



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

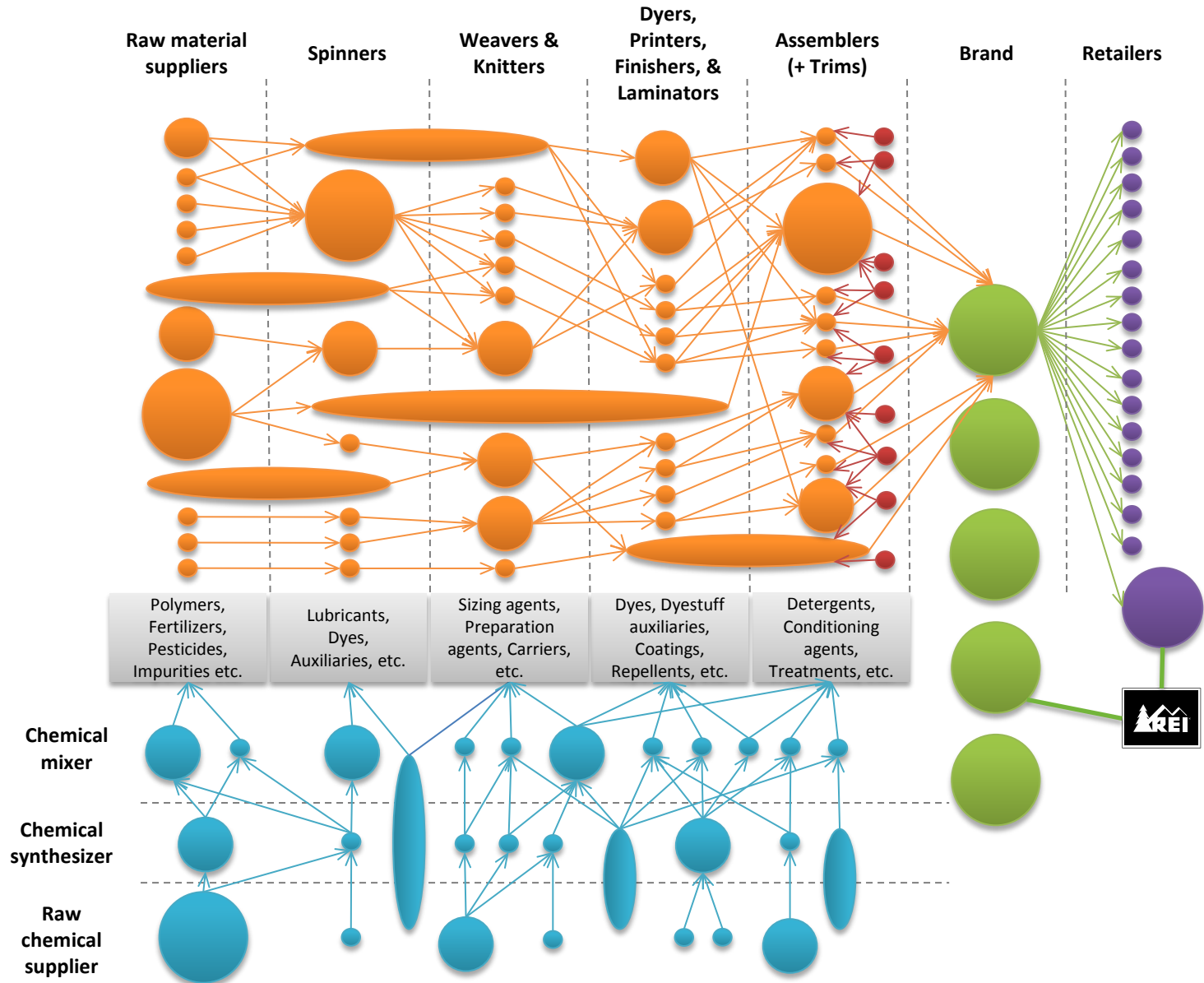
- \$2 Billion revenue
- 20% Private Brands
- 80% Wholesale Brands (1500+)
 - The North Face
 - Merrell
 - Keen
 - Patagonia
 - Marmot
 - Mountain Hardwear
 - *etc.*



Mind the Gap



What's in the Gap?



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



- Footwear & Apparel
- Environmental & Social
- 1/3 of Retail Value Globally
- Higg Index

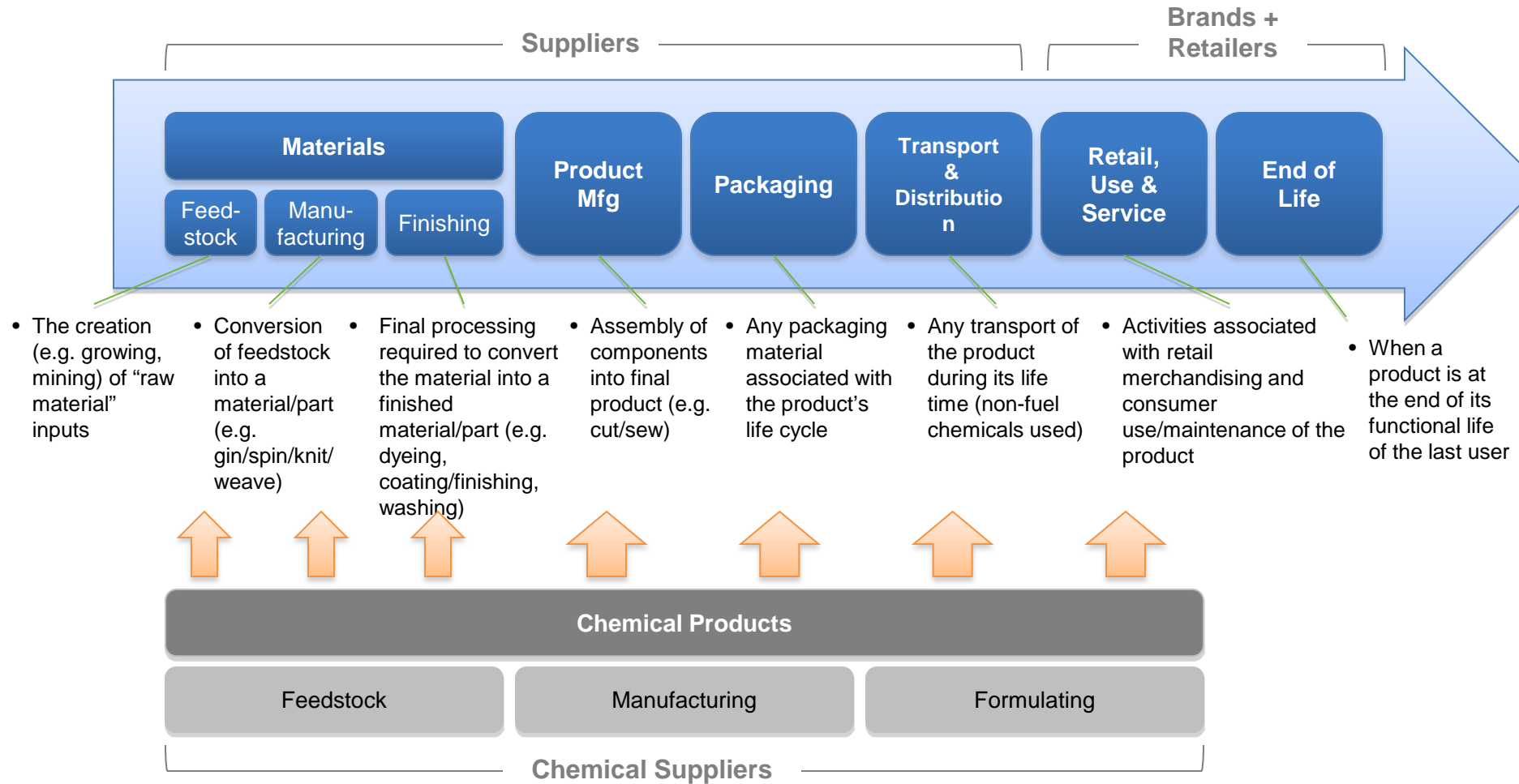
Chemicals Management Working Group

Zero Discharge of Hazardous Chemicals

Chemical Management Framework



Chemicals Management “System” Scope ...



Chemicals Management Framework: How Performance is Measured



Continuum of Performance

Foundational

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

Progressive

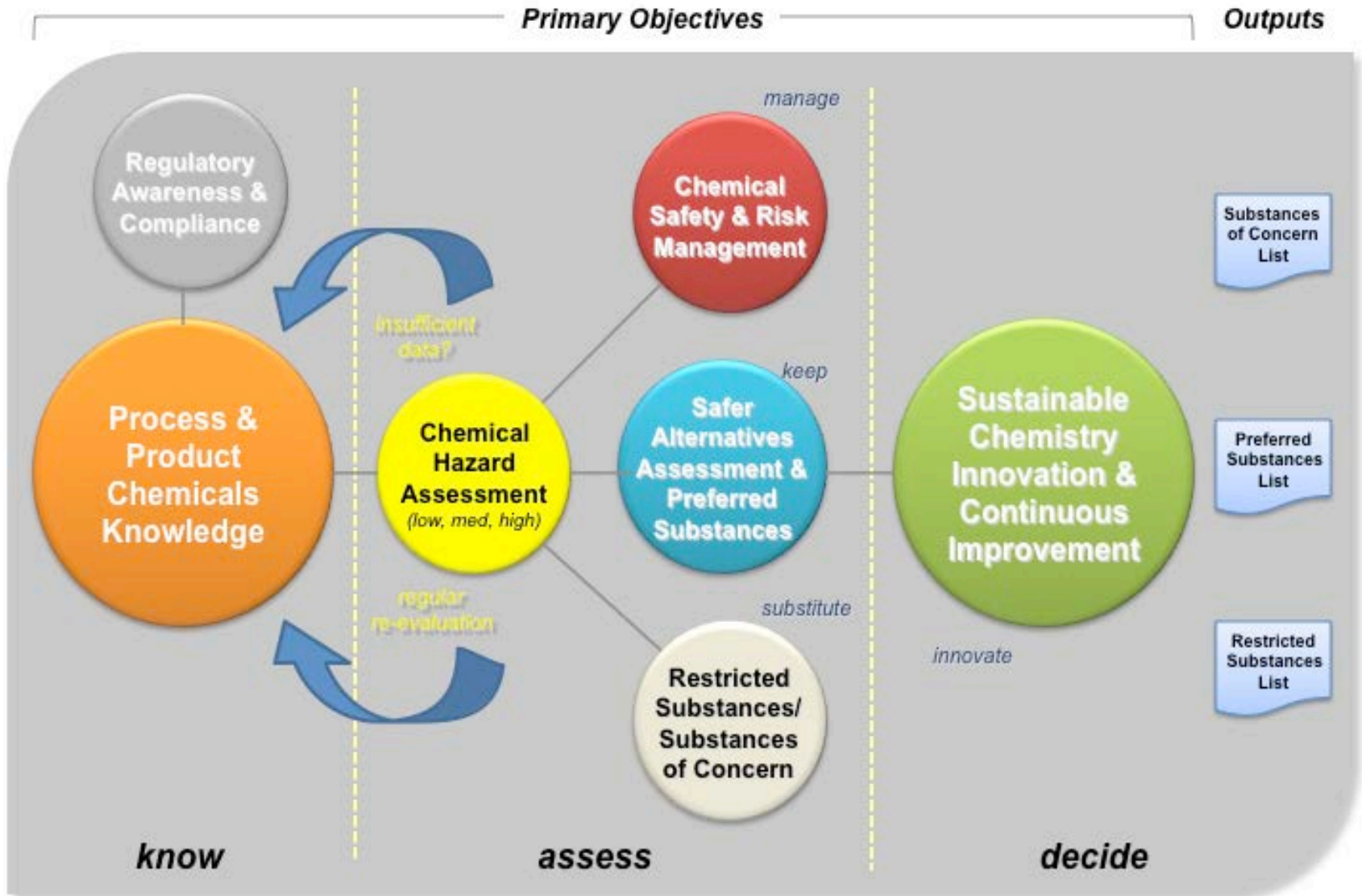
- Beyond compliance and RSL
- Implement processes to identify, assess, prioritize chemicals
- Identify preferred substances

Aspirational

- Comprehensive knowledge of chemicals and full disclosure
- Implementation of Green Chemistry practices – driving innovation toward safer alternatives



Chemicals Management Framework



Indicators: *Illustrative Example*

CONTINUUM			SUPPLY CHAIN LEVEL INDICATORS			
F	P	A	Retailer	Brand	Supplier	Chemical Supplier
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.						
			R1.F1 Monitor Regulations: Retailer systematically monitors applicable regulations on a regular basis for each <u>legal jurisdiction</u> in which retailer operates or sells Final Products to ensure compliance and to identify new or changing compliance requirements.	B1.F1 Monitor Regulations: Brand systematically monitors applicable regulations on a regular basis for each <u>legal jurisdiction</u> in which the Brand operates or sells its Final Products to ensure compliance and to identify new or changing compliance requirements.	S1.F1 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.	CS1.F1 Monitor Regulations: Chemical supplier systematically monitors applicable regulations on a regular basis for each <u>legal jurisdiction</u> in which chemical supplier has manufacturing processes and/or sells their products to ensure compliance and to identify new or changing compliance requirements.

Indicators: *Illustrative Example*

CONTINUUM	SUPPLY CHAIN LEVEL INDICATORS
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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.

F	P	A	Retailer	Brand	Supplier	Chemical Supplier
●		SoCL	R2.F1 RSL/SoCL Point of Contact: Retailer has an internal named point of contact to manage its <u>Substances of Concern List (SoCL)</u> 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 <u>internal named point of contact</u> to manage its <u>RSL</u> and communicates their name to supply chain partners.	S2.F1 RSL Point of Contact: Supplier has an internal named point of contact for its <u>RSL compliance</u> 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

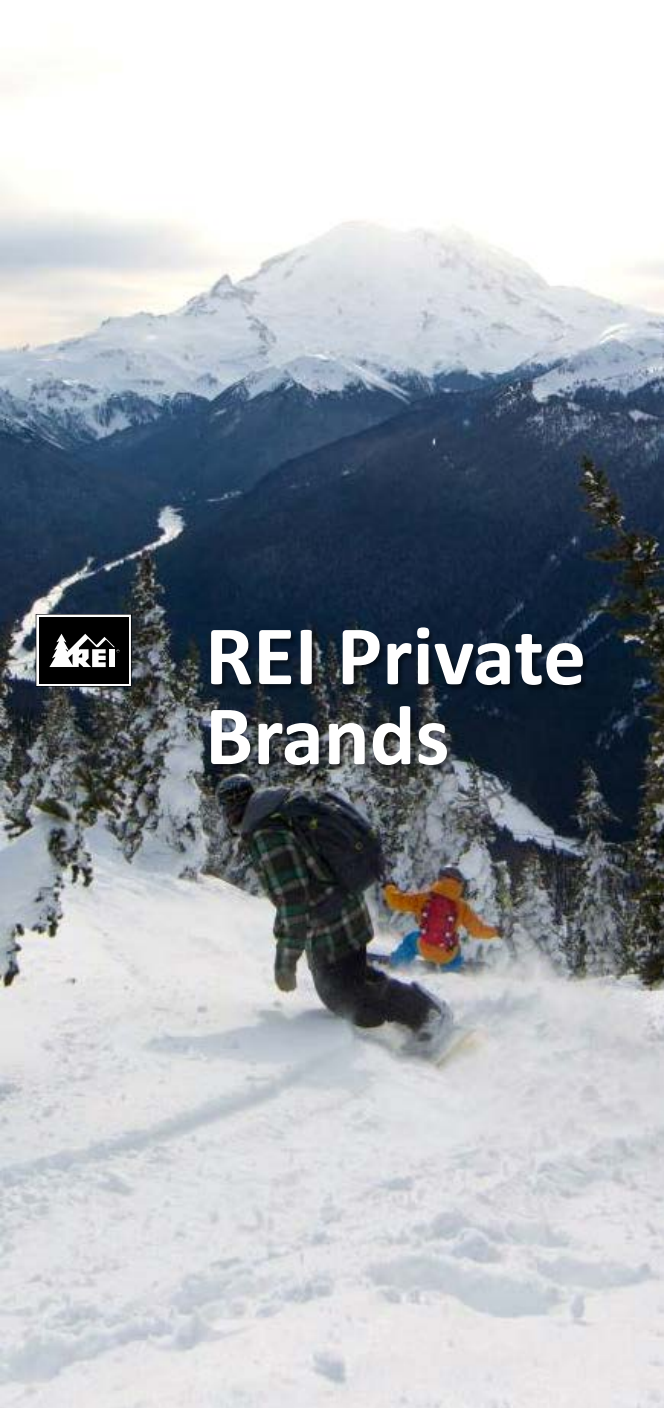
Primary Objective	Guidance	Key Terms Defined	Examples and Templates	Information Resources, Tools & Services
<p>CM-3.0</p>	<p>Documenting Suppliers & locations</p> <p>The <u>first major step</u> toward better access to chemical data is to know and document the company name and geographic location of your suppliers, and the companies that should have access to the chemical data that must be passed up the supply chain from chemical supplier, to users of chemicals in the manufacture of product, to retailers.</p> <p>Retailers of chemicals should maintain an inventory of chemical suppliers from which they purchase chemicals. They should establish a system to ensure that products are sold as a brand. In the case of a brand this is likely a garment cut/sew/finish facility or other intermediary.</p> <p>Suppliers to brands should maintain a similar inventory for chemical suppliers for all chemicals purchased.</p> <p>Getting chemical data from your supply chain</p> <p>The <u>second major step</u> is to obtain chemical data. When communicating with suppliers, be clear in specifying the types of information needed, how that information should be provided, how the information will be used, and consequences of not providing that information.</p> <p>Some companies have developed systems to help their suppliers provide this information, including:</p> <ul style="list-style-type: none"> • Written guidance detailing the type of chemical information needed and required format of the data. • Supplier questionnaires with specific questions addressing chemical ingredients, concentrations, etc. 	<p>Categories of chemical data/information, include:</p> <ol style="list-style-type: none"> 1. <u>Chemical ingredient information, including chemical name, trade name, and CAS number of chemical ingredients in an article or chemical mixture, including known impurities.</u> 2. <u>Function of a chemical ingredient in an article or chemical mixture (e.g. catalyst, plasticizer, monomer, etc.).</u> 3. <u>Process chemical information, including chemical name, trade name, and CAS number of chemicals used in the process.</u> 4. <u>Human health, safety, and environmental effects and chemical ingredients and chemical mixtures such as those used in the process.</u> 5. <u>Potential human or environmental exposure to chemical ingredients in an article or chemical mixture.</u> <p>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.</p> <p>Glossary of terms related to SDSs</p>	<p>Examples</p> <p>a. Factory Lists</p> <p>Example of Factory Lists from Mountain Edge</p> <p>Does any brand of Tier 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000</p> <p>b. Safety Data Sheet (SDS)</p> <p>Example of SDS for Dimethylformamide (DMF) – ANSI compliant</p> <p>See examples in Appendix B of GHS Document</p> <p>c. Chemical Data Supplier Templates/Questionnaires</p> <p>Voluntary Product Environmental Profile, National Textile Association (older version, new one almost done)</p> <p>Customizable Letter and Template to request chemical information from a supplier, Green Chemistry & Commerce Council (GC3)</p> <p>d. Certificates of Analysis (COA)</p> <p>See folder “Examples of Certificates of Analysis” for examples, https://sites.google.com/site/oiacmframeworksupplementaldocs/</p> <p>Other, better examples to add to folder?</p> <p>e. Bill of Chemical Substances</p> <p>See example of a partial Bill of Chemical Substances built into a Bill of Materials in Bill of Chemical Substances folder</p>	<p>Information Resources</p> <p>Appendix G of the AFIRM Supplier Toolkit (page 32) with explanations and examples of preferred and non-preferred MSDSs</p> <p>The MSDS FAQ</p> <p>Meeting Customers’ Needs for Chemical Data</p> <p>A guidance document for suppliers, Green Chemistry & Commerce Council (GC3)</p> <p>GHS - Annex 4: Guidance on the preparation of Safety Data Sheets</p> <p>Service Providers</p> <p>For companies needing assistance in preparing high quality SDSs, contact an SDS authoring service provider. Suggested internet search string: MSDS authoring</p>

General “how-to” guidance

Definitions

Examples and templates

Add’l information resources



REI Private Brands


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



**National
Wholesale
Brands**

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

Framework: <http://www.outdoorindustry.org/responsibility/chemicals/cmpilot.html>

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Thank You

Framework: <http://www.outdoorindustry.org/responsibility/chemicals/cmpilot.html>
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