Chemical Transparency: The Value of Ingredient Disclosure

Rachelle Wenger, Dignity Health
Martin Wolf, Seventh Generation
Roger McFadden, McFadden and Associates, LLC

January 10, 2017
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BizNGO Webinar

Chemical Transparency: The Value of Ingredient Disclosure

Rachelle Reyes Wenger
Director Public Policy & Community Advocacy
Dignity Health
10 January 2017
THE ART OF KNOWING IS KNOWING WHAT TO IGNORE

RUMI
How much on average do Americans spend on cleaning products?
$42/month or $504/year : Statistics Brain
$61.06B by 2016: Statista
Dignity Health

WHO WE ARE

- Provide care to more than 2 million people annually
- Community benefits & care of the poor: $2B
- 21 State Network
- 400+ Care Sites
- 39 Acute Care Facilities
- 9,000 Affiliated Physicians
- 60,000 Employees
- $17B in Assets

WHAT WE SPEND

- Supply Chain:
  ~ $1.5B
- Cleaning Products:
  ~ $5.2M or 3.5% of overall spend
MISSION

Dignity Health is committed to furthering the healing ministry of Jesus. We dedicate our resources to:

• Delivering compassionate, high-quality, affordable health services
• Serving and advocating for our sisters and brothers who are poor and disenfranchised
• Partnering with others in the community to improve the quality of life

VALUES

• Dignity: Respecting the inherent value and worth of each person
• Collaboration: Working together with people who support common values and vision to achieve shared goals
• Justice: Advocating for social change and acting in ways that promote respect for all persons and demonstrate compassion for our sisters and brothers who are powerless
• Stewardship: Cultivating the resources entrusted to us to promote healing and wholeness
• Excellence: Exceeding expectations through teamwork and innovation
Health Care Transformation

• Elevate quality of care
• Advance health care sustainability; maintain fiscal solvency
• Improve community health, with a special focus on vulnerable populations
• Create a new marketplace; steward healthy economy
• Protect Earth
Quality of Care

KEY QUESTIONS

• What do chemicals have to do with health and health care?
• How do we show up to our patients and employees?
• What are barriers to achieving high quality care?
KEY QUESTIONS

• What does product quality got to do with the bottom line?
• Need vs. want vs. must have?
• How can we make good purchasing decisions?
Community Health

KEY QUESTIONS

- What’s going on outside the four walls of our hospitals and board rooms?
- Are we in the business of advancing health equity?
- Who are the vulnerable and why care?
KEY QUESTIONS

• How can the health care sector create a new marketplace for healthier products?

• How can not knowing what’s in a product hurt the economy overall?

• What’s health care leadership in this space and why partnerships are critical?
KEY QUESTIONS

• What is the 2017 landscape?
• What are the priorities for the health care sector?
• How do we dig deeper, work smarter, choose more wisely and compassionately, advocate for change together?
Support for Full Ingredient Disclosure

Key Messages

• Quality of care, includes a commitment to seeking full ingredient disclosure

• Health care’s bottom line requires knowing what ingredients are in what we buy

• Health care’s business goes beyond “do no harm”: It’s caring for all, especially the most vulnerable among us

• We’re better than this: The art of knowing is not only knowing what to ignore but also advocating for/creating products that we need, want and must have in the marketplace

• We’ve got to get this right, especially now: Earth counts on us
Happy 2017!

Thank you,

Rachelle
rachelle.wenger@dignityhealth.org
626.744.2209
The Imperative for Transparency
January 10, 2017
Outline

• Why full ingredient disclosure is part of Seventh Generation’s DNA
  – Mission
  – Aspirations
  – Transform Commerce
• How Seventh Generation implements full ingredient disclosure.
  – On our labels
  – On our website
• Advocating for ingredient disclosure
• Value of full ingredient disclosure.
  – Seventh Generation
  – Consumer goods sector, and
  – Public in general
Our mission gives us purpose;

**our mission**

to inspire a consumer revolution that nurtures the health of the next Seven Generations.

“In our every deliberation, we must consider the impact of our decisions on the next seven generations”
- Great Law of The Iroquois Confederacy
Our Aspirations

- We care today for the next seven generations of tomorrows

- We enhance health through education, activism, and innovation

- We champion honesty, responsibility, and radical transparency in commerce

- We advance social justice and equality to unleash human potential
Our Framework to Transform Commerce

- **Model the Way**
  - Develop a model for sustainable commerce
  - Embed principles and practices in our company to build our business

- **Transform Commerce**
  - Advocate, inform, and inspire to fulfill Seventh Generation’s Mission
  - and realize our Aspirations and Vision

- **Demonstrate Success**

- **Advocate and Inspire**
  - See Commerce Transformed
Seventh Generation Laundry Packs
# Model the Way – On Pack

0% Dyes, Synthetic Fragrances, and Artificial Brighteners. Scents made from 100% Essential Oils & Botanical Extracts

## WHAT’S INSIDE OUR SAFE* & EFFECTIVE FORMULA

<table>
<thead>
<tr>
<th>Ingredient</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sodium citrate</td>
<td>plant-derived water softener</td>
</tr>
<tr>
<td>Sodium carbonate</td>
<td>mineral-based cleaning agent</td>
</tr>
<tr>
<td>Lauroth-6</td>
<td>plant-derived cleaning agent</td>
</tr>
<tr>
<td>Hydrated silica</td>
<td>mineral-based flow aid</td>
</tr>
<tr>
<td>Cocos nucifera (coconut) oil</td>
<td>plant-derived anti-foaming agent</td>
</tr>
<tr>
<td>Protease</td>
<td>plant-derived enzyme blend soil remover</td>
</tr>
<tr>
<td>Amylase</td>
<td>plant-derived enzyme blend soil remover</td>
</tr>
<tr>
<td>Mannanase</td>
<td>plant-derived enzyme blend soil remover</td>
</tr>
<tr>
<td>Cellulase</td>
<td>plant-derived enzyme blend soil remover</td>
</tr>
<tr>
<td>3-hexenol</td>
<td>plant-derived enzyme blend soil remover</td>
</tr>
<tr>
<td>Cedrenol</td>
<td>plant-derived enzyme blend soil remover</td>
</tr>
<tr>
<td>Citronellol</td>
<td>plant-derived enzyme blend soil remover</td>
</tr>
<tr>
<td>Citrus aurantium dulcis (orange) peel oil</td>
<td>plant-derived fragrance</td>
</tr>
<tr>
<td>Citrus nobilis (mandarin orange) peel oil</td>
<td>plant-derived fragrance</td>
</tr>
<tr>
<td>Tussanus spicatus (sandalwood) oil</td>
<td>plant-derived fragrance</td>
</tr>
<tr>
<td>Gamma-decalactone</td>
<td>plant-derived fragrance</td>
</tr>
<tr>
<td>Juniperus mexicana (cedar) oil</td>
<td>plant-derived fragrance</td>
</tr>
<tr>
<td>Pelargonium graveolens (geranium) flower oil</td>
<td>plant-derived fragrance</td>
</tr>
<tr>
<td>Pogostemon cablin (patchouli) oil</td>
<td>plant-derived fragrance</td>
</tr>
<tr>
<td>Film: Polyvinyl alcohol</td>
<td>synthetic water-soluble film</td>
</tr>
<tr>
<td>Glycerin</td>
<td>plant-derived processing aid</td>
</tr>
<tr>
<td>d-Limonene is a component of these fragrance ingredients.</td>
<td></td>
</tr>
</tbody>
</table>

Gluten Free. Phosphate Free

Learn more at seventhgeneration.com

It’s USDA Certified Biobased Product (94%).

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[seventh generation logo]
Laundry Detergent Packs

An EPA-Certified Safer Choice Laundry Pod!

Available in
- Citrus & Cedar Scent
- 48 ct. (37.7 oz. (1.08 LDS) SOE) - only at Target

Find Locally

Online Sellers Unavailable

How it Works
Seventh Generation biobased Laundry Packs use quadruple-enzyme power to remove stains and leave your clothes looking as good as new. 48 toss-and-wash single-dose pods make laundry day simple and mess-free.

We Care
A mark you can trust. EPA Safer Choice certification means that every ingredient in our laundry packs has been reviewed by the EPA to ensure it meets their stringent human health & environmental criteria.

You can relax, knowing that you have made a good choice.

- Quadruple-Enzyme Formula Removes Tough Stains
- EPA Safer Choice Certified Product
- USDA Certified Biobased Product - 94%

All-temperature laundry pods work in hot and cold water.
Effective in HE & standard washers.
Free & Clear laundry packs are made for sensitive skin.
PHA dyestuff, synthetic fragrances, and artificial brighteners are avoided.
Citrus & Cedar laundry detergent packs are gently scented with essential oils and botanical extracts.

What's Inside

- Sodium citrate (plant-derived water softener)
- Sodium carbonate (mineral-based cleaning agent)
- Lacto-alkaline (plant-derived cleaning agent)
- Hydrated silica (mineral-based fluid oil)
- Citrus odorants (plant-derived)
- Plant-based preservatives
- Plant-based enzymes
- Citrus odors (plant-based)
- Bitter orange essential oil
- Citrus oil (plant-derived)
- Other essential oil extracts
- Other ingredients (plant-derived)

*Citronella, lavender, and verbena are naturally occurring ingredients of the fragrance. *Volunteers is a component of these fragrance ingredients.
**Fresh Citrus & Sandalwood Scent**: Sodium citrate (plant-derived water softener), sodium carbonate (mineral-based cleaning agent), laureth-6 (plant-derived cleaning agent), hydrated silica (mineral-based flow aid), cocos nucifera (coconut) oil (plant-derived anti-foaming agent), protease (plant-derived enzyme blend soil remover), amylase (plant-derived enzyme blend soil remover), mannanase (plant-derived enzyme blend soil remover), 3-hexenol, cedrenol, citronellol, citrus aurantium dulcis (orange) peel oil, citrus nobilis (mandarin orange) peel oil, fusanus spicatus (sandalwood) oil, gamma-decalactone, juniperus mexicana (cedar) oil, pelargonium graveolens (geranium) flower oil, pogostemon cablin (patchouli) oil, cellulase (plant-derived enzyme blend soil remover)

* d-limonene is a component of these fragrance ingredients.

**Product Manufactured in**: Illinois, USA

**Ingredient Origins**: USA and Globally Sourced
We set the standard, and work to transform commerce by engaging industry, consumers and legislators for lasting change.
Safer Ingredients
Our goal is to pass meaningful federal toxic chemical legislation to eliminate harmful toxins from everyday household products.

Ingredient Disclosure
Our goal is to pass federal legislation that requires manufacturers of household cleaning products to disclose all ingredients.

Climate Change
Our goal is to pass meaningful climate legislation that promotes clean energy, boosts efficiency and limits carbon emissions.
Ingredient Disclosure - Activities

CONSUMER

GOVERNMENT

INDUSTRY

TO INFLUENCE

Ingredient Communication Initiative
Ingredient Disclosure....in California, Vermont, and Washington D.C.
Value to Seventh Generation and Our Consumers

- Consumer Trust
- Product Improvement
- Employee Commitment and Innovation
- Increased Revenue
Caring today for seven generations of tomorrows."
Chemicals are Key Elements of Consumer Products

- The introduction of new chemicals over the past few decades has provided significant value to product designers and retailers.

- New chemicals have helped improve the quality, efficiency and convenience in our workplaces, homes and communities.
BUT…. Not all chemicals are created equal

- Hazard traits
- Human health & eco-toxicity endpoints
- Exposure routes
- Degradation & combustion by-products
- Pollution potential

One chemical can cause cancer; another chemical can help treat or prevent cancer
Impacts of Toxins in Our Lives

- Toxins in consumer products, packaging and processes
- Toxins in our built environment
- Toxins in our outdoor environment
- Toxins impact our health, environment, businesses, economy and communities
Value of Strong Brands

- Organizations with strong brands have a higher market share.
- Strong brands project a positive corporate image.
- Strong brands create value and differentiation.
- Consumers choose strong brands because we trust them.
Brand Risk

- Anything that threatens brand equity.
- Anything that influences consumers to avoid one product or service over another.
- Anything that threatens the sustainability of current and future demand for a company’s product or service.
Reputational Risk

It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently.

(Warren Buffett)
Key Drivers for Safer Chemicals in Consumer Products

- Increased customer demand for transparency and safer consumer products.
- New foreign and domestic chemicals legislation.
- Emerging science on health and environmental hazards.
- NGO campaigns focused on retailers.
- Rising role of social media allowing for instant access to information.
Age of Information, Transparency and Disclosure

- Consumers don’t expect businesses to be perfect, but they do expect them to be honest and ethical.

- Consumers are seeking greater accountability.

- Social media has become a powerful tool for businesses, brands and consumers.

- Consumers will dig, discover and divulge any and all information across the web.

- Consumers will find out if our business is truthful or not, then blog it, tweet it, and share it on social media.
Why ingredient disclosure matters to businesses

Full disclosure helps people make a choice based on knowing all the facts and applying this knowledge to what matters most to them.

- To Inform decision making
- To meet customer’s request for ingredient disclosure
- To stay in compliance and reduce costs for non-compliance
- To help businesses meet their sustainability objectives
- To help businesses meet their chemical policy management objectives
Key Challenges for Businesses

- What to do with the ingredient disclosure information once it is received

- Lack of technical resources to evaluate ingredients and alternatives in terms of toxicity, exposure and risk.

- Lack of supply chain reliable information sharing.

- Lack of industry standard or regulations for ingredient disclosure.

McFadden and Associates, LLC
• No disclosure of ingredients except when mandated by regulations.

• Disclosure of generic list of all ingredients in a functional class.

• Privately disclose ingredients to customers when requested (B2B)

• Privately disclose all ingredients to 3rd party as part of NDA

• Public disclosure of chemicals of high concern

• Public disclosure of all ingredients with exception for legitimate CBI claims.
Benefits of Ingredient Disclosure Policies

- Clearly defines “ingredient disclosure” and what compliance requires.
- Creates a level playing field where all businesses are evaluated equally and with consistency.
- Minimizes the risks and costs associated with not knowing the chemicals in consumer products.
- Reduces costs and surprises associated with detection of chemicals of concern in consumer products.
- Drives innovation

McFadden and Associates, LLC
Thank You

Contact Information:
Roger McFadden
President, Chief Science Officer
Green Chemist
McFadden and Associates, LLC
roger@mcfaddenassociates.com
Phone – 503-915-4640
Questions?

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