



GC³ Green Chemistry &
Commerce Council

Report of the Drivers for Innovation and Marketing Safer Products Group July 2008

The Drivers for Innovation and Marketing Safer Products working group emerged from the 2005 Green Chemistry and Commerce roundtable with an interest in drivers and obstacles for innovation and marketing more sustainable products, informing substitution with safer chemicals, and greening the supply chain.

At the 2nd roundtable in April 2007 the results of research into drivers and obstacles for innovation and marketing more sustainable products were presented and can be summarized as:

Drivers: Regulation; emerging technologies; costs of “brown”; CEO and company leadership; pressure especially from consumers and NGOs; and increased opportunity in public relations and brand enhancement opportunities.

Obstacles: Chemical data gap; lack of “green” definition / distinction; lack of regulation; lack of incentives for companies that want to innovate; difficulty in influencing the middle of the supply chain; short term view of American business; a reduction in the number of suppliers; and general inertia in companies to change.

At the 2007 GC3 meeting, the Drivers group was interested to find ways to differentiate green in the marketplace, and focused on the issue of labels used for green marketing. Some of the questions asked and discussed were: Do labels make a difference? Do consumers pay attention to labels? A lot of research had been done looking into the different labeling programs and their pros and cons.

Rather than come up with definitive answers to differentiating green in the marketplace we agreed that the group's goal should be an educational one. Instead of advocating for specific programs or standards, etc. our role is to collect and disseminate information, building upon the work done in the Tools and Design for Environment working groups of the GC3. The Tools group has identified various Restricted Substances Lists (RSL's) restricted by GC3 participant companies and the DfE Group has provided a framework for alternatives analysis. The Drivers Group sees retailers as drivers of the supply chain discussion, and they should be actively involved in the GC3 discussions. As retailers begin to make their own determinations of what green is, especially in the wake of recent recalls, GC3 is in a unique position as the only major group that represents the cross-section of stakeholders such as industry, government, NGO's and academia to start engaging in this dialog with them. The working group has therefore focused on trying to find ways to engage, educate and push retailers to promote safer products and help them with best decision-making practices. Some of the directions the group could pursue with retailers that warrant further discussion at the roundtable are:

- It is essential that retail buyers know what ingredients are being identified as being potentially harmful to human health and the environment, and to what extent those ingredients are in the products they sell. The Tools working group has been working on a

list of substances restricted by GC3 participant companies and this RSL list could potentially start a dialog with retailers. Also, many companies, particularly in certain sectors, are developing Restricted Substance Lists. In the case of the footwear and apparel sector this is happening through the Apparel and Footwear International RSL Management Working Group (AFIRM). Are there ways the GC3 can build on this model and use it for other product classes to further communicate it to retailers?

- Educating retailers about standards and labels. Increasingly consumers are looking for verification of “green” and retailers need to know how to satisfy their customers. This includes definitions of terms used on products that currently create a lot of confusion e.g. natural, green, sustainable, biodegradable, etc. Work has been done by other organizations that could be used in this education process e.g. Federal Trade Commission guidelines, the consumer union greener choices pages <http://www.greenerchoices.org/eco-labels/eco-home.cfm>; the evolving Lean and Green Summit glossary of manufacturing and sustainability terms <http://www.leanandgreensummit.com/glossary.asp>; to name a few. Should the Drivers group pursue the effort to collect and simplify this type of information?
- The Global Data Synchronization Network (GDSN) is a network of interoperable data pools and a global registry for communicating master data (Catalogue Item and Party) between trading partners. The GDSN, conceived and supported by EAN International, the Uniform Code Council, Inc. (UCC), and leading retailers, manufacturers and industry groups, is a global, Internet-based initiative that will enable trading partners to quickly and efficiently exchange supply chain data that is accurate, up-to-date and compliant with universally supported EAN.UCC System standards. Are there ways for the GC3 to offer support and build on the work of the GDSN?
- Retailers’ chemicals policies project. The Drivers group thought that conducting a study of retailers’ chemicals policies would be a good way to engage retailers in dialog as chemicals policy is something many are starting to initiate in their companies. A PhD student at UMass Lowell did some preliminary web-based research to find what chemicals policies companies have by sector (if any) and to try to determine what the drivers behind these policies were. The research was done through corporate websites, newspaper articles and NGO websites primarily. The goal was that this work would set the stage for more in-depth research which would involve interviews with individuals and representative companies. How should we proceed with this project?

Ultimately, we envision these projects leading to longer term involvement with the retail sector which could include

- Developing a report of the retailers most attuned to green chemistry and Design for Environment issues.
- Holding a retailers forum with GC3 companies to discuss ways to demand and promote safer products.