Confidential Business Information and Innovation
What is CBI?

- Any information known to a company which, if known publicly, would diminish the value of the company.
  - Chemical structures
  - Chemical composition
  - Chemical process data
  - Chemical production & sales data
Issues Surrounding CBI

• Health and safety data
• Public right-to-know
• Value chain right-to-know
• Sharing among government entities
CBI Protects Innovation

• Investment in innovation is protected
  – Patents not always appropriate or sufficient
CBI Prevents Innovation

- Need for innovation is hidden
- Status quo is protected
Voluntary Ingredient Disclosure

- Initiative developed by:
  - American Cleaning Institute
  - Consumer Specialty Products Association
  - Canadian Consumer Specialty Products Association
- Introduced in January 2010
- Update in January 2012
Voluntary Ingredient Disclosure

• Highlights (current):
  – List ingredients in order of predominance
  – Use INCI, IUPAC, CAS, common names
  – Fragrances, dyes, preservatives
  – Functional names for proprietary ingredients (e.g. “anionic surfactant”)
  – On label, website, 800-number
Voluntary Ingredient Disclosure

• Highlights (2012):
  – Dyes, preservatives must be identified
  – Fragrances: Must point to a list of ingredients used as fragrances
  – Must list website or 800-number, if used
Recent Actions on CBI

• US EPA
  – FIFRA
  – TSCA
  – DfE

• California
  – Green Chemistry Initiative

• New York DEC
  – Proposed implementation of Ch. X Part 169
Value Chain Communication

• Current State
  – Legally required information (e.g. MSDS)
  – Technical Data Sheets
  – Other information may be difficult to obtain

• Proposed State
  – NSF/GCI 355 Greener Chemicals and Processes Information
Communication Beyond Tier 1

• Through Tier 1 to Tier 2
  – May infringe on Tier 1 - Tier 2 relationship
  – May create new opportunities
    • Innovation
    • Cost savings

• Tier 3 and Beyond
  – Direct
  – Through Associations
### Supply Chain Map for Sodium Lauryl Sulfate

<table>
<thead>
<tr>
<th>Growing &amp; Harvesting of Palm Fruit and Coconuts</th>
<th>Production of Palm Kernel Oil at Palm Oil Mill &amp; Coconut Oil</th>
<th>Production of Lauryl Alcohol from Oil</th>
<th>Production of SLS from Lauryl Alcohol</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coconut oil Plantation - 1</td>
<td>Coconut Oil Supplier - 1</td>
<td>Lauryl Alcohol Supplier - 1</td>
<td>SLS Supplier - 1</td>
</tr>
<tr>
<td>Coconut oil Plantation - 2</td>
<td>Coconut Oil Supplier - 2</td>
<td>Lauryl Alcohol Supplier - 2</td>
<td></td>
</tr>
<tr>
<td>Coconut oil Plantation - 3</td>
<td>Palm kernel oil Supplier - 1</td>
<td>Lauryl Alcohol Supplier - 3</td>
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<tr>
<td>Palm kernel oil Plantation - 1</td>
<td>Palm kernel oil Supplier - 2</td>
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<td>Palm kernel oil Plantation - 2</td>
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<tr>
<td>Palm kernel oil Plantation - 3</td>
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</tr>
</tbody>
</table>
Example (continued)

- Tier 1 Supplier did not grant access to Tier 2 supplier
- Used Literature to gain information
- Developed relationships with Tier 2+ suppliers through associations (RSPO)
For Break-Out Session

• Did claiming CBI protect our Tier 1 supplier?
• Did claiming CBI promote or impede innovation?
• If data are available in the literature, is there really CBI to protect?
• Were the interests of the public protected?
Thank you.