



GLOBAL BUSINESS INNOVATION ROUNDTABLE DISCUSSES GREENING THE SUPPLY CHAIN; IMPLICATIONS OF THE EUROPEAN UNION'S REACH PROPOSAL

For Immediate Release

Charlottesville, VA – December 6, 2005 — More than 60 representatives from US and European firms pursuing innovative, cleaner and safer alternatives to conventional chemicals selection and use joined experts from NGOs, government, and academia at the Darden School of Business' Batten Institute, University of Virginia, for "Sustainable Business and Safer Chemistry Through the Supply Chain: An Innovators Roundtable."

Their goals during the Nov. 14-16 roundtable included: (1) sharing information on how these leading companies work together with their supply chains on process, materials, and innovative product design to create safer, better products; and (2) identifying drivers and needs to support innovation to move this activity forward; and (3) considering green chemistry concepts to guide supply chain innovation. The new European chemicals policy overhaul proposal— REACH (Registration, Evaluation and Authorization of Chemicals) and the United Nation's GHS (Globally Harmonized System for Classification and Labeling)— were two of the key drivers discussed. REACH will require companies exporting products to Europe to comply with testing and reporting requirements and restrictions on certain chemicals. Companies may also be required, under REACH, to make chemical substitutions when safer alternatives are available.

Chemicals are incorporated into millions of products used every day, and they are a critical part of US business and trade. Unfortunately, studies are showing more and more that many chemicals have dangerous or environmentally damaging characteristics. Yet their use can be avoided and limited – through "green chemistry," a set of tools that considers a chemical's toxicity in its design and strives for alternatives that are safer for customers, employers, the public, and the environment.

Large and small firms-- including Interface Fabrics, Herman Miller, General Electric, Coastwide Labs, Dow Chemical Company, Nike, Rohm and Haas, Steelcase, Pratt and Whitney, Sysco, and Unilever -- that have successfully implemented green chemistry, safer product design, and sustainability principles in their production processes, products, and corporate strategies participated in the discussion. According to Andrea Larson, Professor of Innovation at the Batten Institute, "everyone in the room understood that innovation and leadership are the real key to providing the 'clean' technologies that are needed to stay competitive."

Companies agreed that designing safer chemicals and processes through green chemistry principles is a win-win situation for everyone. Yet, they noted the lack of accurate and easily accessible sources of information about environmental, health and safety effects of chemicals

and processes and their alternatives, and about the flow of chemicals throughout supply chains, as barriers to innovation in safer chemistry. They agreed, however, that lack of full information about chemicals should *not* keep companies from making incremental changes where they can. They concluded that green chemistry makes good business sense, can increase customer confidence in their products, and can help make compliance with future regulations less burdensome. Participants reiterated that efforts to advance green chemistry and safer product design should be encouraged and promoted. In addition, they agreed with David Long, Sustainable Innovation Manager at SC Johnson, that “no one company on its own will be able to change processes or materials at the rate that's necessary. That's why meetings like these, where we're able to talk openly with colleagues, are so beneficial. And partnerships—with other companies, NGO's, suppliers, and government, are key to success.”

Joel Tickner, Assistant Professor in the Department of Community Health and Sustainability at the University of Massachusetts, Lowell, and Lowell Center for Sustainable Production Project Director observed that “it was clear from our discussions that forward looking firms want to go beyond regulation to integrating safer chemistry, product design and services into the heart of their businesses. They need the support of both suppliers and government to get adequate information and technical assistance to make this important leap.”

Jan Stensland, of Kaiser Permanente's Strategic Sourcing and Technology, Planning and Design Services for National Facilities Services, said that learning about the REACH proposal was important to her because REACH offers significant potential benefits for the health care industry. “As a health care company with over eight million members and a capital building plan of over \$20 billion in the next ten years, efforts such as REACH will be invaluable for future product development and collaboration with our manufacturing partners.”

A subset of Roundtable participants will work on next steps to bring these and other leading edge companies back together to develop and share information and resources about chemicals, materials design innovations, best practices on implementing green chemistry strategies, and ways to promote safer chemistry throughout supply chains.

The event was hosted by the Lowell Center for Sustainable Production (LCSP), and the Batten Institute at the Darden Graduate School of Business, University of Virginia, in Charlottesville. More details including presentations, a list of attendees, and the meeting agenda can be found at: www.chemicalspolicy.org.

The Lowell Center (www.sustainableproduction.org), based at the University of Massachusetts, uses rigorous science, collaborative research, and innovative strategies to promote communities, workplaces, and products that are healthy, humane, and respectful of natural systems. The Batten Institute (www.darden.virginia.edu/batten) is a pre-eminent educator and thought leader of entrepreneurship and business innovation, integrated with the University of Virginia's Darden Graduate School of Business. The institute provides scholars, students, and business leaders with pertinent educational programs, publications, and applied research.

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