

Comments to the State of Oregon Senate Committee On Environment and Natural Resources

Submitted by Roger McFadden, Senior Scientist, Staples

March 2, 2015 - 3:00 PM

State Capitol, Hearing Room C

Salem, Oregon

Chair Edwards and members of the committee, my name is Roger McFadden. I am Vice President and Senior Scientist at Staples, Inc. Thank you for this opportunity to share a few thoughts about the importance and value of effective chemicals management to a business like Staples.

Staples is the largest office supply company in the world. We have operations in 26 countries with more than 1400 retail stores in the U.S. We have twenty-One (21) Staples retail stores, one fulfilment center, and eight (8) non-retail facilities including our Coastwide Laboratories division located in the State of Oregon.

Staples offers a wide assortment of products including technology, facilities and break room supplies, furniture, safety supplies, medical supplies and copy and print services. One of our fastest growing sectors is our Staples Advantage delivery business. We provide products, services and delivery to all sizes of business.

Before joining Staples, I was Vice President of Research and Development for Coastwide Laboratories, with headquarters in Wilsonville, OR. I worked there from 1988 until it was acquired by Staples in 2009. Coastwide is a nationally recognized leader in designing products using green chemistry principles and adopting progressive chemicals management strategies in the 1990's as part of its sustainability commitment to reduce and/or eliminate toxic substances from its products and supply chain. Coastwide Laboratories is now a division of Staples with facilities in Wilsonville Oregon, Medford Oregon and Auburn Washington. Staples continues to build on Coastwide Laboratories' leadership by designing safer and more sustainable products in our Staples research, development and applications laboratory located in Aurora Colorado.

The Toxic Free Kids Act is a smart approach that will help protect all of us including our most vulnerable citizens. We all want an Oregon where common sense solutions will produce a safer and more sustainable future for our children and grandchildren.

The work that you are doing here to reduce toxics in children's products is relevant and very important. Your action should address the most problematic chemicals, consider the impact on the most vulnerable human beings, identify and validate safer alternatives while also identifying alternatives gaps which in turn can lead to market driven innovative and green chemistry solutions.

Customers and suppliers are important to us. We listen and learn from them. Dialogues with our customers and suppliers help us better understand what we need to do to help meet their needs while creating shared value to help build a strong and sustainable business relationship.

Encouraging material health in products and supply chain supports our overall sustainability initiatives at Staples. Our goals are to avoid materials, chemicals and products that are harmful to humans and the environment; And to inform our customers of available alternatives to help them meet their sustainability objectives and make informed decisions.

Staples and other retailers are part of a large, complex multi-tier supply chain. We offer hundreds of thousands of products which contain tens of thousands of chemicals supplied by thousands of suppliers. Many of these suppliers are small to medium sized businesses.

Chemicals are a key element of a retailer's supply chain and the global economy. The introduction of new chemicals over past decades has provided significant value to product designers. New chemicals have helped improve the quality of our lives, and created efficiency and convenience in our workplaces, homes and communities.

But, not all chemicals are created equal. They differ in their hazard traits, human health and Eco toxicity endpoints, exposure routes, degradation and combustion by-products and potential for pollution. Some chemicals can cause cancer and other chemicals can prevent or cure cancer.

A growing number of business consumers are asking for expanded chemical alternatives assessment information to help inform their decision making. And frankly, we are being challenged with finding adequate chemical alternative assessment information. In many cases, alternatives assessment is nothing more than comparing the price and performance of the alternatives.

A growing number of business customers are asking for more. They want to avoid materials, chemicals and products that are harmful to humans and the environment. And the last thing that we want to do as a business is to ignore them or to make regrettable substitutions or select regrettable alternatives.

In 2010, Staples announced a new corporate strategy to promote innovation in products by challenging key suppliers to join us in a "Race to the Top". Staples calls on its suppliers to compete not only in terms of product quality, cost and features, but in finding innovative solutions for product manufacturing and packaging, which reduce impacts on the planet. The strategy aims to increase environmental, economic and social sustainability and remove waste and inefficiency of all types. By working closely with our key suppliers on sustainable products and packaging, we believe together we can make an orderly transition and begin to drive continuous improvement more quickly across the lifecycle of products that we offer customers every day.

Making an orderly transition to safer chemicals, materials and products can avoid direct, indirect and externality costs associated with product based pollution. Making an orderly transition to safer alternatives is not only the right thing to do for communities, but it is the right thing to do for businesses. Suppliers are important in helping us meet our sustainability and toxic reduction objectives.

We encourage suppliers to:

- Consider chemicals of very high concern in consumer products to be unwanted pollutants or contaminants;
- Consider direct and indirect chemical exposure with an emphasis on vulnerable subpopulations including children, women of child-bearing age and workers;
- Consider life cycle impacts of chemicals including harmful degradation and combustion by-products;
- Consider full life-cycle costing including externality costs when making a product;
- Apply green chemistry/green engineering principles into their product design and redesign whenever possible.

Managing chemicals in consumer products is a team sport at Staples. We recognize that no single organization can do it alone. Partnerships are synergistic. Collaboration builds trust and credibility at many levels and is essential to our success. Collaboration with suppliers, customers, other businesses, non-governmental organizations, academia and government are all important to identify and validate viable solutions and safer alternatives.

Assessing, managing and avoiding risk is part of any successful business. Hazard assessment is used to eliminate chemicals of very high concern at product design stage. Risk assessment is used to help determine acceptable or unacceptable risk as well as designing exposure controls if needed. Life-cycle assessment is used to determine impact of materials, chemicals and/or product across its life cycle. Chemical alternatives assessment in products helps us replace a chemical of concern in a product or process with inherently safer alternatives with an objective of protecting human health and the environment.

Market driven change is happening. Life-cycle assessments and risk assessments are commonly used by some suppliers. We recognize there is a need for better hazard assessments conducted earlier in product design. A common alternatives assessment framework, like the one developed by the Interstate Chemicals Clearinghouse with input from Oregon, Washington, California and other states, could inform decision making, identify safer alternatives, avoid costly, regrettable substitutions and drive innovation of new chemicals and materials.

Safer and more sustainable products can best be achieved with a combination of good policymaking and leveraging market forces and a competitive marketplace. Identifying chemicals of concern for action, combined with effective alternatives assessments is a good approach. Product designers and risk managers will benefit from the information generated in hazard assessments and alternatives assessments.

The State of Oregon wants to reduce toxics from products sold to children, and leadership businesses want to eliminate or reduce toxics from its supply chain. Finding ways to collaborate and support green chemistry research could drive innovation. Challenging and collaborating with academic institutions in the State of Oregon could be valuable.

Here are a few lessons that we have learned along the way as we assess and consider chemical alternatives:

- Knowing is better than not knowing;
- Action is better than inaction;
- Eliminating chemical hazard at design is better than managing exposure later;
- Transparency and disclosure is better than vagueness or obscurity;
- Making an orderly proactive transition is better than abrupt reaction.

Everyone wins with safer chemicals, materials and products. It creates shared value for consumers, community and company. Suppliers are able to leverage their innovation and differentiation. Toxic chemicals become obsolete as they are replaced with safer alternatives.

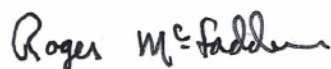
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Again thank you for this opportunity to share a few thoughts with you on the Toxic Free Kids Act. Let me conclude by sharing what a growing number of customers have said are the reasons they are asking for safer chemicals in consumer products: They care about their health, they care about their children, they care about their workers, they care about their environment, they care about their future, they care about their legacy and they care about their economy.

Thanks again Chair Edwards and members of the committee for the opportunity to share some information and thoughts with you.

Respectfully submitted,



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