

STAPLES

Advantage

U.S. Chemicals Policy Reform and its Importance for Business

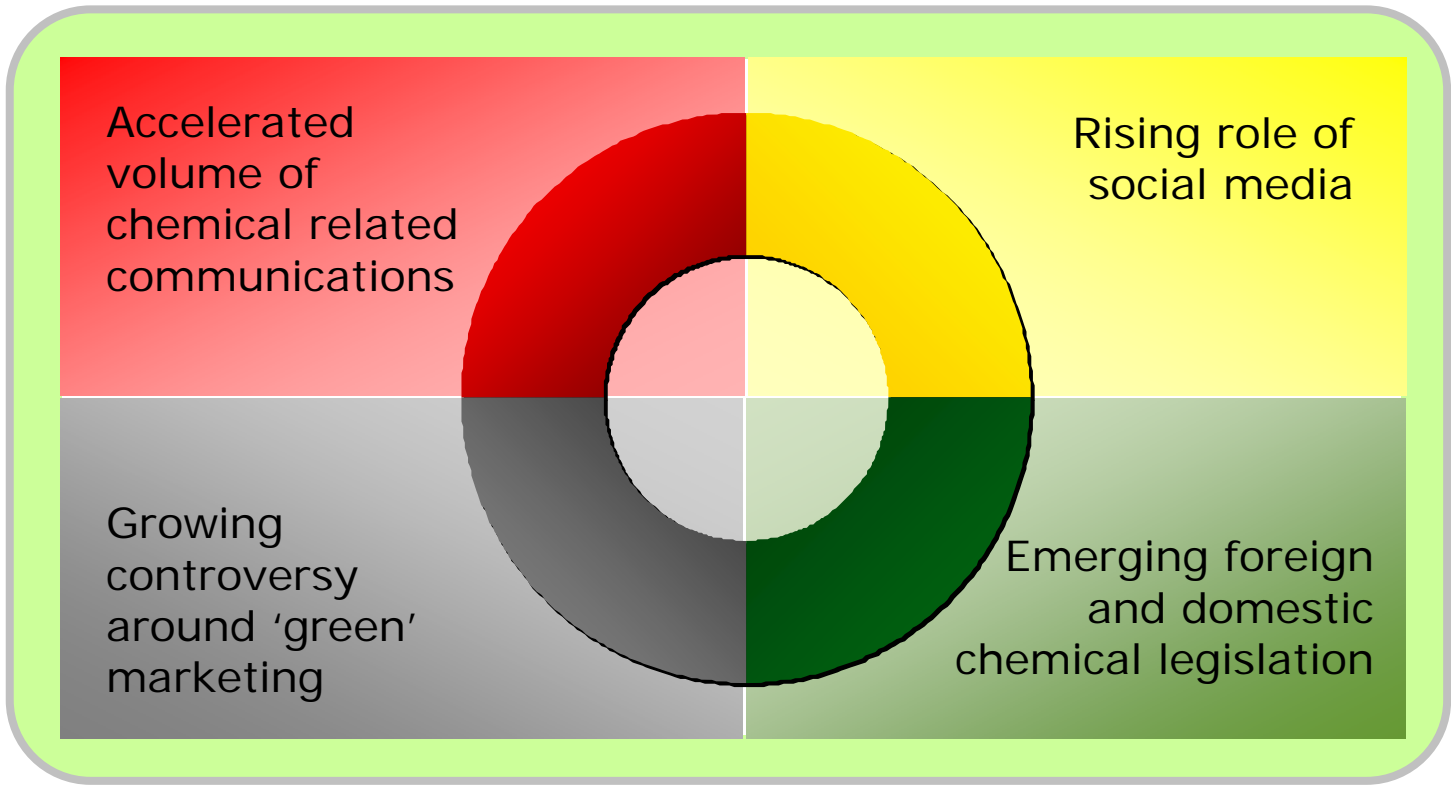
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November 13, 2009, Webinar on U.S. Chemicals Policy Reform

Hosted by Safer Chemicals, Healthy Families and Business NGO Working Group

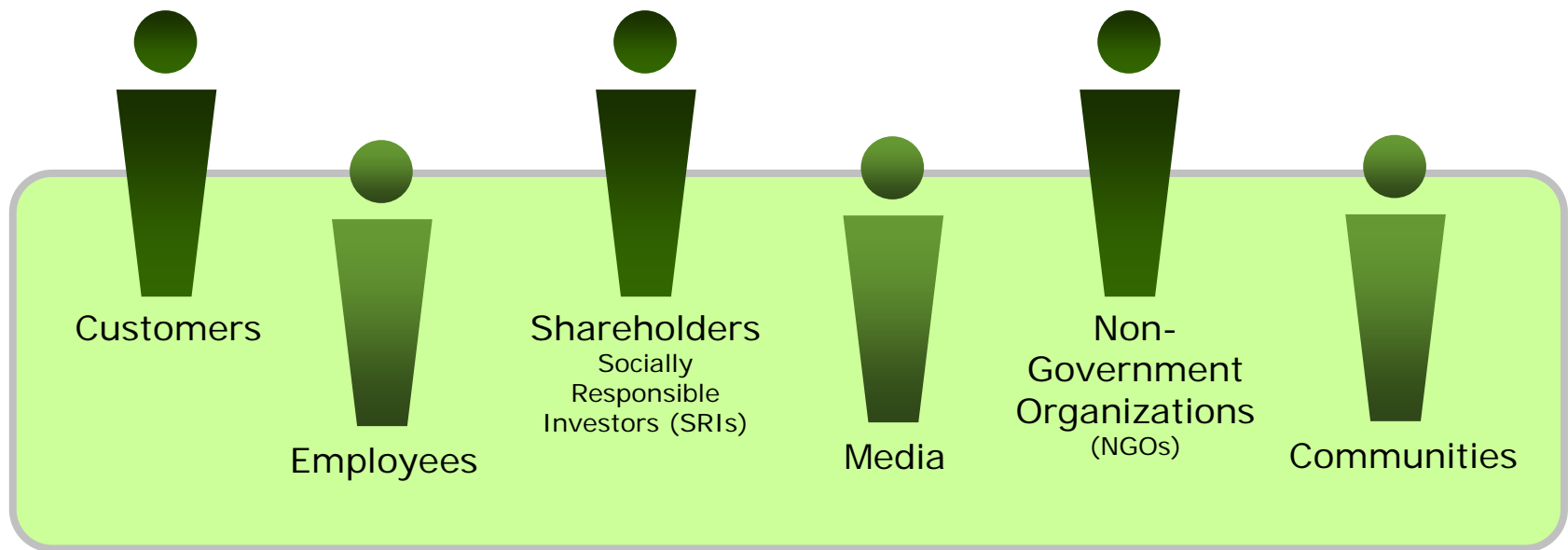
that was easy:

Trends impacting chemical management policy

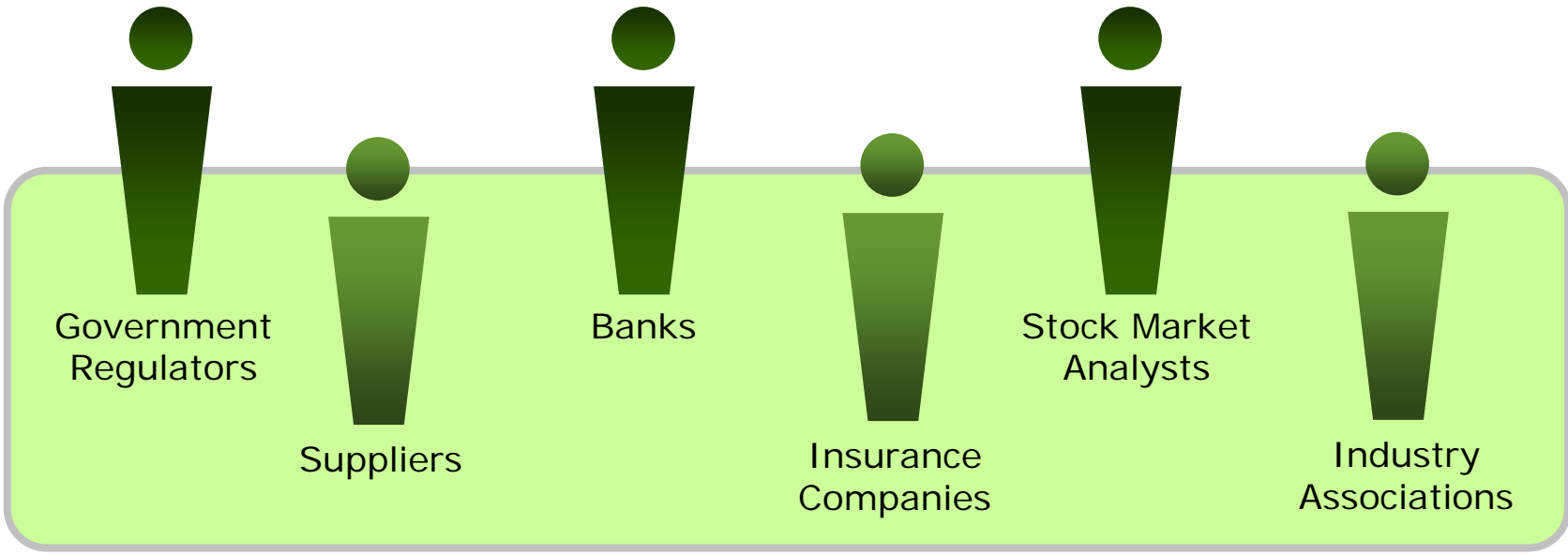


Graphic provided by Key Communications

The growing list of stakeholders to engage



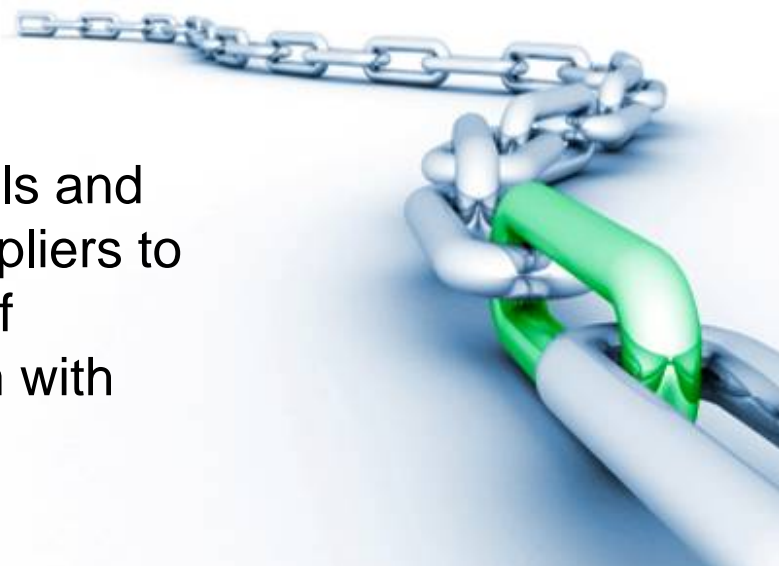
Expanding stakeholders



Forces of Change

Basic consumer awareness and higher expectations

Many consumers of chemicals, materials and products are beginning to ask their suppliers to work towards eliminating the hazards of chemicals of concern and replace them with safer alternatives.



Forces of Change

Leadership consumers want to go above and beyond compliance



Some of these consumers are asking their suppliers to go above and beyond compliance when it comes to the elimination of chemicals of concern from their supply chain.

Here is a list of questions that retail and business supply chain consumers and downstream users are beginning to ask retailers and product providers

- What chemicals of concern are in the products that you offer?
- Have you eliminated the worst chemicals and replaced them with safer alternatives while committing to continuous improvement on the others?
- Do you fully disclose chemicals and/or ingredients in your product?
- How can we recognize a product made from safer and/or greener alternatives?
- Who is accountable for the quality, accuracy and comprehensiveness of the chemical information being provided for your product?
- Does the Material Safety Data Sheet for the product you are offering contain accurate, comprehensive and quality information on all chemicals in the product?

Here is a list of additional questions that leadership supply chain companies are beginning to ask retailers and product providers:

- Does your product contain any of the following chemicals that our company has identified on our restricted substances list (RSL) or banned substances list (BSL)?
- Have all the chemicals used to make the product been prescreened for chemicals of concern before being selected for use in the product?
- What assurance do we have that a “hazard assessment” has been done for all chemical components in existing products you are offering us?
- Do you or your product manufacturer have a clearly defined chemical management policy that specifically prohibits chemicals with a high hazard profile and commits to continuous improvement on the others?
- Do you require a credible, independent, third-party review of the toxicological and environmental fate information you are given or communicate?
- What is the specific criteria used to identify a safer chemical, material or product?

How Are Many Companies Currently Managing Chemicals in Their Organization and Supply Chain

- Act on the myth that “if a product contains unsafe chemicals of concern then the product would not be allowed to be offered for sale.”
- Trust and rely on material safety data sheets.
- Believe that compliance with OSHA HazCom Standard protects them from risks associated with chemicals of concern.
- Trust and rely on their suppliers to protect them from risks associated with chemicals of concern.

Getting and Communicating Chemical Information to Consumers

Obstacles and Barriers

- Many MSDSs do not contain comprehensive and accurate data.
- Many companies don't have comprehensive hazard data on the chemicals, materials and/or products they make and use.
- Many organizations don't have a system for evaluating their chemical products for hazard characteristics.
- Many organizations don't have a system for prioritizing chemicals for substitution or elimination.
- Lack of access to credible information about the human and environmental hazards and impacts of chemicals in products.
- Lack of effective chemicals management policies in government and industry to help buyers make more informed product decisions.

What are the consequences of ineffective chemicals management to businesses, people, planet and profits?

- Harms human and animal health
- Harms natural and built environment
- Harms business reputation and brand
- Decreases enterprise return on investments
 - ✓ Supply chain disruption and company remediation costs
 - ✓ Product recall and replenishment costs
 - ✓ Product re-design or modification costs
 - ✓ Increases product life cycle costs
- Increases product cost to consumers
- Increases cost to community
 - ✓ Increases publicly owned treatment and disposal costs
 - ✓ Increases environmental remediation costs
 - ✓ Increases health care costs associated with chemical hazards and exposures

Cost of Ineffective Chemicals Management

\$200 Billion – For just one chemical

- Asbestos claims have had a heavy impact on businesses and the insurance industry.
- A flood of asbestos lawsuits is swamping the courts and bankrupting scores of U.S. companies
- “The total cost of asbestos claims to U.S. and non-U.S. insurers and corporations is estimated to be more than \$200 billion.” according to Tillinghouse-Towers Perrin.

Increasing Oversight and Enforcement

- Enforcement of environmental regulations related to the proper management of hazardous waste in the retail industry is on the rise.
- Since 2005, state and federal agencies have fined the retail industry more than **\$61 million for improper management of hazardous waste**.
- The results of several pending investigations could **exceed \$250 million in fines** over the next two years.
- The FY 2010 EPA budget includes approximately \$600 million for its Enforcement and Compliance Assurance Program, representing the **highest enforcement budget ever**, and a \$32 million increase over the FY 2009 Enacted level.

What are the benefits of effective chemicals management to businesses?

- Establishes a market that is driven by knowledge instead of ignorance or uncertainty.
- Protects your brand
- Creates market opportunities
- Maintains market access / staying ahead of regulations
- Reduces total costs
- Encourages and drives innovation
- Creates and maintains brand value
- Reduces toxics footprint
- Increases transparency and consumer awareness and trust
- Adds depth to your sustainability programs and green initiatives

Effective Chemical Management Policy Is Based on Scientifically Sound and Credible Information

“To have no information is risky, but to have the wrong information is dangerous.”

Costs of Comfortable Inaction

"There are risks and costs to a program of action. But they are far less than the long-range risks and costs of comfortable inaction."

John F. Kennedy
35th president of the United States

Thank You