GC3 Chemical Data Project Group

Balancing Greater Transparency and CBI Protection

Facilitating Chemical Data Flow Along Supply Chains

8th Annual Innovators Roundtable

May 8-10 • 2013
New Brunswick, NJ

Hosted by Johnson & Johnson

2012/2013 Project Update
1. Trust in our supply chain partners
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.
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

**Professional**
- Innovation
- IP/CBI/Trade Secrets
- Legal/contractual requirements
- Regulations
- Company policies

**Personal**
- Transparency
- Conversations
- Building Relationships
- Privacy
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

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<thead>
<tr>
<th>Context</th>
<th>How is CBI handled (+ information flow)</th>
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<tr>
<td></td>
<td>Composition</td>
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<td>I Regulations</td>
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<td>Prop 65</td>
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<td>TSCA</td>
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<td>II Standards</td>
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<td>Organic (Food)</td>
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<td>NSF Standard XX</td>
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<td>III Internal Policy</td>
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<td>Responsible Sourcing</td>
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<td>Full composition</td>
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<td>IV Claims</td>
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<td>&quot;Free-of&quot;</td>
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<td>&quot;Renewably Sourced&quot;™</td>
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Supply Chain Interfaces (Webinars)

Information (Source/User) Relationships and Viewpoints

12-12-2012  The Wercs (Supply Chain Info) and Walmart (Retail)  
             Zach Freeze

2-15-2013   Durst (Construction) and Healthy Building Network  
             Amanda Kaminsky & Tom Lent

2-25-2013   Herman Miller (Furniture) and MBDC/C2C  
             Denise Van Valkenburg & Jay Bolus

3-27-2013   Segetis (Chemical Supplier) and Seventh Generation  
             (Cleaning & Personal Care Products)  
             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 & 3rd party plus CDAs between 3rd 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