Fifth EU-JUSSCANNZ regional meeting on the Strategic Approach to International Chemicals Management
Paris, 14 February 2014
Item 3 of the provisional agenda*
Updates from the secretariat

Report of the Chemicals in Products Programme Consultation

Note by the secretariat

The secretariat has the honour to circulate, in the annex to the present note, the final draft report of the Chemicals in Products Programme Consultation, held from 5-6 December, 2013 in Boston, United States of America, for information of meeting participants.

*SAICM/RM/EUJ.5/1

For reasons of environment and cost savings, this document will not printed. Delegates are kindly requested to download this document and other meeting documents for use at the meeting.
Introduction

As part of its activities in drafting a proposal for a Chemicals in Products (CiP) programme (as requested by the International Conference on Chemical Management at its third session) UNEP organized a consultation meeting for the preliminary draft CiP programme on 5-6 December, 2013 in Boston, Massachusetts, USA. The Consultation meeting was held to gather feedback from key stakeholders and potential proponents of the CiP programme. The meeting included the specific objectives:

- to present the draft CiP programme to stakeholders and gain feedback with respect to implementation of the CiP programme;
- to develop recommendations and provide input on issues significant to the further development and finalization of the CiP Programme; and
- to identify and engage with potential 'early adopters' of the CiP programme.

The Consultation will give a particular focus on identifying issues with putting the CiP programme into operation in supply chains, with feedback gained at the meeting to be considered in the finalization of the CiP programme proposal.

Opening

In an opening address delivered on behalf of the UNEP/DTIE Chemicals Branch Head Mr. Tim Kasten, Chemicals Branch Project Officer Mr. Kevin Munn welcomed the participants and thanked them for taking the time to be involved over the two days and for providing their feedback to the evolving CiP programme proposal. He highlighted the importance which UNEP and the SAICM community places on this emerging issue, as well as the key role CiP information can play in the larger sphere of activities on sustainable consumption and production.

Ms. Anna Fransson, Chair of the Steering Group of the Chemicals in Products (CiP) Project, opened the meeting by welcoming the participants and expressing her hopes for a productive meeting.

Mr. Ken Geiser, director of the project to develop a draft CiP programme, presented background information about the project and work conducted to date by the team at the University of Massachusetts Lowell. The project team reviewed existing chemicals management frameworks that are being used by firms and sectors, examined previous case studies developed for the CIP program, conducted interviews with representatives of the major stakeholder groups, and prepared a draft of the programme guidance which was circulated to the consultation participants prior to the meeting. The goal of the consultation was to provide feedback on this draft text. Over the next few months, the Lowell team will incorporate the feedback from this session into the draft text.

Mr. Kevin Munn presented a brief overview of the CiP Programme. In 2012, International Conference on Chemical Management at its third session (ICCM3) requested that UNEP develop a CiP programme to facilitate the exchange of information of chemicals in products throughout the lifecycle of the product, and to present the proposed CiP programme to the Conference at its fourth session in 2015. The CiP programme is intended to support the SAICM 2020 goal and the specific SAICM objective on access to information on chemicals contained in products (paragraph 15 b of the SAICM Overarching Policy Strategy(OPS)). Mr. Munn asked the meeting participants to keep in mind that the current draft is general guidance that will provide a sufficient foundation for designing sector-specific elements of the CiP programme.

Presentations and Discussions

The consultation heard the following presentations about the draft principles and guidance for the CiP Programme: Mr. Munn on the draft Principles of the CiP Programme and on the SAICM 2020 Goal and OPS Objectives; Ms. Rachel Massey and Ms. Sally Edwards on an overview of the draft CiP Programme Guidance; and Ms. Cathy Crumbley on the results of interviews with stakeholder representatives. The consultation also heard from the authors of two reports written for the project: Ms. Leonor Cedillo on “Needs and Problems in Chemicals in Products Information Exchange in Developing Countries” and Mr. Mark Rossi on “Making the Business Case for Knowing Chemicals in Products and Supply Chains.”
The consultation included both plenary discussions for general feedback and small group discussions that focused on responding to six specific questions prepared in advance for the meeting. A summary of the small group discussions and plenary feedback around these questions is presented in Annex I of this report.

The consultation began with a spirited exchange covering a wide range of views. Some participants felt the current draft of the CiP programme Guidance was too ambitious and goes beyond the SAICM mandate. Others noted that there is nothing new in the draft programme; it reflects many of the activities underway in the marketplace today, and they saw it as well-aligned with the SAICM mandate.

Mr. Munn reviewed how the ICCM3 Resolution on Chemicals in Products, which is the guidance for UNEP in formulating the CiP programme documents, establishes the aim of facilitating relevant CiP information exchange. The Resolution calls for considering best practices. The proposal reviewed at the Consultation accomplishes this by incorporating elements of what leading companies are already doing; as well it provides a path for companies and others to initiate and/or increase their CiP information exchange activities. The draft CiP programme considered by the meeting addresses information exchange related to regulated chemical and as well extends beyond these, to address chemicals of concern for their environmental or health hazards or risks. It is anticipated that among brands and OEMs, companies that are the advanced leaders in their sectors would be among the initial participants in the CiP Programme, given they are already engaged in activities called for by the CiP programme. The CiP programme employs the structure of a set of CiP Principles complemented by a detailed Guidance on activities. This structure has been used by other successful UN programmes. The principles serve as both an introduction to and an overview to the programme. UNEP has presented and discussed both its interpretation of the ICCM3 mandate and the CiP programme structure with the CiP Project Steering Group.

In discussions following the presentations, the consultation noted several overarching concerns that should be addressed in the programme: the special needs of vulnerable groups such as women and children; the special conditions and needs of countries with economies in transition; and building the capacity of small and medium enterprises (SMEs) that are often suppliers, especially – but not exclusively – in developing countries. Noting that the essence of the SAICM goal is to minimize harm to human health and the environment, it is important that information not only be understood but that it also help to prevent harm.

Consultation participants noted that significant impediments facing developing countries include poverty, illiteracy, and inadequate infrastructure. Many of their economies are agriculturally based. Government agencies need capacity building and historically environmental concerns have been a low priority. Illiteracy and language differences need to be addressed so that information about chemicals in products is accessible and understandable by all. However, that does not necessarily mean reducing the amount of information. There are NGOs and others in developing countries with the capacity to interpret technical information. In addition to consumers, the information needs of factories, suppliers and sellers must also be addressed.

While developing countries face issues such as these, they often have close linkages with international companies. Substantial components of international supply chains are located in developing countries and they use many products produced by developed countries. It was noted that everyone wants a safe future for all children and that companies based in developed countries therefore have a responsibility to use their relationships with developing countries to be part of the solution.

Definitions

The consultation noted the need for clarity of basic definitions and boundaries of the programme. For example, under the CiP programme, “product” is defined to mean “an object which during production is given a special shape, surface or design which determines its function to a greater degree than does its chemical composition”. This means that mixtures such as cleaning products are not included in the CiP Programme; rather, information and labelling of such mixtures falls under the Global Harmonization System for the Classification and Labeling of Chemicals (GHS). The SAICM mandate relates to chemicals that are present in products. It does not include chemicals used in the manufacturing process that are not be present in the final product. Other definitions are also needed to provide clarity to the draft proposal (e.g. “electronics”).

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On CiP information exchange within Supply Chains

The consultation noted that there are different capacities, relationships, and mechanisms in use for enabling information exchange within supply chains. While information flow within supply chains continues to be a significant challenge in many industries and sectors, there are also many suppliers who share significant information with their commercial partners through well-developed initiatives within supply chains and these systems are able to meet the needs of specific sectors. The CiP Programme should build on and leverage these initiatives. It should seek to avoid duplication; harmonize language; and streamline reporting, verification, and other requirements. These initiatives can increase collaboration among companies, promote innovation, change company cultures, support protecting health and the environment, and prevent greenwashing.

The very significant issue of ensuring that confidential business information is protected was highlighted (and is described in further detail below).

Outside Supply Chains

It was observed that even when systems for exchanging information about chemicals in products are well developed within supply chains, communicating with stakeholders outside the supply chain is challenging. Systems for exchanging information with these stakeholders in many cases need to be created, a situation made more difficult if there is no existing relationships to build on. What useful and relevant information should be provided, how it should be transmitted, how it should be used and protected, and whether recipients of the information bear any responsibilities for ensuring that information is properly used all should be considered. The CiP Programme can add value by providing guidance for developing these relationships and information exchanges. There was some opinion that product users should be explicitly included among the stakeholders (rather than only be included as part of “civil society”) and that end-of-life actors should be considered part of the supply chain, rather than outside of it.

Sectors

It was requested that the guidance provide more information and emphasis on the roles of sectors, particularly the four priority sectors of electronics, toys, textiles, and building materials. UNEP could use the four sectors to gather information for the programme. It could, for example, investigate how the four sectors are approaching the four objectives of the draft proposal. This information could help identify drivers that encourage companies to improve their practices and barriers that prevent them from doing so.

It was noted that the current draft of the programme is of a general nature. While it was formulated with consideration of the major CiP information initiatives in the priority (and other) product sectors, further guidance will be needed on how the CiP programme would be implemented in specific sectors.

Trade Associations

The consultation discussed how sector and trade organizations understand the challenges their sectors face, can play important roles in developing solutions, and could also play significant roles in implementing the CiP Programme. Leading companies and industry consortia have already played significant roles in creating and sharing resources such as tools, information, and approaches. The management of chemicals in products is in some sectors considered a pre-competitive issue, so companies can collaborate to address the issue efficiently. In addition, they can provide key services to SMEs which frequently lack capacity and resources.

Tiers/Scoring

There were differing perspectives about basing the programme on tiers of achievement. For some participants, tiers may provide benefits such as: helping businesses and consumers make informed purchasing decisions; recognizing achievement; identifying leaders; differentiating brands; increasing shareholder value; providing an incentive for continuous improvement; increasing aspirations and capacities; and promoting innovation and development of new products. Tiered systems have been used successfully in various labelling systems and initiatives; they provide information for the marketplace about industry trends and best practices; and they can be used to readily communicate information to outside stakeholders. A tiered scoring system may be especially useful for some consumers and institutional purchasers who are less interested in technical information. The ICCM3 Resolution also cites the promotion of best practices, and leading CiP information systems commonly use a tiered approach to measuring performance. The CiP programme takes regulatory compliance be the baseline level of the program. Companies that do not want to participate at the highest tier can participate at lower tiers.
Other participants felt that: tiers/scoring may inhibit participation; the programme should not be a certification system; performance should not be graded; appropriate requirements should be agreed to within the supply chain; and progressing from set tiers, with a baseline targeting regulated chemicals and progressing to include information exchange on intentionally-added chemicals, may not be possible in some industries and a more nuanced approach should be taken to account for this. Achieving the highest tier would not be feasible in some cases if it requires complete identification, including CAS numbers, of all chemicals, even those considered CBI. However, this highest tier could be feasible if it allows for disclosing information only on the hazards of chemicals covered by CBI rather than full identification of those chemicals.

The consultation recommended that if a tiered/scoring system is used, it should be simple and the details should be developed by sector. The programme should recognize the efforts of companies at each level and support continuous improvement to the extent that it is possible. Within tiers, different requirements based on size of the enterprise and availability of resources could be considered.

**Scoring Variations**

The consultation also suggested several variations for a tiered/scoring system including: create levels of achievement within the tiers to help companies that have low levels of information, support, or infrastructure; create a system of credits, as in the LEED Program\(^1\), thus allowing for more flexibility in meeting the requirements; or, rather than meeting criteria for the company as a whole, focus on achieving the requirements by product line, sales revenue, SKU, etc. For example, 30% of one product line could meet the Bronze level criteria while 30% of another product line could achieve the Gold level. A variation would be that the Bronze, Silver, or Gold level would be based on the percentage of a product line that meets the same criteria – e.g., 30% of the product line meeting the criteria would achieve Bronze, 60% of another product line meeting the same criteria would receive the Silver rating.

**Existing Initiatives**

The consultation strongly recommended that the CiP Programme work closely with the many significant and successful reporting and rating initiatives that are already underway. Collaboration would help not only avoid duplication with existing initiatives; it could also help to integrate reporting and verification requirements as well as expand the availability of common tools and resources. The consultation recommended that UNEP undertake a process to map and link the CiP Programme with these initiatives and that it invite them to demonstrate how their specific requirements and verification procedures correspond to specific criteria of the CiP Programme. Eventually, meeting specific requirements of these initiatives could be counted as meeting similar CiP requirements. At the same time, companies participating in these initiatives would be encouraged to participate in the CiP Programme.

**Know and Disclose**

**Potential costs of not knowing / disclosing**

The consultation noted that there are several potential costs of not knowing whether there is a chemical of concern in a product. In his presentation on “Making the Business Case for Knowing Chemicals in Products and Supply Chains.”, Mr. Mark Rossi noted that undesired chemicals present in a company’s products are liabilities with potentially high associated costs. If a hazardous chemical is found, these costs may include: the harm to people exposed to the chemical; risks to reputation and potential law suits; vulnerability to recall; costs of disposing of recalled or discarded products; fines; lost market share if a competitor has created and marketed a product without the chemical; and lost opportunities for reaction and prevention. When a company is caught off guard and forced to rapidly redesign a product, there are higher costs and more opportunities for error than if the redesign is planned in the normal course of product development. It is also more costly to comply with new regulations or readily respond to emerging issues when the company does not know if the chemical is even present.

When a company finds that a chemical which poses a hazard or risk is present, there may be a legal duty to disclose or act on this information. Potential costs of not disclosing information include: lost market value of the brand; vulnerability to advocacy campaigns; and increased liability if a company knows about the chemical but does not disclose this information. Suppliers could lose business if they do not disclose this information and brands find out.

There are benefits of knowing what’s in a product. Knowing and disclosing the chemicals in a product can be a significant competitive advantage. In healthcare, for example, companies may lose business if they do not disclose the ingredients and markets are growing for companies that design products from the start without chemicals of concern. Disclosure requires substantial data and organization, but is increasingly considered an important indicator of supply chain responsibility and

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\(^1\) A green building rating system developed by the United States Green Building Council.
quality. On the positive side, chemicals content knowledge can be used to improve products and identify potential areas for innovation. Other benefits may include the ability to readily respond to new regulations and the ability to proactively substitute chemicals of concern on a company’s own time frame.

**Know and Declare**

In the draft guidance, the objective of “Know” (understand what is in the product) refers to information exchanges within the supply chain. “Declare” is meant to describe information exchange with stakeholders outside the supply chain. Given the importance of this distinction, the consultation requested that the guidance more explicitly address the distinction between information exchange within the supply chain and information flow to outside stakeholders. Using the word “Declare” in place of “Know” might make the distinction clearer and align with other programs that use these terms.

**Confidential Business Information (CBI)**

The consultation recognized the importance of protecting CBI since unauthorized disclosure could jeopardize a company’s intellectual property. It was recalled that SAICM specifically recognizes this, while at the same time it specifies that information related to human health and to protecting the environment should not be considered confidential. While there are well-developed systems for protecting CBI within supply chains, a particular concern is the lack of protocols and trust for protecting CBI outside supply chains. More discussion is needed about the extent to which information about the quantity or functional uses of a chemical should be disclosed to the public. An industry working group of the US-based Green Chemistry and Commerce Council (GC3) is developing principles and guidance for protecting CBI. The results of that process should provide useful information and insights for this programme.

**What Information Is “Appropriate”**

Aside from protecting CBI, there were opposing views on the extent to which information about chemicals in products should be disclosed. Some participants said that the information: enables greater understanding of hazards; can be a powerful driver for innovation and substitution; and enables end-of-life issues to be appropriately addressed. Further, businesses, NGOs, and consumers are increasingly demanding more disclosure, especially about chemicals of concern, and industry associations should help companies meet this demand. Other participants argued that the ICCM3 Resolution call for exchange of “relevant” chemicals information means that if there is no potential for exposure to a hazardous chemical in a product, then disclosing information about that chemical would not be appropriate; that “relevant” means that who wants the information, the extent to which they need it, and how they will use it should all be considered; that “relevant” does not include public disclosure of all intentionally added ingredients; that public disclosure could alarm consumers who don’t have context for understanding the information; and that public disclosure of long lists of chemicals contained in a particular product does not contribute to making products safer or more sustainable. Discussions with stakeholders and along supply chains are needed to help define the information to be exchanged.

Recognizing the wide range of opinions on what constitutes relevant information, UNEP explained the approach that had been applied in deriving the information specifications in the CiP Guidance. This is that the goal of any particular information exchange should be that it results in a stakeholder receiving useful information, and in a useable form. The issue of relevance is highly dependent on the use the stakeholder will have for the information, which is dependent on inter alia their knowledge, capacity and level of ambition for chemicals management actions. The range of chemicals information needed (and thus considered “relevant”) varies widely, and the CiP Guidance describes and attempts to accommodate the information needed for the varying levels of ambition of the different stakeholders.

**Regulated Chemicals**

The CiP Guidance draft refers to ‘regulated chemicals’ in association to one of the levels for information exchange. The question came up as to which regulations should be used. To use the regulations of the countries the company does business in makes sense to an individual company, whereas harmonized lists make sense for a sectoral approach. It was noted that there are examples where an association maintains a list for globally regulated chemicals for their sector, and that this reduces the load on companies for following regulatory developments and provides a consistent list for supply chains to work from.

Some participants objected to criteria in the draft guidance that call for information about chemicals of concern that are not regulated. It may be appropriate to give workers information about unregulated chemicals or to disclose information more broadly in cases where the scientific evidence of hazard is unclear. However, when the scientific evidence clearly shows that a chemical is not particularly hazardous, companies should not need to reveal information about it. Other participants noted that the science of hazards is evolving, there are many data gaps, and “relevant” information exchange therefore means as much disclosure as possible. Everyone, not just workers, has a right to know about the chemicals in products. Not only what is good for business but also what is good for society needs to be considered. In addition, many companies expect suppliers to be in compliance and do not view basic regulatory compliance as best practice – rather, it is
fundamental as evidenced by the fact that some companies have contract provisions that punish suppliers for not achieving regulatory compliance.

**Hazard vs Risk**
The following points and opinions were expressed about the extent to which the programme should be based on only the inherent hazard of a chemical or if it should take risk (use and exposure information) into account:
Consumers are mainly concerned that the products they buy are safe, which is risk information;
During production it is important to maintain information on any hazardous chemicals present, otherwise passing on further hazard or risk information after manufacture is very difficult or not possible;
It would be hard for downstream users to understand their risks from hazardous chemicals without use and exposure information.
When there is no exposure, the presence of a chemical poses no risk and information should not need to be disclosed.
It was noted that some companies use hazard information plus the context of use to prioritize chemicals for substitution.
Including information about the context of use in programme criteria could therefore enhance participation in the CiP Programme.
While it is important to understand risks, there should be no tolerance for some particularly hazardous chemicals, especially for protecting vulnerable groups (such as children).
It was suggested that the programme could focus on SVHCs (substances of very high concern under the European Union’s REACH legislation) and harmonize this list among governments and all industry sectors.

**Chemical Residues and Concentrations**
The most ambitious level of the draft CiP Guidance – the Gold level - includes exchange in supply chains of intentionally added chemicals (i.e. not including non-hazardous chemicals which were not intentionally added). Some participants questioned the exclusion of chemicals used in manufacturing processes that could be present as residues or transformation products even though they were not intentionally added. It was pointed out that some chemicals are regulated or are of concern below the 1% or .1% thresholds in the CiP programme draft.
It was explained that each level in the CiP programme builds upon the previous level. At the Gold level of information exchange the 1% and .1% levels apply to intentionally added chemicals which are deemed not to be hazardous.
Requirements for reporting within the supply chain on hazardous materials present – including unintentional chemicals - would still apply. The reporting thresholds for hazardous substances are typically established through the authoritative bodies. These levels would be detailed through the chemicals addressed via the lower levels in the CiP programme (i.e. the Bronze and Silver levels) and would be applicable for any impurities and residuals which present hazards.

**What Information**
The consultation recognized that the information needs of stakeholders may vary substantially. As noted earlier, the needs, expectations, and protocols for exchanging information are significantly different within the supply chain compared to outside the supply chain. The programme defines levels of information exchange within the supply chain. Some participants noted that it was not clear that these levels did not apply outside the supply chain (e.g. to consumers, governments or NGOs) and as well some participants pointed to disclosure requirements in the draft which could potentially lead to revealing proprietary information.
The Secretariat was urged to address these concerns.

**Needs and Responsibilities**
The consultation expressed a need for further elaboration within the guidance about the needs and responsibilities of each type of stakeholder. There is particular concern about the responsibilities of stakeholders in protecting confidential business information (CBI).

**Ensure**
The consultation recognized that there is significant variation in the quality of information that brands and retailers receive from their suppliers. Only when suppliers increase their capacity to ensure more accurate information will brands and retailers be able to disclose more information about chemicals in their products. It was therefore suggested that many companies need to focus first on “Know” and “Ensure” before they are ready for “Disclose.” On the other hand, “Disclose” should not be unnecessarily delayed since it is a recognized powerful driver for change and substitution.
It was recommended that there should be further discussion about the degree of verification needed in the CiP programme. It was recognized that credibility of information within CiP systems is an essential requirement. The CiP programme, being a means of facilitating information exchange and not an information system itself, must ensure credibility without being onerous. There could be a spectrum of verification requirements that starts with self-assessment. This costs less than other
methods and outsiders such as competitors or NGOs might serve as checks on the accuracy. Auditing and testing criteria that are duplicative and additional to other systems’ requirements would be too burdensome and would reduce participation. There were differing views on whether third-party testing can be problematic for companies with high levels of confidential business information.

The consultation recommended that whatever verification schemes are included in the CiP Programme, they should include language and activities that build trust among actors throughout the system. There should be opportunities for learning, help for companies to participate, and incentives for participation. The programme should demonstrate an attitude of encouragement and assistance, avoiding to create any perceptions of punitive actions. It should open opportunities for helping companies having difficulties to implement CiP information exchange and should be integrated with existing protocols and initiatives.

**Incentives to Participate**

The consultation noted several aspects of the programme that could attract companies to participate. One of the biggest incentives is that the UN is involved and thus brings to discussions on the issue other stakeholders and perspectives, as well as providing a global outlook and increased visibility. Also, many companies are already meeting the draft criteria or one that is similar. The CiP Programme could offer opportunities for recognition and as well assistance for other firms to initiate or strengthen their activities. These incentives and advantages noted during the meeting include: access to new markets; access to business associations and larger networks; opportunities for peer learning and participation in communities of practice; training (e.g. offered through company consortia or trade associations); access to collaborative systems that can share costs; assistance in overcoming the market barriers created by the proliferation of rating and reporting initiatives; participation in pilot projects; help in verifying and ensuring the accuracy of information; increased capacity to stay ahead of regulations; increased dialogue and communication within and across sectors; assistance for elimination of chemical hazards; improved standardization; increased consumer trust; access to capital; and avoiding recalls and other costly or image-damaging incidents.

**Addressing SMEs**

The consultation recommended that the special needs of SMEs should be addressed but not necessarily by lowering standards. Rather, the focus should be raising capacity. The importance of working with industry associations was repeatedly stressed. The programme should involve these associations in promoting the programme and capacity building. It was noted that many firms in China are working to strengthen their capacity and that numerous consultants are helping this process in industrial parks. These consultants could be invited to collaborate with the programme. SMEs need to build capacity and learn from their peers not just in chemicals management but in a range of areas supporting human development such as literacy, communications, marketing, and accounting. Companies with little capacity may need help understanding and meeting programme requirements. It was suggested that targeting laggard companies could be an effective strategy for not only helping such companies but also for improving supply chain communication throughout an industry. In fact, enabling the bottom third to increase capacity and performance may generate more progress in supply chain communication than focusing on industry leaders. One way to support this effort is to showcase examples of companies making improvements that other companies can relate to. It was also noted that SMEs usually operate with low profit margins and not many products. They might view participation in the programme as costly on a per unit basis. However viewing these as system costs that optimize a company’s operations could help justify them.

**Services the CiP programme Could Provide**

The consultation recommended a number of services that the CiP Programme could provide to companies, especially SMEs. These include: promote harmonization of terminology and reporting requirements across sectors; facilitate access to technical services and laboratories for verification while also increasing the infrastructure and capacity of developing countries to provide verification services; promote dialogue and communication within and across sectors; conduct pilot projects; communicate information about achievements to companies and trade associations; offer funding, training, and other services; support business incubators; collaborate with related efforts such as sustainability and energy initiatives; scale up access to information sources such as databases developed by the toys and chemicals sectors; make information about the programme and related resources available in appropriate languages and formats, including electronic access to information tools and databases; and promote regulatory incentives. It was also noted that the programme can provide a systems perspective that might yield insights about how a production system could function better.

**UNEP Role**

Involvement of the UN in the CiP programme is key. It establishes international credibility and visibility; promotes collaboration, common understanding, and vision; helps harmonize language and procedures across sectors; and provides access to resources. In addition to suggestions elsewhere in this report, the consultation recommended that UNEP support
the CiP Programme by maintaining a web site that links to international tools, databases, and other useful resources; disseminate lessons and insights to industry associations and programme participants; and help secure grants and investment funding for projects. Participants suggested a number of potential funding sources: the Global Environmental Fund, which has some funds for small SME projects in developing countries; the IFC (International Finance Corporation of the World Bank Group); various UNIDO programmes; funding from the UN’s clean production centres; and the resource efficiency programme of the UNEP Sustainable Production and Consumption Branch. In addition, UNEP could explore integrating the programme with capacity building projects of other UN bodies and with other efforts to increase capacity for compliance with the GHS. It was recommended that UNEP talk with ECHA (European Chemicals Agency) about its assistance to SMEs and what ECHA considers the most significant needs of SMEs.
Annex I: Breakout Group Feedback to Questions

1. What are your suggestions for the 3 tiers of achievement (Bronze, Silver, Gold)?

The purpose of the tiers needs to be clearly stated. Is the purpose to rate companies, or to ensure transmission of information?

Don’t get complicated. The tiers promote industry best practice and help push higher aspirations. Use carrots, not sticks: use the tiers to motivate improvement, not to punish laggards. Could use the vocabulary of “foundational” vs. “aspirational” (as in OIA)?

To participate in the CiP programme, one would need a minimum commitment to work towards the Bronze level, with annual reporting on progress.

Some companies would be currently unable to move beyond the bronze level. There is a need to build capacity.

Scoring may inhibit participation. Potential for market backlash against companies trying to do the right thing. Appropriate information should be agreed to within the supply chain and should not be graded. CiP programme needs to make it clear that all participants in the programme are leaders on this issue.

Enable sectors to describe how they meet the criteria for each tier.

Existing systems should report where they are relative to the CiP programme - this would allow the CiP programme to be implemented efficiently.

The tiers in the CiP programme should map to existing systems applied in sectors – this could lead to a benchmarking of existing exchange systems against the CiP programme requirements, allow comparability between systems and give an orientation for stakeholders that want to meet a particular CiP programme level. It would also avoid duplication and allow stakeholders to take credit for previous efforts.

Which regulations should be used (for the bronze level)? To use the regulations of the countries the company does business in makes sense to an individual company, whereas harmonized lists make sense for a sectoral approach. Chemicals regulated by ANY government can be hard to monitor.

For some consumers, levels are easier to understand. Other consumers want information and don’t care about labels.

Allow for differing levels of achievement within a company. Measure performance as a percentage of revenue or a percentage of SKUs, or product line. Use attributes/checkoff lists. Could use a line, a thermometer graphic, a numeric axis, or a dashboard (in the case of the dashboard, there would be one for each of the four objectives).

A retailer could use the system internally to rate suppliers.

Possibly create a “CiP Mark” that would state: “Information about chemicals in this product has been disclosed and is available at ... (with a web address).”

Possibly use the term “declare.” EPEAT uses the term “declare” for communication within the supply chain, as well as “disclose” for communication outside the supply chain.

Leading companies now meet silver/gold requirements for about 70% of their products.

2. What are your comments on disclosure to outside stakeholders at each tier of achievement?

Major issues to be considered in determining relevant information for stakeholders outside supply chains include protection of confidential information and determining what information will effectively fill the recipient’s information need.

Levels of public disclosure may include: public version (of supply chain information exchanged) with redactions; health/hazard/release data only; full public disclosure.
In some cases hazard-based content information would not be called for. Disclosure can be linked to exposure and risk. Some retailers/OEMs currently categorize suppliers based on their ability/willingness to disclose. Many companies are committed to disclosing information to consumers. For them, there is little difference between communicating information inside the supply chain and communicating to external stakeholders. The only types of information needed concern health, environment, and waste management. Different stakeholders have different needs. What do they need? How should they get the information? Considerable discussions within supply chains and with outside stakeholders are needed to help understand these issues.

Another approach: Disclose maximum chemical information. Consumers and NGOs can interpret the information. Institutional customers such as health care organizations are sophisticated and want significant amounts of information. Other customers may just want to know hazard classifications, not specific chemicals. There is significant variation in suppliers’ abilities to provide information. Current information is often not enough or is wrong. The US EPA sees the following as relevant: % in product, CAS #, role/function/form in product, form of application, leachability, and exposure pathways.

As EOL actors are dismantling and often recycling materials back into supply chains, complete content information may be needed for end-of-life management. Consider incompatibilities with existing disclosure systems. Since risk is not binary but a continuum, manufacturers can’t know for sure whether a “safe” chemical in a product creates risks for some users.

Disclosure could harm a company’s ability to protect confidential ingredient information. Liability concerns and NDAs (non-disclosure agreements) may limit ability to disclose. For example, signing an NDA might prohibit disclosing content information, even if a product contains a carcinogen. Yet customers, including institutional customers, may want this information.

3. If your organization were going to implement the CiP programme, what additional information or support would you need?

Need clear information in appropriate languages. Specificity is important. Must be built on absolute trust between information supplier and information receiver. Companies most likely to join the program initially are already doing much of what is required. Minimize reporting, verification, duplication. Textile VPEP (Voluntary Product Environmental Profile) could help with consistency of information reporting.

For public health, need hazard and exposure information. Data infrastructure that is appropriate for language, culture, etc.

Support of sectors and industry organizations.

Conduct pilots in several geographic areas and in various sectors

Offer data infrastructure training.

Identify the values and benefits for individual sectors.

To the extent possible, harmonize with existing initiatives for each sector, such as the Outdoor Industry Association’s Chemicals Management Framework.

Ensure accuracy of disclosed information. Ensure testing by approved labs.
Foster dialogue Higg Index fosters supply chain communication were working for this level how about you w collaboration business case clearer it’s system cost

4. What components of the proposed programme are potentially most useful for your sector and what steps are needed to realize that potential?

That UN is doing this. It is also an engine to drive funding for investments in implementation. Know what’s in product for risk assessment and management. Find out what is in imported products. Raises the bar for what is expected in all sectors. Compliance shouldn’t even be in scope-- it’s beyond that. However, regulatory compliance does establish a high bar for the information system (meeting the CiP programme criteria). Helps build the capacity of companies in emerging markets. Extend beyond Responsible Care to focus on products. Common understanding, language, vision makes CiP information exchange easier to implement. Advances information moving through the supply chain while respecting CBI. Third party information hubs can help make data available while also protecting CBI. Creates more systemic framework and standards. Helps companies know what to expect and provides information and resources to help meet expectations. Tailor the programme for the unique circumstances of each sector. Develop RSLs, databases of safer alternatives, and other resources by sector. Support collaboration in supply chains. Companies within the supply chain are the most knowledgeable about each other and can therefore be the most honest and critical with each other. Many suppliers are not providing adequate information. Know and Ensure will promote improvement. Disclosure is a powerful driver of change and substitution. It is also the component that is most important for NGOs. Recognize good work already happening in sectors and companies. Provide discounts on services such as verification testing for programme participants. Provide information on chemicals in components as well as in products. May need mediators in noncompetitive space. UNEP expert committees might address this? Build on existing initiatives and rating systems. Sectors have already created many initiatives and rating systems. Map out how each of them fits with CiP and helps drive action via different paths/systems. Ask existing programs to explain where they fit with CiP programme, including verification requirements. Can promote efficiency gains that increase business value. Stay ahead of regulations. Prevent pollution. Eliminate chemical hazards up front. Improved standardization of practices so companies can compete on more level playing field. Avoid costs of losing customers or recalling products.

5. What would be the incentives for companies to participate in the CiP Programme, particularly small- and medium-sized enterprises and companies in developing countries?

SMEs in both OECD and developing countries have special challenges that should be taken into account. Motivations for SMEs to participate: greater access to global markets, produce safer products, avoid damaging disclosures, respond to growing expectations, advance internal capacity, enhance reputation, gain access to international information and resources. Work through and support industry associations. They provide the most effective mechanism for reaching many SMEs, supporting communities of practice, and providing services. Move to a collaborative model – this takes it a sector issue approached by a sector.
6. What are appropriate ways to efficiently ensure and verify that participating companies are meeting their commitments?


Need trust in system, therefore need verification

Industry does not need more audits. How do you verify w/o burdensome efforts?

Enable companies to get engaged in first place with w/ doable verification. Simplest validation is documentation. Employ self-assessment tools. Competitors and NGOs can check self-declarations.

Verification is more important at higher levels. Use a spectrum of verification requirements. Use spot checking to decrease costs.

Learn from other auditing programs, such as EPEAT and experiences with labor auditing in the 1990s.

Make the programme about learning, innovation, and improvement. Create systemic efforts to build trust and incentives to be honest. Don’t be punitive.

Companies are concerned about trusting a verification system with CBI. Third party verification is problematic.

UNEP needs to create verification criteria for each tier and map existing systems to that. It should also identify gaps where there are not adequate verification systems for an industry.