



# Chemical substances in products, Policy and Management tools

Paul Ellis -Quality Regulation  
Manager



# Cover today...

- ◆ Introduction and my role explained
- ◆ Kingfisher Plc at a glance
- ◆ Corporate Social Responsibility (CSR) credentials
- ◆ Chemical regulations and policy
- ◆ Investment and tools deployed
- ◆ Key learning's, challenges and solutions
- ◆ Q&A.....

# Introduction and my role...



Paul Ellis  
Policy and  
Regulation Manager

## Responsibilities.....

- Development of Chemical management strategy
- Implementation and management of strategies
- Lobbying for or against, proposed regulations in Europe
- Driving common approaches to EU regulations among the group
- Policy “policeman”

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# Kingfisher – Global retailer

## Kingfisher around the world



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# Kingfisher at a glance

Our brands	Country	Brand	Market position	Store numbers
    	UK	B&Q	1	322
		Screwfix		145
	France	Castorama	1	100
		Brico Dépôt		98
	Poland	Castorama	1	46
		Brico Dépôt		6
	China	B&Q	1	62
	Ireland	B&Q		9
	Spain	Brico Dépôt	3	16
	Russia	Castorama	3	8
Turkey JV	Koçtaş	1	21	

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# A strong business in an attractive sector

- **Home improvement is an attractive market...**
  - Good demand (nesting/improving is a long-term trend)
  - Buying scale (similar product worldwide and fragmented supply)
  - Defensible market (against internet, grocers and specialists)
- **Kingfisher is clear European leader...**
  - 833 stores in eight countries
  - 80,000 employees, six million customers served every week
  - Value brands but with broad consumer appeal
  - Leading “green” credentials
  - Deep pool of international management talent

# B&Q UK



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# CSR Credentials

- Strong heritage developed over the last 20 plus years
- Responsible for changing the market and developing market focus, for example,
  - FSC
  - VOC
- Measures Group performance

<http://www.kingfisher.com/responsibility/index.asp?pageid=154>



# Regulations - REACH

- **REACH**, the European Union regulation for the Registration, Evaluation, Authorisation (and Restriction) of Chemicals, replacing a number of European Directives and Regulations
- Its key central aim is to protect human health and the environment from the risks arising from the use of chemicals.

# Regulations - REACH

- Often described as the most “complex” regulation ever released in the EU
- Regulation driven through NGO pressure groups
- Main principle, no data no market
- Article 33 – gives the legal right to consumers to “ask” if a product contains a substance of concern
- Retailers, have 45 days to respond
- Retailers **NEED** to “know” what substances reside in products they sell

# Chemicals Policy

- Our Kingfisher Policy (Chemicals) aims to ensure that the products we sell do not adversely affect the health of our customers, or employees, or that of the environment
  - Was revised in 2010, to stay ahead of regulations;
  - To reflect the challenges of substance removal from our products; and
  - To respond to growing consumer concerns, about substances in products that may cause harm

# Chemicals Policy – cont..

- **Restricted:** the use of this chemical is restricted by law, it maybe completely banned, or banned within certain product categories or above certain amounts
- **Remove:** by company policy, no new products that contain this chemical will be permitted. Existing product lines will be discontinued or reformulated by a set date; existing stock will be sold through. Maximum level (unless otherwise stated) is 0.1% by weight
- **Phase Out:** by company policy this chemical is being phased out of products. New products containing this chemical maybe be permitted, but will be assigned a 'reformulation date'. Existing products will be sold through.
- **Watch:** Suppliers must inform us of the presence of this chemical in products they supply to Kingfisher companies. They are placed on this list in order to quantify use and inform our decision on what action to take
- <http://www.kingfisherchemicals.com>

# Chemicals Management Strategy

- Investment made into development of own web based Quality Management Tool - QMT and materials scorecard
- The QMT manages ALL quality related aspects, not just chemical management
- Why?
  - allows us to have tighter controls and manage the related risks
  - existing tools, didn't provide the flexibility to manage additional policy requirements

# Chemicals Management Strategy

- Early learning's
  - We quickly identified the need, to “filter” products, to minimise workload
  - Vendors, don't know if their products contained the substances of concern to us
  - However, we expected Vendors too know the generic materials that make up the product
  - Our own QA technicians were unfamiliar with where to find substances
- This lead to the investment and development of the materials scorecard as it “automates” the process and removes the need to have extensive knowledge and minimises training

# Materials Scorecard

- Principles of the scorecard
  - Substances are mapped to generic materials they can be theoretically found in
  - Each substance is categorised, depending upon use and given a score, known as the “theoretical” co-efficient
  - This is balanced, by test data to create a “reality” co-efficient
- The vendor completes the percentage weight distribution of their product, by generic materials

# Materials Scorecard

Section 1: material composition																
	Polyvinyl chloride (PVC)		Others Plastics: i.e.: PA, polyester, nylon, polybutylene terephthalate (PBT), ABS, PC, PE, PP, ethylene vinyl-acetate (EVA), , SAN,....		Synthetic leather	Natural leather	Rubber	Silicon	Natural fibre (e.g. cotton)	Synthetic fibre (e.g. nylon, polyester, polyamide)	Wood	Reinforcement fibers	Glass	Metal and alloy		
	Hard plastic	Soft plastics	Hard plastic	Soft plastics								Carbon fiber		Metal	alloy	
Percentage (Wt) of weight of the product		20.0%		3.0%									10.0%		32.0%	
Section 2: Functional substance & Electronic components																
	Does the product contain any hot melt glue?	Does the product contain any adhesive?	Does the product contain any coating / painting / printing / colored?		Does the product contain any flame retardants?	Does the product contain any insulating lacquer?		Does the product contain any lubricating oil / grease?	Does the product contain any others mixture inside the article ?	Does the product contain any solid paste / filling?	Does the product contain any absorbent solid or liquid ?			Does the product contain any printed circuit board (PCB)?	Does the product contain any Battery?	Does the product contain any light emitting diode (LED)?
			coating / painting / printing / coloration	enamel		epoxy resins	refractories				Absorber	humidity indicator	drying agent			
	Nb	Nb	Nb	Yes	Yes	Nb	Nb	Yes	Nb	Nb	Nb	Nb	Nb	Nb	Yes	Nb
			10%	20%			20%							30%		
total product (% mfm)	100%															
EVALUATION ON FINAL PRODUCT																

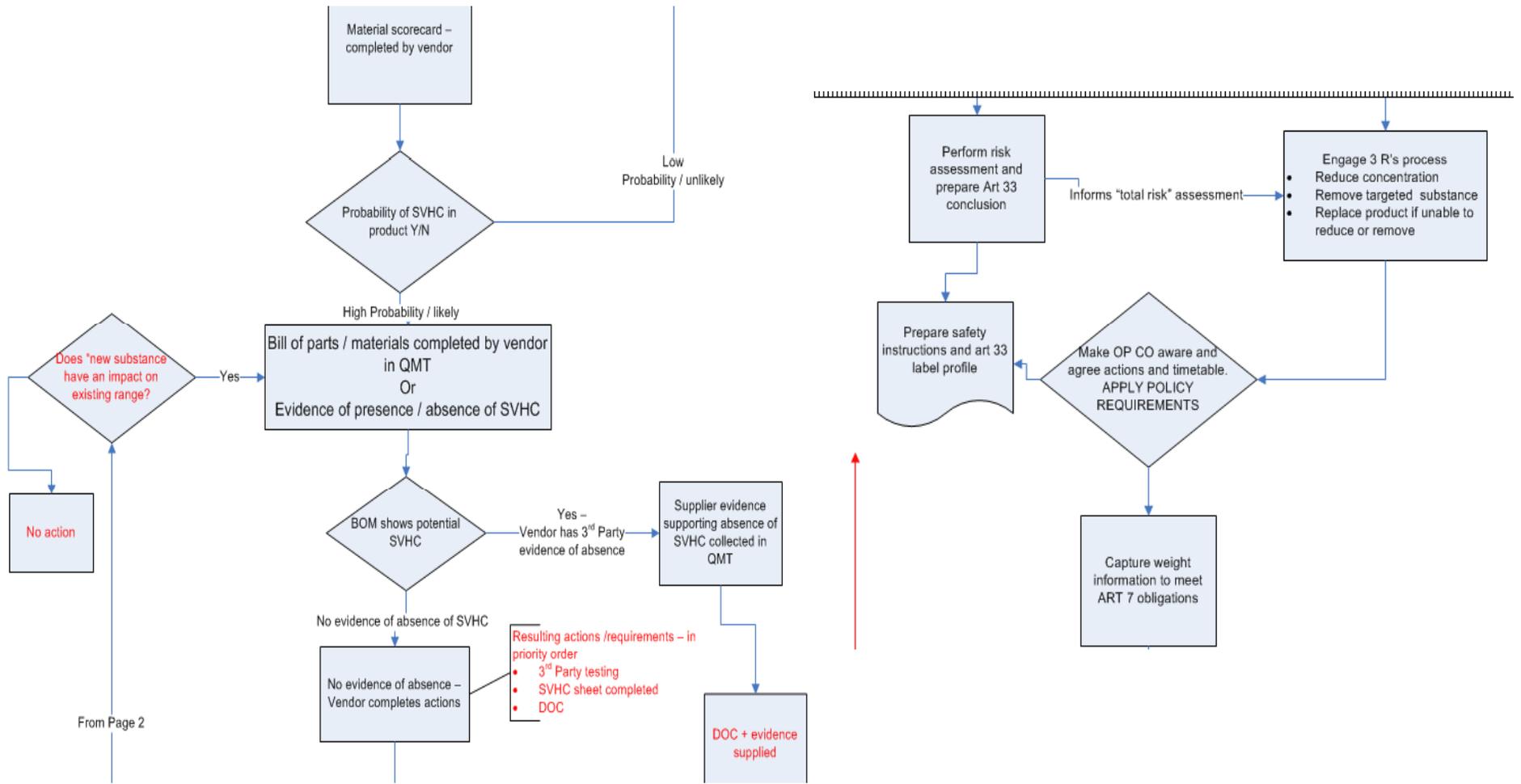
Please send us more information about the composition of your product

*If the overall score, exceeds our benchmark, the product becomes a “suspect”*

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Manager

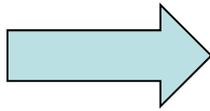


# Chemicals Management Strategy

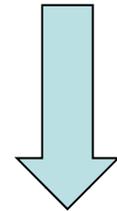


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Others Plastics: i.e: PA, polyester, nylon, polybutylene terephthalate (PBT), ABS, PC, PE, PP, ethylene-vinyl-acetate (EVA), , SAN,...		Synthetic leather
Hard plastic	Soft plastics	
100%		



**Declaration of Conformity**  
No SVHC present above 0.1%

**THE MANUFACTURER OF THE PRODUCTS COVERED BY THIS DECLARATION IS**

Vendor name :	JIANGSU SAINTY SUMEX TOOLS CORP., LTD.
Office address :	
Invoice country :	China

I, JIANGSU SAINTY SUMEX TOOLS CORP., LTD. vendor to Kingfisher, declare that I have been made aware of the new European Reach regulation, in force as from the 1st June 2007  
I confirm the support documents were supplied by Kingfisher and that I understand the requirements from my business.

**THE REGULATION COVERED BY THIS DECLARATION**

Regulation (EC) No 1907/2006, concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH).

**THE PRODUCTS COVERED BY THIS DECLARATION**

Vendor number :	CPG05
Product code :	PC10013110
Product name :	1pc safety goggle
Reach classification :	Simple Article
Product names, types, variants, or other unique identifiers :	

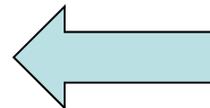
Herein declares the submitted sample does NOT contain neither SVHC from the official SVHC list nor any substance from the Kingfisher Chemicals Policy above 0.1% by weight of the whole product

**Detailed Chemical composition**

this product does not contain SVHC above 0.1%

Substances of Article > Total net product weight: 35.0 g SUSPECTED

Cas Number	EINECS Number	Substance Name	>0.1%	Weight (g)	Weight (% finished product)	Policy	Policy deadline
109-86-4	203-713-7	2-methoxyethanol	No	0.000 g		Remove	23/12/11
79-01-6	201-167-4	Trichloroethylene	No	0.000 g		Remove	02/11/12
7738-94-5	231-801-5	Acids generated from chromium trioxide and their oligomers	No	0.000 g		Remove	23/12/12
71-48-7	200-755-8	Cobalt(II) diacetate	No	0.000 g		Remove	23/12/12
110-80-5	203-804-1	2-ethoxyethanol	No	0.000 g		Remove	23/12/12
84-69-5	201-553-2	Diisobutyl phthalate	No	0.000 g		Remove	02/11/12
56-35-9	200-268-0	Bis(tributyltin) oxide	No	0.000 g		Remove	02/11/12
11113-50-1	234-343-4	Boric acid	No	0.000 g		Remove	02/11/12
117-81-7	204-211-0	bis(2-ethylhexyl)phthalate (DEHP)	No	0.000 g		Remove	02/11/12
12267-73-1	235-541-3	Tetraboron disodium heptaoxide, hydrate	No	0.000 g		Remove	02/11/12
25637-99-4	247-148-4	Hexabromocyclododecane (HBCDD)	No	0.000 g		Remove	02/11/12
85535-84-8	287-476-5	Alkanes, C10-13, chloro (SCCPs)	No	0.000 g		Remove	02/11/12
1333-82-0	215-607-8	chromium trioxide	No	0.000 g		Remove	23/12/11
				<b>0.000 g</b>	<b>0.000 %</b>		



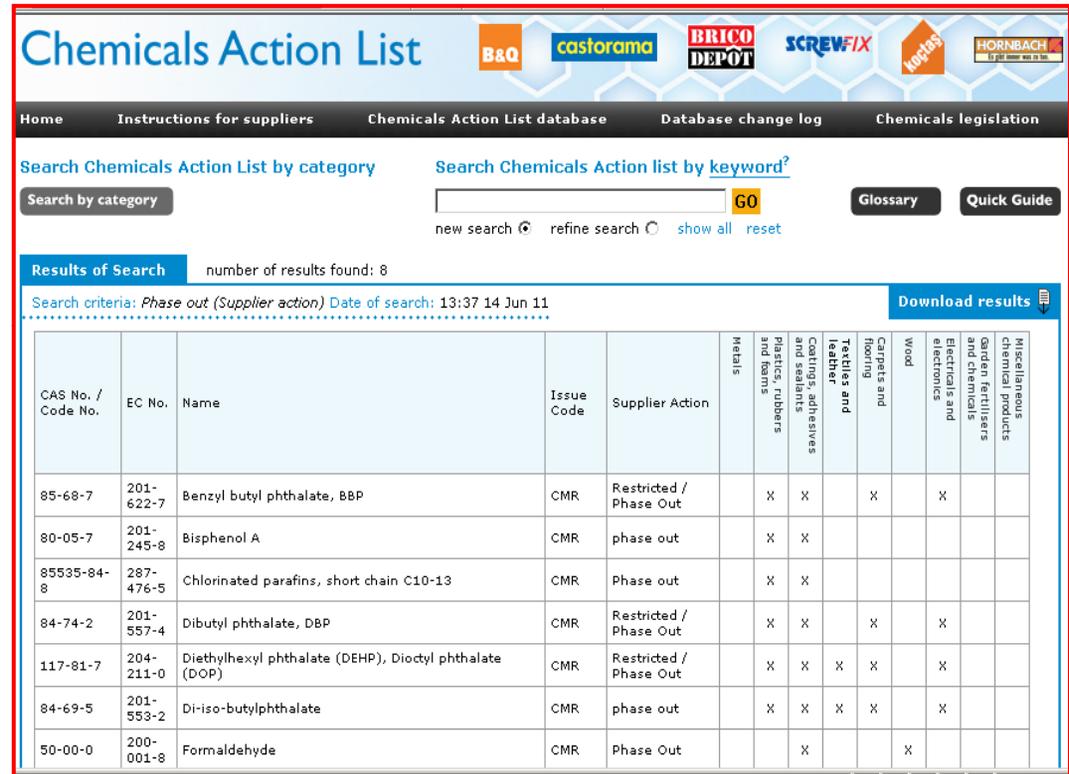
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# Vendor Policy guidance

- Web-based tool, designed to allow vendors to understand policy requirements

- Provides a “guide” to where the substance can be found and the Kingfisher position



The screenshot shows the 'Chemicals Action List' website interface. At the top, there are logos for B&Q, castorama, BRICO DEPOT, SCREWFIX, Kingfisher, and HORNBACK. Below the logos is a navigation bar with links: Home, Instructions for suppliers, Chemicals Action List database, Database change log, and Chemicals legislation. The main content area has two search options: 'Search Chemicals Action List by category' and 'Search Chemicals Action list by keyword?'. The 'Search by category' option is selected, and a search box with a 'GO' button is visible. Below the search box, there are links for 'new search', 'refine search', 'show all', and 'reset'. A 'Glossary' and 'Quick Guide' button are also present. The search results section shows 'Results of Search' with 'number of results found: 8'. The search criteria are 'Phase out (Supplier action)' and the date of search is '13:37 14 Jun 11'. A 'Download results' button is located at the top right of the results table. The table has the following columns: CAS No. / Code No., EC No., Name, Issue Code, Supplier Action, Metals, Coatings, adhesives and sealants, Plastics, rubbers and foams, Textiles and leather, Carpets and flooring, Wood, Electricals and electronics, Garden fertilisers and chemicals, and Miscellaneous chemical products. The table contains 8 rows of data.

CAS No. / Code No.	EC No.	Name	Issue Code	Supplier Action	Metals	Coatings, adhesives and sealants	Plastics, rubbers and foams	Textiles and leather	Carpets and flooring	Wood	Electricals and electronics	Garden fertilisers and chemicals	Miscellaneous chemical products
85-68-7	201-622-7	Benzyl butyl phthalate, BBP	CMR	Restricted / Phase Out		X	X		X		X		
80-05-7	201-245-8	Bisphenol A	CMR	phase out		X	X						
85535-84-8	287-476-5	Chlorinated parafins, short chain C10-13	CMR	Phase out		X	X						
84-74-2	201-557-4	Dibutyl phthalate, DBP	CMR	Restricted / Phase Out		X	X		X		X		
117-81-7	204-211-0	Diethylhexyl phthalate (DEHP), Dioctyl phthalate (DOP)	CMR	Restricted / Phase Out		X	X	X	X		X		
84-69-5	201-553-2	Di-iso-butylphthalate	CMR	phase out		X	X	X	X		X		
50-00-0	200-001-8	Formaldehyde	CMR	Phase Out		X				X			

<http://www.kingfisherchemicals.com>

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# Key learning's, challenges & solutions

- **Policy position**

- Changing consumer trends, show that consumers are becoming more aware of chemicals in products, and equally more concerned about there presence
- Kingfisher has recognised this for many years, and learnt early on that Board support and active sponsorship fundamental, as applying a policy on chemicals in reality creates its own commercial challenges

- **Policy application within a group of brands**

- Kingfisher being the holding company, doesn't have a “face” to the consumer, with 5 competing brands in a competitive markets, in different countries, creates some interesting challenges
- The solution is to create sourcing synergies, which in turn drives the delivery of policy
- In addition, create a common sourcing platform, on which transparency is created

# Key learning's, challenges & solutions

- **Defining Policy content**

- Even among chemical experts, we soon discovered that it was difficult to reach a definitive conclusion on any substance
- The group had “chemical experts” who competed on which substances should or should not be in the policy, based upon their market
- To achieve a common policy, and reach common agreement on substances, we created the KCN – Kingfisher Chemicals Network
- The network is made up of group chemical experts, QA, commercial and policy makers

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# Key learning's, challenges & solutions

- **KCN – Kingfisher Chemicals Network**

- The primary role, of the KCN, is to define the substances and the Kingfisher position for them, based upon a clearly defined criteria
- They do this by, tracking substances, the media, scientific and NGO positions on each, relevant to their specific markets and countries
- If seen as potential risk, the KCN member will present a business case and recommendations to the KCN, who will consider its inclusion
- The business case, must include a properly researched commercial position' looking at alternatives and cost for changing

# Key learning's, challenges & solutions

- **Investment and tools deployed**

- We invested in custom built web based tool, the QMT, in order to manage risk and have control of our supply chain
- The scorecard, was a key investment as it solved many challenges for us, for example removing the need for detailed knowledge of where to find substances and allowing us to focus on the real suspects
- We felt this investment was critical to ensuring a consistent application of policy and in meeting regulation requirements

# Key learning's, challenges & solutions

- **Vendors capability to complete scorecard**
  - We learnt that, not only did vendors not know the ingredients, in some cases, they don't know the generic materials that make up their product
  - We decided that they should at least know the materials, and insist the scorecard is completed accurately
  - We partnered with a 3<sup>rd</sup> party, who set up a help line that verifies the vendors scorecard submission
  - Being a global business, this helpline had to be across Asia including India

# Key learning's, challenges & solutions

- **Market awareness and removal**

- In our experience, the majority vendors don't know the ingredients of their products
- For those that do know, in test cases we did, it takes time to remove with no guarantee once removed the vendor won't revert back, because alternatives are in short supply
- Some Vendors need support to enable them to make the removal happen, as this is mainly a technical challenge to ensure the performance of the product is not compromised.

# Key learning's, challenges & solutions

- **Dealing with priorities**

- We learnt very early on, its better to develop processes that target “suspects”, rather than issue a long list of substances
- Our success rate in finding suspected product dramatically increased, when we introduced the scorecard
- You cannot deal with all the products at one time, so we focus upon those that may present the highest risk, in terms of profile to the consumer and volumes in the market

# Key learning's, challenges & solutions

- **Education and training**

- Don't underestimate the value of training, both to the vendors but also internally
- “Chemistry” is a specialist area which baffles the average person, so developing easy to understand, plain English guidance is a worthwhile investment in time and effort
- Use webinars and interactive guidance for training, as you can track results and understand where the guidance works and does not work so well
- Even with training, you cant expect the average QA Technician to fully understand, so be prepared to refresh knowledge on a regular basis

# Key learning's, challenges & solutions

- **Commercial challenges**

- Being ahead of the market, creates challenges as vendors may not see the benefits and buyers may not understand them either
- Cost increases are always quoted and are always inflated!, so we conduct a value engineering process to help you understand costs and enable the challenge back to the vendor
- Buyers need to understand the benefits, in terms of environmental protection, and these need to be marketed to create the market differential.

# Key learning's, challenges & solutions

- **Alternative substances**

- Case studies tell us, that vendors need technical support, in choosing suitable alternatives, as they could opt for an alternative that is even more harmful
- Our case studies also tell us, that alternatives are in short supply, so a sustainable removal is a real challenge
- Under REACH, substances are frequently added when evidence suggests they are harmful, this means that you need to monitor the growing number of substances, as the alternative selected may result in be classified as a harmful and restricted substance

*Thank you for listening*

**Paul Ellis**

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