

# GC3 Chemical Data Project Group

## Balancing Greater Transparency and CBI Protection

*Facilitating Chemical Data Flow Along Supply Chains*



2012/2013 Project Update

# **1. Trust in our supply chain partners**





## 16 ATTRIBUTES TO BUILDING TRUST




Edelman Trust Barometer research reveals **16 SPECIFIC ATTRIBUTES** which build trust.

These can be grouped into **FIVE PERFORMANCE CLUSTERS** listed here in rank order of importance.



### ENGAGEMENT

-  LISTENS TO CUSTOMER NEEDS AND FEEDBACK
-  TREATS EMPLOYEES WELL
-  PLACES CUSTOMERS AHEAD OF PROFITS
-  COMMUNICATES FREQUENTLY AND HONESTLY ON THE STATE OF ITS BUSINESS





### INTEGRITY

-  HAS ETHICAL BUSINESS PRACTICES
-  TAKES RESPONSIBLE ACTIONS TO ADDRESS AN ISSUE OR CRISIS
-  HAS TRANSPARENT AND OPEN BUSINESS PRACTICES




### PRODUCTS & SERVICES

-  OFFERS HIGH QUALITY PRODUCTS OR SERVICES
-  IS AN INNOVATOR OF NEW PRODUCTS, SERVICES OR IDEAS

### PURPOSE

-  WORKS TO PROTECT AND IMPROVE THE ENVIRONMENT
-  ADDRESSES SOCIETY'S NEEDS IN ITS EVERYDAY BUSINESS
-  CREATES PROGRAMS THAT POSITIVELY IMPACT THE LOCAL COMMUNITY
-  PARTNERS WITH NGOs, GOVERNMENT AND 3<sup>RD</sup> PARTIES TO ADDRESS SOCIETAL NEEDS

### OPERATIONS

-  HAS HIGHLY-REGARDED AND WIDELY ADMIRERD TOP LEADERSHIP
-  RANKS ON A GLOBAL LIST OF TOP COMPANIES
-  DELIVERS CONSISTENT FINANCIAL RETURNS TO INVESTORS

# Trust in Individuals: 3 Dimensions

The assumption is that:

People will communicate openly and honestly with one another. **This assumption is seldom correct.**

**Capacity to trust**: Shaped by life experience

**Perception of Competence**: Technical ability to perform or comprehend

**Perception of Intention**: Value systems

# Trust in Business: Core Concepts

The level of trust in business relationships—whether external, e.g. in sales or advisory roles, or internal, e.g. in a services function—is **a greater determinant of success than anything else, including content excellence.**

The Trust Equation: the components of trustworthiness

The Trust Creation Process: trust through personal interaction,  
mainly conversations

The Trust Principles: values, decision-making ,and conduct to  
increase trust.

# Balancing Act on information flows

## Personal

**Transparency**

**Conversations**

**Building Relationships**

**Privacy**



## Professional

**Innovation**

**IP/CBI/Trade Secrets**

**Legal/contractual requirements**

**Regulations**

**Company policies**

# Facilitating Flow of CBI Along Supply Chain

## Hypothesis

**CBI is seen as a common hurdle to information flow thru the supply chain. CBI protection is often the reason given for not providing information requested by other nodes in the supply chain.**

# We need to get this right

It has been estimated that approximately **70 percent of the market value** of U.S. firms resides in their trade secrets and intellectual properties.

## **2. Project Approach**

# CBI Information Management Road Map

Context	How is CBI handled (+ information flow)			
	Composition	Process	Human/ Environmental Safety	Business Information
<b>I Regulations</b>				
Prop 65 TSCA				
<b>II Standards</b>				
Organic (Food) NSF Standard XX				
<b>III Internal Policy</b>				
Responsible Sourcing Full composition				
<b>IV Claims</b>				
"Free-of" "Renewably Sourced" <sup>TM</sup>				

# Supply Chain Interfaces (Webinars)

## **Information (Source/User) Relationships and Viewpoints**

- |            |  |
|------------|--|
| 12-12-2012 | The Werks (Supply Chain Info) and Walmart (Retail)<br>Zach Freeze  |
| 2-15-2013  | Durst (Construction) and Healthy Building Network<br>Amanda Kaminsky & Tom Lent  |
| 2-25-2013  | Herman Miller (Furniture) and MBDC/C2C<br>Denise Van Valkenburg & Jay Bolus  |
| 3-27-2013  | Segetis (Chemical Supplier) and Seventh Generation<br>(Cleaning & Personal Care Products)<br>Cora Leibig & Martin Wolf |

## **2. Key Learnings**

# Everyone uses CDAs

## Confidential Disclosure Agreement (CDA) Management Systems

1. CDA between customer & direct supplier
2. CDA between end customer & upstream supplier
3. CDA between customer & 3<sup>rd</sup> party plus CDAs between 3<sup>rd</sup> party and suppliers

# Hazard information is what matters

- WerCS provides non-confidential hazard information to Walmart based on confidential composition.
- C2C communicates hazard assessment results generically to protect composition detail.
- HPD allows hazard disclosure without IP disclosure.

Information must be treated as CBI to be CBI

- Maintaining the confidentiality of CBI is critical.
- B2B disclosure without CDA is not CBI.
- If it has been disclosed publicly, it is not CBI:
  - Patent
  - Publication
  - Label
- Disclosure without CDA prior to patent grant date can destroy patentability. CBI subject to patent has an effective expiration date.

### **3. Next Steps**

# Open Ends

- Process of Asking and Receiving CBI
- Importance of Trade Secrets was not addressed
- Role of Environmental Marketing Claims
- Synthesizing Learnings into Principles

Come to the Project Group breakout session to learn more

# Thank you for listening!!

**Bob Kerr (Pure Strategies)**

**Carol Derby (DesignTex/Steelcase)**

**Monica Becker (Monica Becker & Associates)**

**Robert Giraud (DuPont)**

**Teresa McGrath (NSF International)**

**Joel Tickner (University Massachusetts Lowell)**

**Sarah Shields (University Massachusetts Lowell)**

**Homer Swei (Johnson & Johnson Consumer Products)**

**“Green Chemistry does not happen without the  
chemical industry.”**

**Prof. Joel Tickner, April 2013**