

Chemicals Management Module

INTRODUCTION

What is the Chemicals Management (CM) Module?

The Chemicals Management Module is a roadmap for companies to benchmark, establish, build, maintain and improve chemicals management processes, and integrate them with other business processes as part of an overall corporate management system.¹ It provides an overall strategic guide for any company to follow in order to better manage chemicals used to create products – with the goal for all processes and products to ultimately use inherently safer chemicals and reduce or eliminate hazardous chemicals – in order to preserve human health and a clean environment.² The Framework identifies critical business processes and procedures – in the form of “indicators” – that help supply chain partners to benchmark, establish, build, maintain and improve ***interconnected*** chemicals management systems in service of shared objectives.

The Chemicals Management Module ***IS a means to:***

- Integrate chemicals management into your business processes;
- Benchmark how your organization
 - manages chemicals,
 - identifies safer alternatives, and
 - identifies opportunities for improving business processes in service of these goals;
- Benchmark your supply chain;
- Identify a shared path to improved chemicals management toward sustainable chemistry;
- Establish and improve collaboration with your supply chain partners, and set mutual expectations and commitments;
- Harmonize industry-wide chemical management processes; and
- Understand your organization’s role in chemicals management and how external service providers may play a role.

The Chemicals Management Module ***IS NOT:***

- A replacement for legal compliance requirements that your company may be subject to;
- An audit tool; or
- A certification.

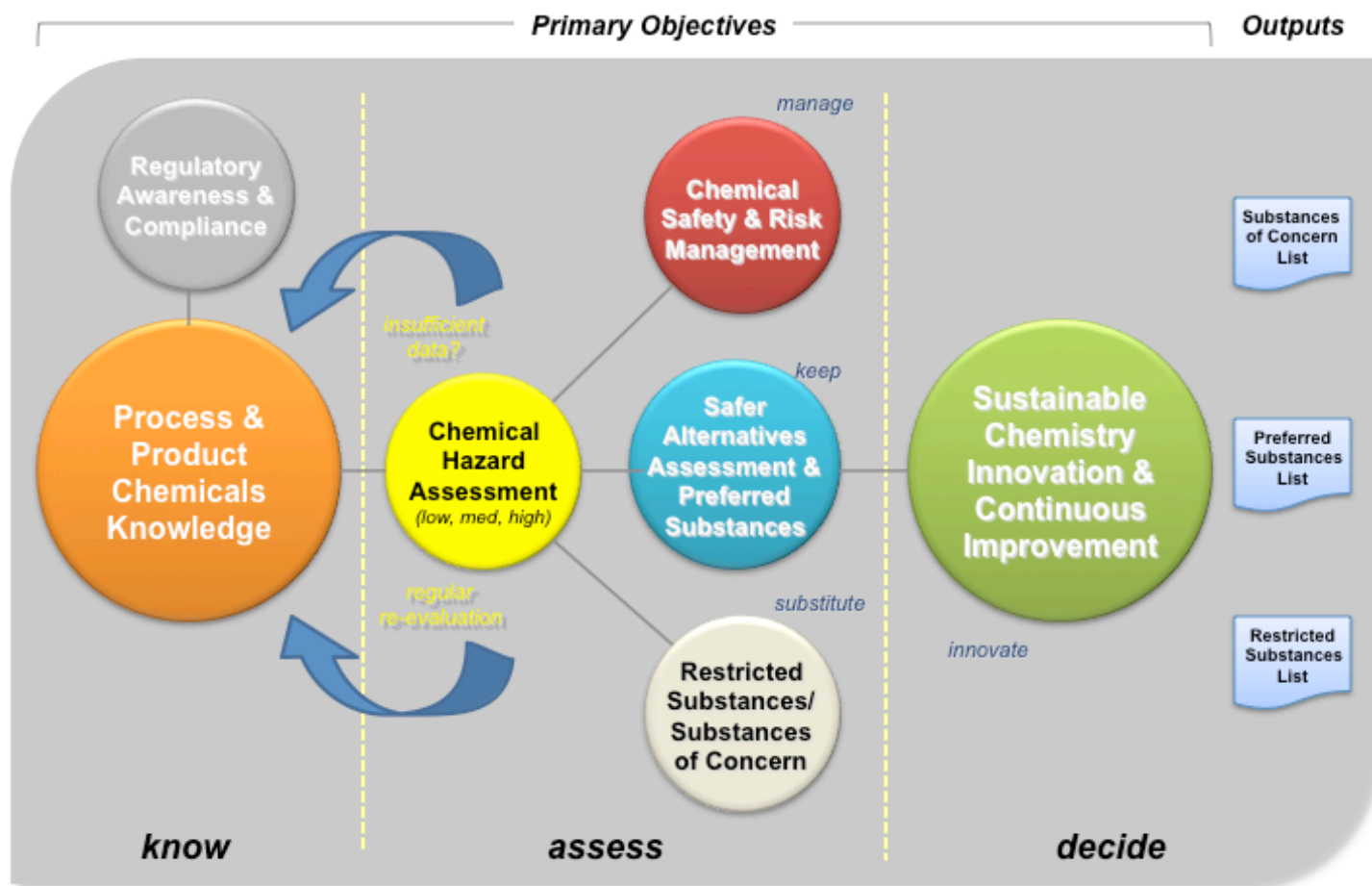
How is it organized?

The Module is organized into seven **primary objectives** that form the building blocks of a robust chemicals management strategy – beginning with fundamental knowledge of product and process chemistry, through assessment of chemical data into actionable information to support decision-making (know – assess – decide).

¹ A management system describes the set of procedures an organization needs to follow in order to meet its objectives (ISO). Following this, a “chemicals management system” describes the set of procedures an organization needs to follow in order to meet its chemicals management objectives.

² The Chemicals Management Working Group’s Vision Statement: “We envision and strive to create a world in which all consumer products are produced using Sustainable Chemistry practices, ultimately using inherently safer chemicals and reducing or eliminating hazardous chemicals, in order to preserve human health and a clean environment.”

Diagram 1: THE CHEMICALS MANAGEMENT MODULE



Each primary objective includes a set of **indicators** that serve as a “checklist” of business processes and procedures that any company can follow to benchmark, establish, build, maintain and improve a chemicals management system. Because not all companies are alike in terms of capabilities, knowledge, strategic priorities, resources and many other factors, the indicators are grouped into **3 levels of action** to enable *any* company to use the Framework *immediately*, and to support continuous improvement:

Levels of Action

- 1. Foundational:** Entry-level actions that all retailers, brands, suppliers and chemical suppliers should take to get started on the journey toward better chemicals management, beginning with establishing a named point of contact for activities related to each primary objective.
- 2. Progressive:** Actions that demonstrate increasing knowledge of chemicals and processes used to make products. Progressive actions include implementation of processes to identify, assess and prioritize chemicals used to make products. This includes collaborative business processes to assess hazard, exposure and risk to help drive the use of safer chemicals by identifying and prioritizing chemicals of concern as part of a chemicals management and replacement strategy. The result of these business processes is a preferred list of chemicals.
- 3. Aspirational:** Actions that demonstrate a retailer, brand, supplier or chemical supplier knows the chemicals and processes used to make products, is actively working toward full disclosure of all chemical ingredients, and is actively driving and measuring continuous improvement toward Sustainable Chemistry³ innovation.

³ Sustainable Chemistry, also known as Green Chemistry, is the design, manufacture and use of efficient, effective, safe and more environmentally benign chemical products and processes. (OECD). See also the 12 principles of Green Chemistry, <http://www.epa.gov/sciencematters/june2011/principles.htm>

Last but not least, while the primary objectives and indicators inform a company about *what* to do to establish, build, maintain and improve a chemicals management system, *how* to go about it is up to the discretion of the retailer, brand, supplier or chemical supplier. The **Chemicals Management Know-How** provides descriptive guidance (“what does this indicator really mean?”), definitions, examples and templates and other information resources, tools and services available to support implementation of a chemicals management system. It is intended to expand and evolve over time as the Framework becomes more widely used, and a “community of practice” is formed to maintain the Framework and foster ongoing learning and capacity building for chemicals management leaders and teams within organizations.

Who should use it?

If you’ve read this far – it should be clear by now: ANY COMPANY MAKING ANY PRODUCT can use this Module to benchmark, establish, build, maintain and improve its chemicals management system. In its current form, the Module is intended for retailers, brands, suppliers, and chemicals suppliers within the apparel, footwear and outdoor industry value chains, however, it is generic – meaning that it is relevant to any organization in any sector seeking to improve and manage chemicals more effectively.

If you are involved in business processes or functions associated with bringing product to market, this Module is intended to serve you and your team. Examples of specific roles or functions within an organization may include, but are not limited to:

- Product design/development
- Procurement/sourcing
- Legal compliance
- Environmental health and safety
- Corporate strategy/corporate responsibility/sustainability
- Product supply chain management
- Operations
- Transportation/distribution/shipping & receiving
- Government affairs
- Public affairs/communications
- Marketing
- Customer service
- Quality assurance

For the purposes of this Module:

- **“Retailer”** is the seller and re-seller of finished product to the end consumer. A retailer with private label/private brand products should use the Brand indicators to evaluate that portion of its business.
- **“Brand”** is the originator of the final product and owner of any associated label/trademark. “Brand” includes a retailer’s private label/private brand products. A retailer with private label/private brand products should use the Brand indicators to evaluate that portion of its business.
- **“Supplier”** is any actor in the supply chain that provides intermediate and/or final products and/or supporting services to brands and/or retailers. This includes: materials, assembly, and finished product suppliers. For example, in the case of apparel, this would include garment makers (cut & sew operations), fabric mills (fabric formation, bleaching, dyeing, printing, laundering, finishing), fiber/fabric suppliers, and accessories suppliers.
- **“Chemical Supplier”** is the company that sells the chemical product (may or may not be the manufacturer of the chemical; may be a formulator).

It is important to note that there may be a difference between the stakeholder who is “accountable” (has ultimate responsibility) and the stakeholder who is “responsible” (the person who actually carries out the task – the “doer”). For example, the Brand is ultimately accountable for ensuring their products are in compliance and having the ability to identify and communicate substances of concern (e.g. known hazards), and understanding potential alternatives. However, the Brand may work with a third party who is responsible for carrying out the bulk of the work to gather this information from Suppliers and perform assessments.

What products and life cycle stages does it cover?

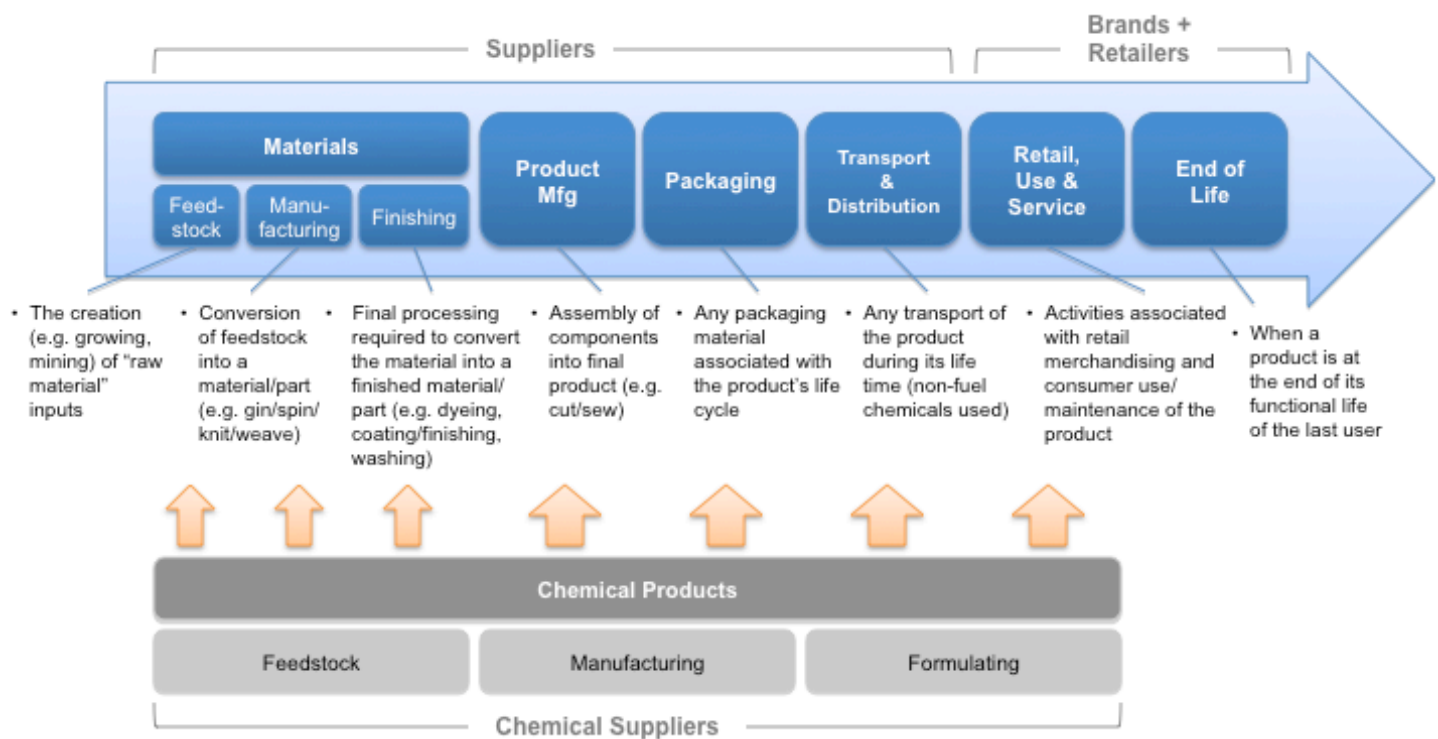
Products: The Chemicals Management Module was designed to apply to any apparel, footwear or outdoor industry product – but could be used by any sector.

For the purposes of this Module:

- **“Final product”** refers to a consumer-ready product
- **“Intermediate product”** refers to any item such as components and/or materials used to make final product

Life Cycle Stages: The Module enables companies to take a full product life-cycle approach to chemicals management, meaning that any chemical used in any part of a product’s life cycle is intended to be “in scope.” Module users can decide how broad or how narrow to apply the Module in their supply chains, and may choose to limit scope initially and expand over time. The Module currently includes a limited number of indicators to allow Chemical Suppliers to assess processes related to the manufacturing and/or formulating of chemicals.

Diagram 2: MODULE SCOPE



Who developed the CM Module and how will it evolve over time?

The Module was developed by the Outdoor Industry Association’s Chemicals Management Working Group, in collaboration with members of the Sustainable Apparel Coalition. Many external stakeholders from government, NGO, and academic organizations also contributed feedback during the Framework development process.

“Version 1” of the Chemicals Management Module was released in April, 2013, with future updates to be determined based on feedback from the apparel, footwear and outdoor industry “community of practice.” In order to maintain the Framework over time and foster ongoing learning and capacity building for chemicals management leaders and teams within organizations, interested stakeholders are invited to participate in this community. Contact Beth Jensen (bjensen@outdoorindustry.org) if you are not already a member of the Chemicals Management Working Group but would like to be involved.

While the Framework can be used on its own, it is intended to complement a broader set of social and environmental indicators within the Higg Index 2.0. Currently, a working group is evaluating how best to incorporate the Framework's indicators or assessment results into the Higg Index 2.0.

How do I get started using the CM Module?

You can register, download and begin using the Framework at <http://outdoorindustry.org/responsibility/chemicals/cmpilot.html>.

Registration is free and all users agree to these [terms of use](#).