New Tools to Assist Retailers in the Transition to Safer Chemicals and Products

OIA/SAC Chemicals Management Framework

Retailer
New York City
May 7, 2013
To Inspire, Educate and Outfit for a lifetime of Outdoor Adventure and Stewardship
By the Numbers

- $2 Billion revenue
- 20% Private Brands
- 80% Wholesale Brands (1500+)
  - The North Face
  - Merrell
  - Keen
  - Patagonia
  - Marmot
  - Mountain Hardwear
  - etc.
What's in the Gap?

- Raw material suppliers
- Spinners
- Weavers & Knitters
- Dyers, Printers, Finishers, & Laminators
- Assemblers (+ Trims)
- Brand
- Retailers

- Polymers, Fertilizers, Pesticides, Impurities etc.
- Lubricants, Dyes, Auxiliaries, etc.
- Sizing agents, Preparation agents, Carriers, etc.
- Dyes, Dyestuff auxiliaries, Coatings, Repellents, etc.
- Detergents, Conditioning agents, Treatments, etc.
Chemicals Management Working Group

- Outdoor Products
  - Pre-competitive
    - Full Lifecycle
- Environmental
  - Eco Index

Zero Discharge of Hazardous Chemicals

- Footwear & Apparel
- Environmental & Social
- 1/3 of Retail Value Globally
- Higg Index
Chemicals Management “System” Scope...

- The creation (e.g. growing, mining) of “raw material” inputs
- Conversion of feedstock into a material/part (e.g. gin/spin/knit/weave)
- Final processing required to convert the material into a finished material/part (e.g. dyeing, coating/finishing, washing)
- Assembly of components into final product (e.g. cut/sew)
- Any packaging material associated with the product’s life cycle
- Any transport of the product during its life time (non-fuel chemicals used)
- Activities associated with retail merchandising and consumer use/maintenance of the product
- When a product is at the end of its functional life of the last user
Chemicals Management Framework: How Performance is Measured

**Foundational**
- Entry-level
- Begins w/ Regulatory Compliance & RSL (Restricted Substances List)

**Progressive**
- Beyond compliance and RSL
- Implement processes to identify, assess, prioritize chemicals
- Identify preferred substances

**Aspirational**
- Comprehensive knowledge of chemicals and full disclosure
- Implementation of Green Chemistry practices – driving innovation toward safer alternatives
Chemicals Management Framework
## Indicators: Illustrative Example

<table>
<thead>
<tr>
<th>CONTINUUM</th>
<th>SUPPLY CHAIN LEVEL INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>F PA Retailer</td>
<td>Brand Supplier Chemical Supplier</td>
</tr>
</tbody>
</table>

**CM 1.0 - Regulatory Awareness & Compliance:** Know and ensure compliance with all chemicals management-related environmental, health and safety regulations for chemicals used in manufacturing processes and/or residing in Final Product.

<table>
<thead>
<tr>
<th></th>
<th>Retailer</th>
<th>Brand</th>
<th>Supplier</th>
<th>Chemical Supplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1.F1</td>
<td>Monitor Regulations: Retailer systematically monitors applicable regulations on a regular basis for each legal jurisdiction in which retailer operates or sells Final Products to ensure compliance and to identify new or changing compliance requirements.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B1.F1</td>
<td>Monitor Regulations: Brand systematically monitors applicable regulations on a regular basis for each legal jurisdiction in which the Brand operates or sells its Final Products to ensure compliance and to identify new or changing compliance requirements.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S1.F1</td>
<td>Monitor Regulations: Supplier systematically monitors applicable regulations on a regular basis for each legal jurisdiction in which supplier has manufacturing processes and/or sells their products to ensure compliance and to identify new or changing compliance requirements.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS1.F1</td>
<td>Monitor Regulations: Chemical supplier systematically monitors applicable regulations on a regular basis for each legal jurisdiction in which chemical supplier has manufacturing processes and/or sells their products to ensure compliance and to identify new or changing compliance requirements.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Indicators: *Illustrative Example*

### CM 2.0 - Restricted Substances / Substances of Concern:

- Create, communicate, and ensure compliance with a Restricted Substances List (RSL) used in manufacturing processes and/or residing in Final Product. An RSL includes chemicals to be actively managed and informed on. An RSL may contain chemicals for controlled use, targeted for elimination/substitution, and those that may be totally banned or may be regulated.

- Create and communicate a Substances of Concern List (SoCL) used to compile a list of chemicals, of interest for whatever reason, to be prioritized for assessment/evaluation.

### SUPPLY CHAIN LEVEL INDICATORS

<table>
<thead>
<tr>
<th>F</th>
<th>P</th>
<th>A</th>
<th>Retailer</th>
<th>Brand</th>
<th>Supplier</th>
<th>Chemical Supplier</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>R2.F1</td>
<td>B2.F1</td>
<td>S2.F1</td>
<td>CS2.F1</td>
</tr>
</tbody>
</table>

**R2.F1**
- **RSL/SoCL Point of Contact:** Retailer has an internal named point of contact to manage its Substances of Concern List (SoCL) and/or RSL requirements and communicates their name to brand and other relevant supply chain partners.

**B2.F1**
- **RSL Point of Contact:** Brand has an internal named point of contact to manage its RSL and communicates their name to supply chain partners.

**S2.F1**
- **RSL Point of Contact:** Supplier has an internal named point of contact for its RSL compliance and communicates their name to supply chain partners.

**CS2.F1**
- **RSL Point of Contact:** Chemical supplier has an internal named point of contact for its RSL compliance and communicates their name to supply chain partners.
## Supplemental Info

<table>
<thead>
<tr>
<th>Primary Objective</th>
<th>Guidance</th>
<th>Key Terms Defined</th>
<th>Examples and Templates</th>
<th>Information Resources, Tools &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>CM-3.0</td>
<td><strong>Documenting Suppliers &amp; locations</strong></td>
<td>1. <strong>Chemical ingredient information</strong>, including chemical name, trade name, and CAS number of chemical ingredient in an article or chemical mixture, including known impurities.</td>
<td><strong>Examples</strong></td>
<td></td>
</tr>
</tbody>
</table>
### Appendix G of the AfIRM Supplier Toolkit (page 32) with explanations and examples of preferred and non-preferred MSDSs  
### The MSDS FAQ  
### Meeting Customers’ Needs for Chemical Data  
### A guidance document for suppliers, Green Chemistry & Commerce Council (GC3)  
### GHS - Annex 4: Guidance on the preparation of Safety Data Sheets  
### Service Providers  
For companies needing assistance in preparing high quality SDSs, contact an SDS authoring service provider suggested internet search string: MSDS authoring |
|                   | **Retailers** | 2. Function of a chemical ingredient in an article or chemical mixture (e.g. catalyst, plasticizer, monomer, etc.). |  
### Does any brand have a list of Tier 1, 2, 3, helpful?  
### Dimethylformamide (DMF) – ANSI compliant  
See examples in Appendix B of GHS Document  
### Chemical Data Supplier Templates/Questionnaires  
### Voluntary Product Environmental Profile, National Textile Association (older version, new one almost done)  
### Customizable Letter and Template to request chemical information from a supplier, Green Chemistry & Commerce Council (GC3)  
### Certificates of Analysis (COA)  
See folder “Examples of Certificates of Analysis” for examples, https://sites.google.com/site/olacframworksupplementaldocs/  
### Other, better examples to add to folder?  
### Bill of Chemical Substances  
See example of a partial Bill of Chemical Substances built into a Bill of Materials in Bill of |
|                   | **Suppliers to brands** | 3. Process chemical information, including chemical ingredients, as well as the number of each chemical in each product. |  |  |
|                   | **Getting chemical data from your supply chain** | 4. Human, animal, chemical safety data sheets and chemical information component, as well as the number of each chemical in each product. |  |  |
|                   | **Second major step** | 5. Potential human or environmental exposure to chemical ingredients in an article or chemical mixture. |  |  |

### Safety Data Sheet (SDS) (also called material safety data sheet (MSDS) or product safety data sheet (PSDS)) is an important component of product stewardship and occupational safety and health. It is intended to provide workers and emergency personnel with procedures for handling or working with a substance in a safe manner, and includes information such as physical data (melting point, boiling point, flash point, etc.), toxicity, health effects, first aid, reactivity, storage, disposal, protective equipment, and spill-handling procedures. SDS formats can vary from source to source within a country depending on national requirements. SDSs typically contain a section for product ingredients; however, this information is often incomplete. **Glossary of terms related to SDSs** |  |  |

### Add’tl information resources

---

### Definitions

**General “how-to” guidance**

**Add’tl information resources**
Evaluating Chemicals Management as a BRAND

• It is “our” supply chain, our product. We *think* we should be doing most of this already
• Provides a quick view of current practices against foundational/improving/aspirational practices
• Useful for establishing strategic plans to extend existing practices
• Still... its *not* easy
Private Brand Chemicals Management Examples

**Regulatory Awareness & Compliance:** *Foundational*

B1.F2 *Integrate into Contracts*: Brand requires a contractual obligation with suppliers to comply with the regulatory requirements in legal jurisdictions where the brand operates and sells Final Products.

**Restricted Substances List (RSL):** *Improving*

B2.P1 *Integrate RSL into Contracts*: Compliance with brand’s RSL is part of contractual obligation of suppliers.

**Product & Process Chemistry Knowledge:** *Improving*

B3.P2 *Build Bill of Chemical Substances*: Brand, either directly or through a third party, has a business process and collaborates with its suppliers to build a "Bill of Chemical Substances" for chemicals used in manufacturing processes and/or residing in Final Product to make Final Products, and uses this information to verify RSL compliance and identify opportunities for chemical substitution / elimination.
Private Brand Chemicals Management

Examples

Chemical Hazard Assessment: *Aspirational*

B4.A1 **Assess for Chemical Hazards:** Brand has a business process in place, either directly or through a third party, to assess all chemicals against a defined and transparent set of human and environmental hazard criteria (e.g., CMR, PBT, ED, etc.) in order to prioritize actions and encourage chemical use toward safer alternatives, and can provide documentation upon request.

Chemical Safety and Risk Management: *Aspirational*

B5.A3 **Integrate Risk Management Performance into Procurement:** Brand has a business process in place to factor suppliers’ risk management actions in to supplier selection and procurement decisions.

Green / Sustainable Chemistry Innovation: *Aspirational*

B7.A3 **Prefer Suppliers that Implement Sustainable Chemistry:** Brand has a purchasing business process that reinforces its commitment to safer chemicals and rewards suppliers who employ sustainable chemistry in the design and manufacture of products.
Evaluating Chemicals Management as a RETAILER

- Has not been a place of extensive scrutiny for organization
- CMFW provides common language for discussions between buyer/seller regarding CM practices
- CMFW is a common yardstick for measuring progress towards better CM practices
- REI to be working with top brands to assess practices per CMFW
Retailer Chemicals Management Examples

**Regulatory Awareness & Compliance: Foundational**

R1.F1 **Monitor Regulations:** Retailer systematically monitors applicable regulations on a regular basis for each legal jurisdiction in which retailer operates or sells Final Products to ensure compliance and to identify new or changing compliance requirements.

**Restricted Substances List (RSL): Foundational**

R2.F2 **RSL/SoCL Publicly Available:** Retailer has a RSL that, at a minimum, reflects regulations in the applicable jurisdictions where they operate, and/or has a SoCL that communicates to brands the substances of concern and targeted for additional action. These documents are publicly available.

**Product & Process Chemistry Knowledge: Improving**

R3.P2 **Build Bill of Chemical Substances:** Retailer engages with its brands to understand what business process the brand has in place to know the chemicals used to make the Brand’s Final Products.
Retailer Chemicals Management

Examples

Chemical Hazard Assessment: *Foundational*

R4.F1 **Name Point of Contact for Chemical Hazards:** Retailer has an internal named point of contact for activities related to chemical hazard assessment and communicates their name to supply chain partners.

Safer Alternatives Assessment and Preferred Substances: *Aspirational*

R6.A5 **Evaluate Life Cycle Impacts of Alternatives:** Retailer collaborates with brand and receives documentation of a brand’s business process to evaluate the impacts of existing and proposed alternatives on the product lifecycle (e.g. water usage, energy usage, wastewater treatment requirements, and disposal).

Green / Sustainable Chemistry Innovation: *Aspirational*

R7.P3 **Promote Transparency of Sustainable Chemistry Information:** Retailer gives equal emphasis to the transparency and communication of sustainable chemistry information as it does to the performance attributes of the products they purchase.
Why The CMFW is Important to us...

REI is committed to continuously improving our Chemicals Management Strategy

The Chemicals Management Framework provides all:

• A comprehensive view on chemicals management across the supply chain
• A place to start – Great internal conversations
• An ability to conduct a gap analysis between where we are, and where we think/want to be
• A clear(er) view of responsibilities, by specific role in the supply chain
• A common language on activities relating to chemicals management
• Hope to “mind the gap”
Get Involved

• Chemicals Management Framework Pilot – April – June 2013
• Excel/Web Calculator to share content by Q2 2013
• Chemicals Update to HiGG Index Q4 2013

Beth Jensen - Director of Corporate Responsibility - bjensen@outdoorindustry.org
Thank You

Beth Jensen - Director of Corporate Responsibility - bjensen@outdoorindustry.org