MRSL

The ZDHC MRSL is a list of chemical substances that should be banned from intentionally use by the industry in the production of textile, apparel, leather and footwear. The ZDHC MRSL applies to chemicals used in facilities that process materials and trim parts for use in the industry. Chemicals in the ZDHC MRSL include solvents, cleaners, adhesives, paints, inks, detergents, dyes, colourants, auxiliaries, coatings and finishing agents used during raw material production, wet-processing, maintenance, wastewater treatment, sanitation and pest control.
1. What is the scope of chemicals of concern you restrict in your products and manufacturing processes? (5 points)

- **Restricted Substances List** (chemicals in products)
  - legal compliance only
  - strictest standard across jurisdictions where company operates
  - strictest standard worldwide
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- **Manufacturing RSL** (chemicals used in manufacturing)
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- **List of chemicals identified for reduction**: may or may not be required

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I2: What actions does your company take to ensure that its requirements (as selected in I1) are current and implemented effectively? (5 points)

a. delineates compliance requirements in contracts with suppliers.
b. trains suppliers about how to comply with our requirements.
c. updates our RSL/MRSL/other requirements at minimum on an annual basis.
d. publicly discloses our RSL/MRSL/other requirements. Provide web link.

(each option worth 1.25 points)
Example of I2a: HP “Active Verification”

Materials management process

- Alternative materials assessment
- Materials specification
- Materials documentation
- Materials tracking
- Materials testing
- Manufacturing process

“Clean” materials in

“Clean” products out
Examples of I2e: publicly available RSLs

The Burton Corporation
Sustainable Chemicals Management Policy and Restricted Substance List ("RSL")

Restricted Substances List ("RSL")
2018

HP Standard 011 General Specification for the Environment
The HP General Specification for the Environment (GSE) includes the following eleven standards.
I3: What chemical information does your company, either directly or through a respected third-party, 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
13: What chemical information does your company, either directly or through a respected third-party, collect from suppliers?

- RSL (confirm absence of chemicals of concern)
- Watch List (partial ingredient information)
- Full chemical ingredient information: request or require
I4: For what percentage of products sold by your company do you collect full chemical ingredient information? (5 points)

**Intent**
This question seeks to understand the scope of your company’s data collection on full chemical ingredient information. *It is available only if, in question I3, you have checked response options “d” or “e.”*

I3.d. request full chemical ingredient information.
I3.e. require full chemical ingredient information
I4: For what percentage of products sold by your company do you collect full chemical ingredient information?

Answer all that apply.

14a. Formulated Products: For what percentage of formulated products sold by your company is full chemical ingredient information collected? ______ percent

14b. Articles: For what percentage of articles sold by your company is full chemical ingredient information collected? ______ percent

Scoring:
- Formulated products only: % * 5
- Articles only: % * 5
- Formulated products & articles: [% (from I4a) * 2.5] + [% (from I4b) * 2.5]
I4: For what percentage of products sold by your company do you collect full chemical ingredient information?

**Key definition: “Full Chemical Ingredient Information”**

with different requirements for “formulated products” and “articles”

- **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.

- **Articles** at the level of homogeneous material (definition of “article” based on REACH):
  - 95% of the intentionally added substances by mass and
  - any likely impurities that are both a CoHC and present at 1000 ppm or higher.

- For definitions of “formulated products” and “article” see Appendix C: Glossary of Terms
I4: For what percentage of products sold by your company do you collect full chemical ingredient information?

**Key reporting & documentation requirements:**

- Report using either:
  - **mass** – percent of full chemical ingredient information collected by mass of products sold; or
  - **sales** – percent of full chemical ingredient information collected by number of units or dollars of products sold.

Other metrics can be used, such as product categories, but these units of analysis are less preferred as they require more details to understand how they are defined.

- Documentation: must clearly demonstrate how percent of products sold was calculated and how “full chemical ingredient information” is collected, including impurities.
14: For what percentage of products sold by your company do you collect full chemical ingredient information?

Every formula ingredient, including known components of fragrances, flavors, and intentionally added preservatives, are listed on our product labels or on Beautycounter.com.

Source: https://www.beautycounter.com/transparency

A “lucky guess”

According to the EHS&S interviewee who was directly involved with FMD establishment (SC), the 95% target of FMD data collection was a “lucky guess”, as it turned out to be achievable in the long run.

Source: http://lup.lub.lu.se/luur/download?func=downloadFile&recordOid=8962508&fileOid=8962510
I5: What capabilities does your company have for managing data on chemical ingredients in its products? (5 points)

Check all that apply. Our company has:

a. an **internal named point(s) of contact** or outside contractor who communicates with suppliers concerning our chemical information requirements.

b. a **data system** (either internal or third party) **to manage an inventory of chemicals** in products.

c. a **data system** (either internal or third party) that **links** our **inventory of chemicals** in products **to chemical hazard information**.

d. a **data system for generating reports** on chemical/material ingredient declarations to customers.

*(each option worth 1.25 points)*
I5: What capabilities does your company have for managing data on chemical ingredients in its products?

b. a data system to manage an inventory of chemicals in products

d. a data system for generating reports on chemical/material ingredient declarations to customers

Source: http://lup.lub.lu.se/luur/download?func=downloadFile&recordOid=8962508&fileOid=8962510
I5: What capabilities does your company have for managing data on chemical ingredients in its products?

c. a **data system** (either internal or third party) that **links** our **inventory of chemicals** in products **to chemical hazard information**.

Third party examples include …
I6: How does your company ensure conformance with your chemicals requirements? (5 points)

Check all that apply. Our company:

a. has an **audit program** to verify supplier submitted data.

b. **requires suppliers to test parts in third party approved labs** and provide results.

c. **trains suppliers** on how to comply with reporting requirements.

d. **routinely tests** parts, components, or products to ensure conformance with reporting requirements.

*(each option worth 1.25 points)*
Seagate’s Compliance Assurance System for Collecting and Managing Chemical In Product Data

Source: Iossi, Pololo, & Thorpe, 2012; developed from Martin, 2009

- STX approves supplier Part
- Supplier prepares IPC form and supporting documentation
- Supplier prepares IPC form and supporting documentation to seagateipc@seagate.com
- DONE IPC/supplying documents successfully submitted
- Supplier notified of report program through weekly report
- Weekly report generated to report approval status
- Supplier notified of report program through weekly report
- WSP reviews weekly reports and submittal history with Seagate
- WSP provides regular training to assist suppliers to prepare submissions to CAS System
- WSP provides basic technical support to assist suppliers to prepare submissions to CAS System
- WSP checks and audits IPC and supporting documentation
- Logic Check
- Yes
- Compliance Check
- No
- No
- Yes
- No
- Yes
- Approval

- a. has an audit program
- b. requires suppliers to test parts for compliance to REACH, RoHS, halogen-free, etc.
- c. trains suppliers on how to comply with reporting requirements
I6: How does your company ensure conformance with your chemicals requirements?

**Supplier training**

According to one EHS&S interviewee (SA), Seagate provides suppliers with training through the Compliance Partner using a two-pronged approach. The first is comprehensive training on the basics of FMD requirements and how to comply and use the CAS system. The second is through one-on-one mentorship with Compliance Partner staff to help correct errors and avoid future mistakes. All suppliers and employees are required to take FMD training.

c. trains suppliers on how to comply with reporting requirements
d. routinely tests parts, components, or products to ensure conformance with reporting requirements.

In addition to suppliers’ lab tests, the Seagate program manager who is responsible for developing new products is also responsible for product analysis and testing. The lab testing of products involves screening with X-rays to identify substances of concern. Any flagged substances then undergo more detailed tests to identify their concentrations.

Source for quotes: http://lup.lub.lu.se/luur/download?func=downloadFile&recordOid=8962508&fileOid=8962510
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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