



Driving Innovation *for* Greener Chemistry

The WerCS®

Worldwide Environmental Regulatory Compliance Systems

Agenda - what we hope to answer

- What is green chemistry?
- What is driving greener chemistry?
- What are the implications of green chemistry?
- What are organizations doing about it?
- How can formulation analytics provide greater insight?
- What are some success stories?



Green Chemistry

- **Green chemistry** is the science behind bringing sustainability into chemical products and processes.
- The concept has gained traction in scientific and industrial chemical circles, leading to research and implementation and production based on the Twelve Principles framework.
- The Twelve Principles of **Green Chemistry** were first defined in the mid-1990s by Paul Anastas and John Warner.
 - The first to look comprehensively at the chemical life cycle and to think step by step about how to make each part of the process more sustainable.



“There is a tsunami of green chemistry sweeping our industry. Apart from reducing the environmental burden of a chemical process, there are some compelling reasons for using green chemistry, including improvements to margins, savings in processing costs, and even competitive advantage.”

-Robert Peoples, *director at the American Chemistry Society's Green Chemistry Institute (GCI)*



Situation – Human Health

- Chemicals are pervasive in today's environment with over 80,000 chemical CAS#'s on record.
- Increase in childhood disease and birth defects has skyrocketed over the past three decades.



Situation – Environment

- Increased public awareness of hazard in chemical-containing products.
- Concerns have grown exponentially.
- Consumers demanding transparency/disclosure.



Influence of Social Media is Driving Public Awareness

Social media “is only going to become more pervasive” and, as such, become a critical factor in the success or failure of any business.



Public Awareness/Perception Drives New Legislation

- NGO's—Reporting manufacturers/retailers—not responding to regulations and public concern.
- Increased publicity drives governments/creates new laws—both sides forced to improve business practices.
 - Asbestos
 - BPA
 - Bath Salts
 - Sunscreen
 - Pthalates



Increased Enforcement

EPA Announces 2010 Enforcement and Compliance Results

EPA's criminal enforcement program opened 346 new environmental crime cases in FY 2010. These cases led to 289 defendants charged for allegedly committing environmental crimes, the largest number in five years, 198 criminals convicted and \$41 million assessed in fines and restitution.

May 4, 2010

Wal-Mart to Pay \$27.6 Million for Environmental Violations in California

EPA Chemical Enforcement Focuses on Nanoscale Materials Manufacturers

Posted on April 6, 2010 by Lynn L. Bergeson

State fines Chemical Waste Management for PCBs

TAGS: [Environment](#) [Environment and nature](#) [Government and politics](#) [State governments](#) [Waste management](#)

By The Associated Press 05/20/11 6:45 PM

SHARE PRINT

The Associated Press

DuPont to pay \$3.3m in chemical fines

EPA concludes failure to disclose test results breaches Toxic Substances Control Act

washingtonpost.com > Metro > Virginia

Mining Giant to Pay \$20 Million EPA Fine

Runoff Polluted Waters in W.Va., Ky.



EXAMPLES

- BPA
- PBDEs
- PFC's
- Phthalates
- Glymes
- Bath Salts
- ???



Risk of Ignoring Green Chemistry

- Brand damage
Johnson & Johnson (formaldehyde)
- Product recalls
Enormous expense
- Loss of sales growth opportunities
 - Retailers
 - State agencies
 - Green chemistry requirement
- Cost of reactive R&D efforts

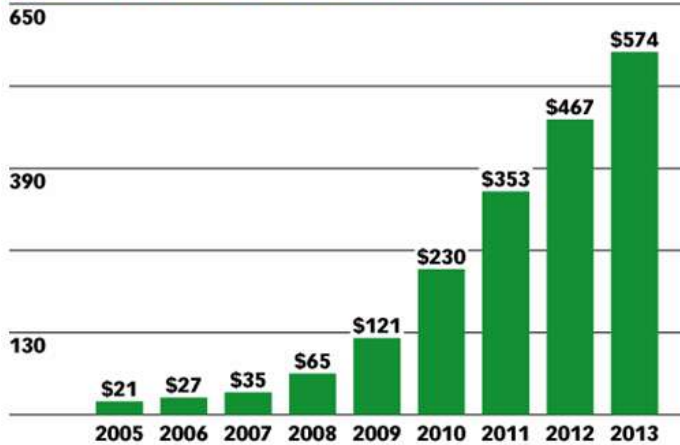


Benefits of Embracing Green Chemistry

- Competitive advantage—marketing safer, “Greener” products
- Cost and liability reduction
 - Handling, shipping, toxic chemicals for disposal and reverse logistics of toxic materials
 - Insurance costs
- Brand protection—reduce risk of brand erosion
- Productivity—employee illness
- Trust—increase amongst consumer, employees, communities and investors



US Market for Environmentally Friendly Household Cleaning Products, 2005-2013 (\$ millions)



“...In fact, green chemistry has gone from blackboard conjecture to a multimillion dollar business in the past 15 years.”

-Mary Ellen Weber, *EPA*

Case Studies:

Clorox Green Works Brand

\$40 million market share 1st year

Seventh Generation

1 million 1999, 150 million 2010 – Significant % growth 10 years



Risks of Greenwashing

FTC Moves May Signal Start of 'Greenwashing' Crackdown

By GABRIEL NELSON of **Greenwire**
Published: February 3, 2010

The Federal Trade Commission is expected to crack down on "greenwashing" when it updates its environmental marketing guidelines for the first time since 1998.

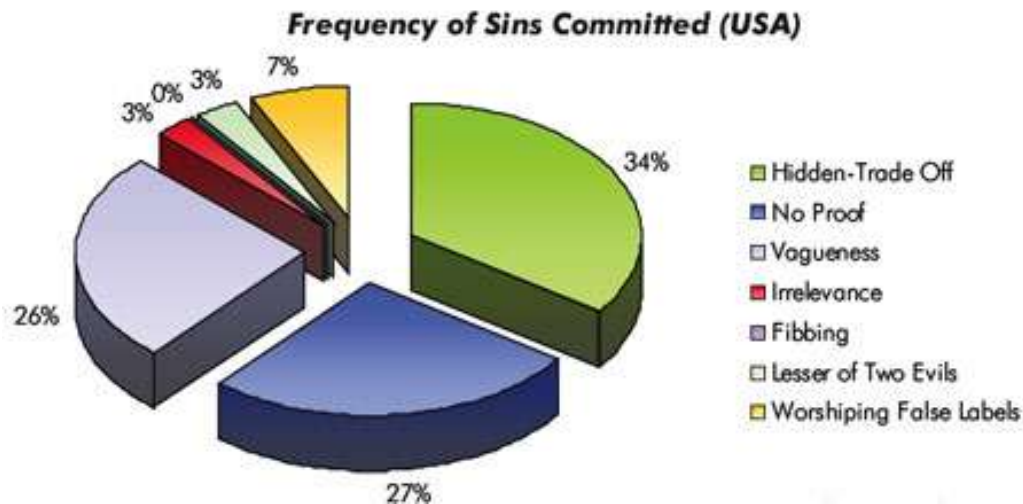


1. **FTC has enforcement authority to issue a cease and desist order for up to 20 years**
2. **Potential for FTC to prohibit "deceptive" claims against companies entire product line**
3. **Terms of consent order can follow significant management to other jobs**



Risks of Greenwashing

Agency Seeks to Tighten Rules for 'Green' Labeling



The Seven Sins of Greenwashing—as compiled by TerraChoice Environmental Marketing



Your products are being scrutinized...

1. Chemicals are impacting human health.
2. Chemicals are impacting the environment.
3. Influencing power of social media on public perception.
4. Public perception forces legislation.
5. Enforcement (\$) follows legislation.
6. Ignoring “Green Chemistry” has risks.
7. Embracing “Greener Chemistry” has benefits.
8. Faking it (Greenwashing)...has consequences.
- 9. Early anticipation of “Chemicals of Concern” is critical.**
- 10. “Reactive Substitution” is expensive.**
- 11. Software/Automation/Tools are critical.**



GreenWERCS™: (grēn-wûrks)

n. Software tool that :

- 1. A highly automated tool to determine the “Green”-ness of chemical based products.*
- 2. A software tool that leverages transparent and configurable scoring methodologies to calculate the overall impact of chemicals to human health, and the environment.*
- 3. Allows proactive businesses to save time and money by providing a view into potential regulatory changes.*



The WerCS®

Worldwide Environmental Regulatory Compliance Systems



GreenWERCs™ approach

- Anticipate future regulations
 - Avoid multiple chemical substitutions
 - Avoid transition costs
- Transparency
 - Measurable
 - Dependable
 - Science-based data
- Avoid greenwashing
 - Eliminate potential accusations



How does it work?

- Evaluate a single product or a group of products.
- Uses the formulation of the selected product.
- Uses regulatory lists or 'Internal' regulations.
- Applies calculation method against formulation and selected regulations.
- Multiple 'models' support different mixes of regulations and scoring settings.





- Home
- Scoring Models
- Axis Groups
- Categories
- Scoring
- Advanced Scoring
- Analytics

Home Green WERCS

Getting Started

- Design a new scoring model
- Manage Axis Group
- Manage Categories
- Review/revise an existing scoring model

Ned Matrix

Scoring Products

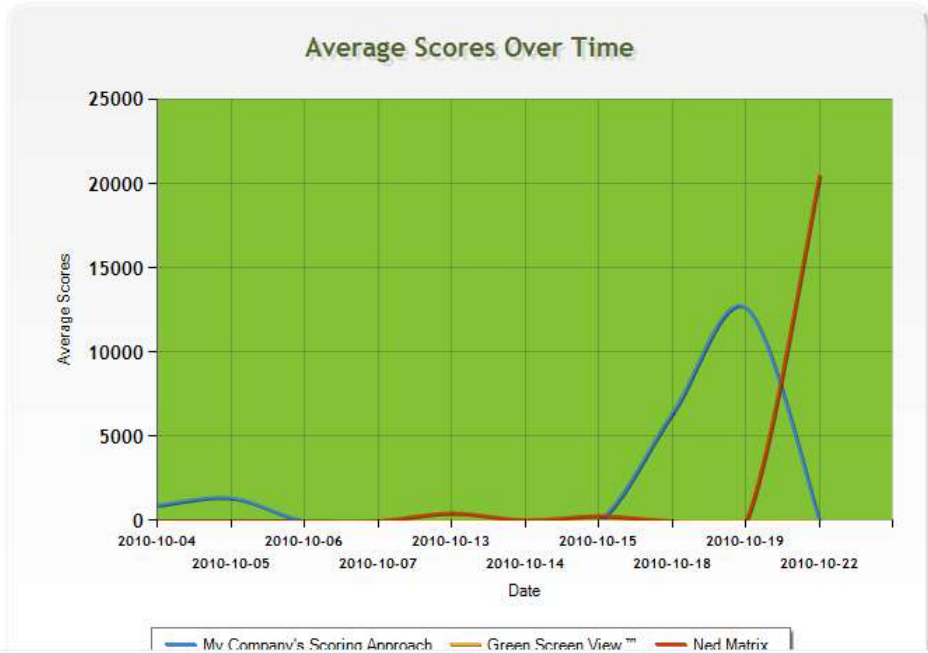
- Score Individual Product(s) Max. 6
- Score Product Group based on a attribute
- Analyze historical scores

Date Range for charts

- All
- This Year
- This Month

Show Charts

Average Scores Over Time





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Product Scoring

Search for Product

Select Scoring Model Ned Matrix

Select Product

Add Product

Select Product

5 Items

Product ID	Alias ID	Name	Generic ID
GW PRODUCT	GW PRODUCT	GreenWERCS Product	
GW PRODUCT II	GW PRODUCT II	GreenWERCS Product II	
GW PRODUCT III	GW PRODUCT III	GreenWERCS Product III	
GW PRODUCT KATHLEEN	GW PRODUCT KATHLEEN	GreenWERCS Product Kathleen	
GW PRODUCT NED	GW PRODUCT NED	GreenWERCS Product Ned	

Chart Type

Bar

Score

➔ **Total Score [GW PRODUCT] 19180**

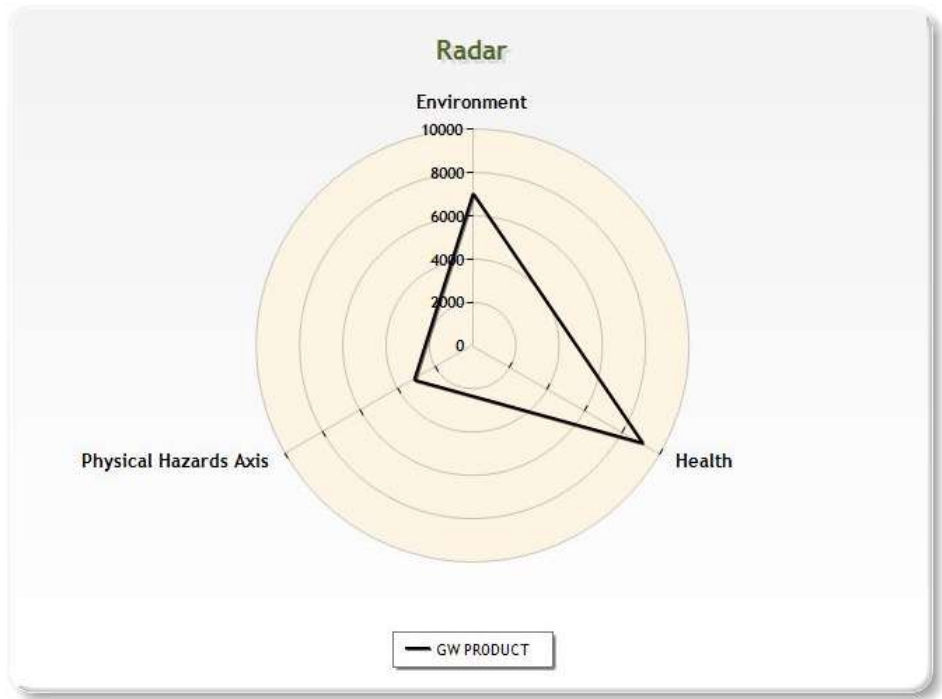


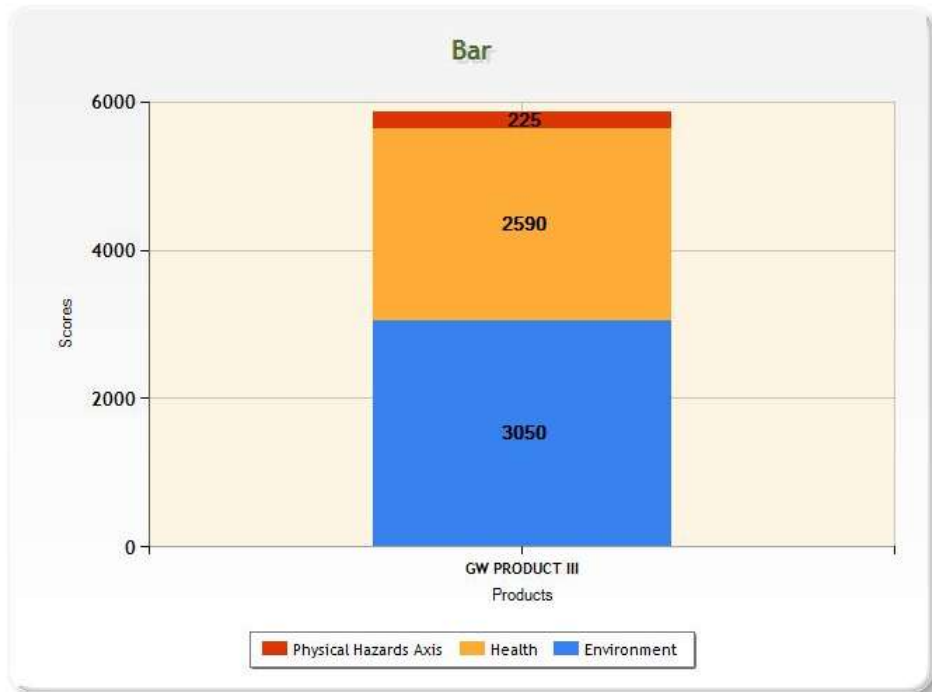
Chart Type:

Clear All Remove Selected

➔ Total Score [GW PRODUCT III] 5865



Bar Graph Radar Graph Comparison Graph



Clear All Remove Selected

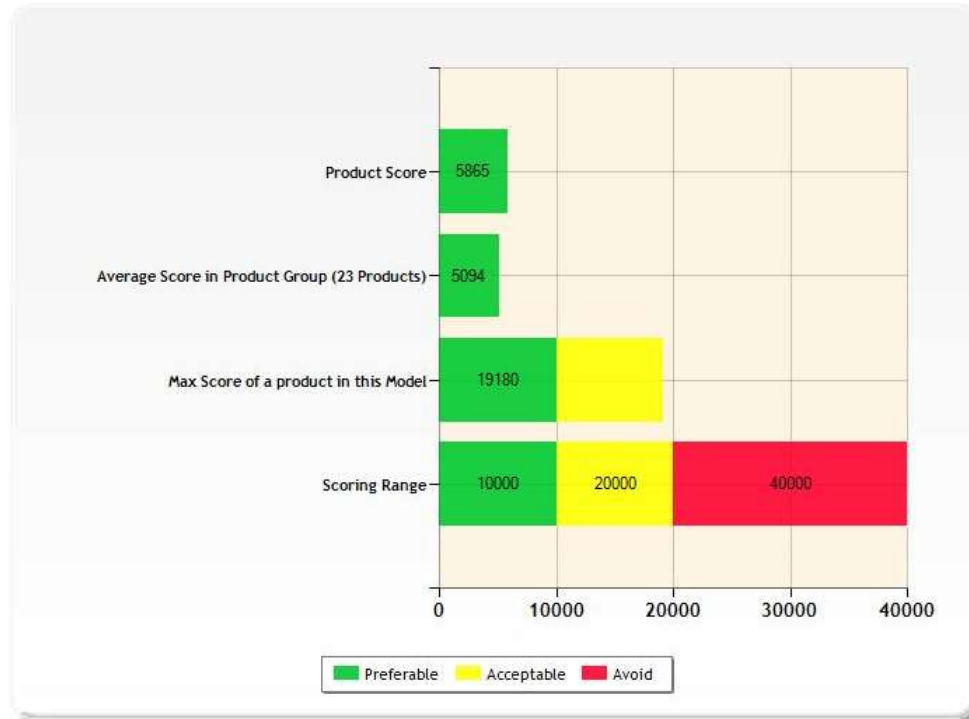
➔ Total Score [GW PRODUCT III] 5865



Bar Graph

Radar Graph

Comparison Graph

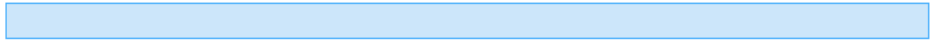


Products

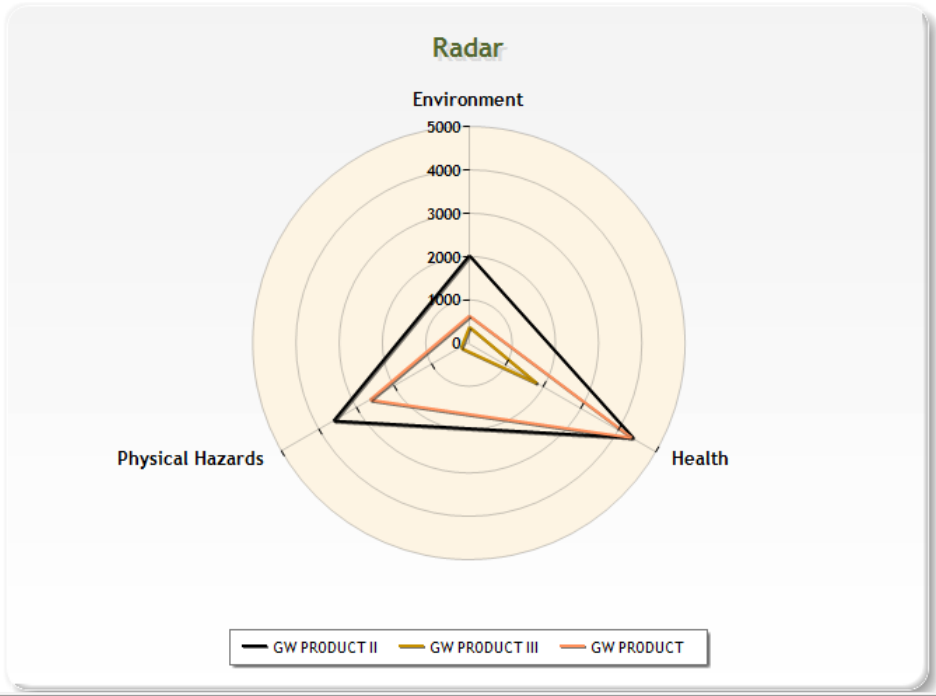
- GW PRODUCT II
- GW PRODUCT III
- GW PRODUCT**

Clear All Remove Selected

➔ Total Score [GW PRODUCT] 7610



Bar Graph **Radar Chart**

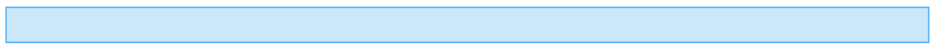


Products

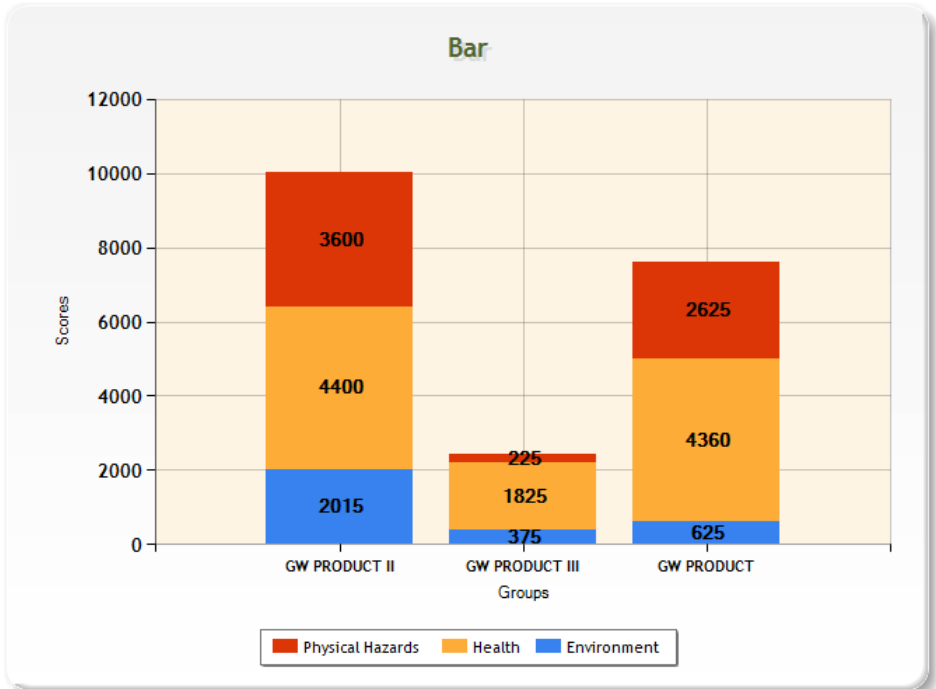
- GW PRODUCT II
- GW PRODUCT III
- GW PRODUCT**

[Clear All](#) [Remove Selected](#)

➔ **Total Score [GW PRODUCT] 7610**



Bar Graph Radar Chart



GreenWERCS™



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Attribute-based Scoring

Select Scoring Model

Ned Matrix

Select attribute for advanced scoring search criteria

RU

Override X - Y Axis Configuration

Identified uses

- Nematicide
- Organic solvent for the electronics industry
- Packaging
- Personal care
- Pesticide**
- Pharmaceutical
- Photographic chemical
- Pigment
- Plant protection agent
- Plasticiser for PVC
- Polyaminoamide
- Polymer additive



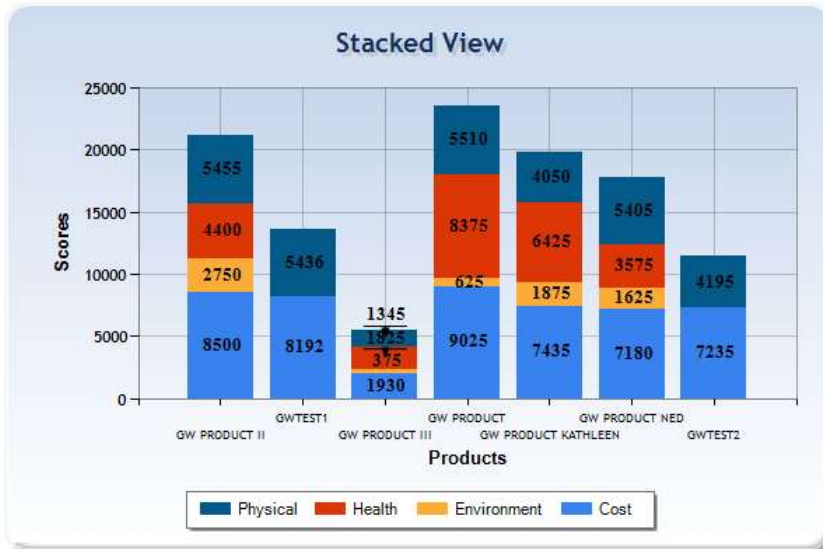
Attribute-based Scoring

VIEW:

Ned Matrix

Default View

Stacked View



Highlights - Products: 7

Best Scored Product

GreenWERCS Product II (0,0)

Worst Scored Product

GreenWERCS Product II (0,0)

Score Details

Health

Known Carcinogens Reproductive and Development Hazard
Mutagenic Hazard Suspected Carcinogens Endocrine
Disruptors

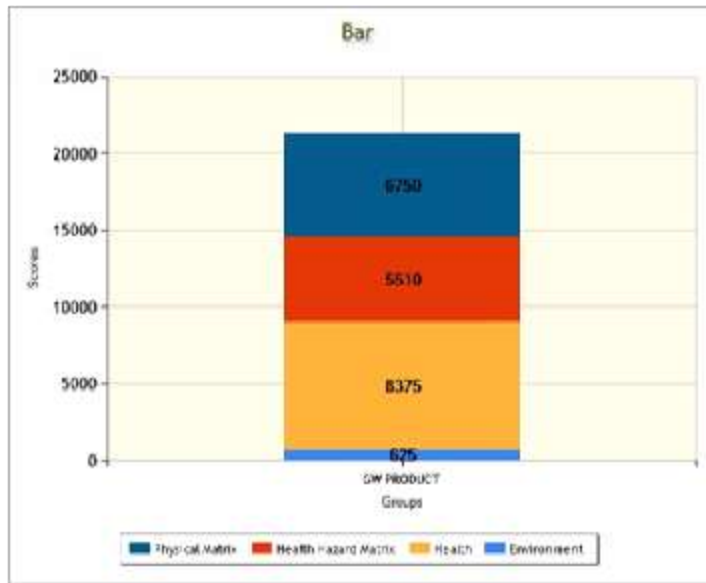
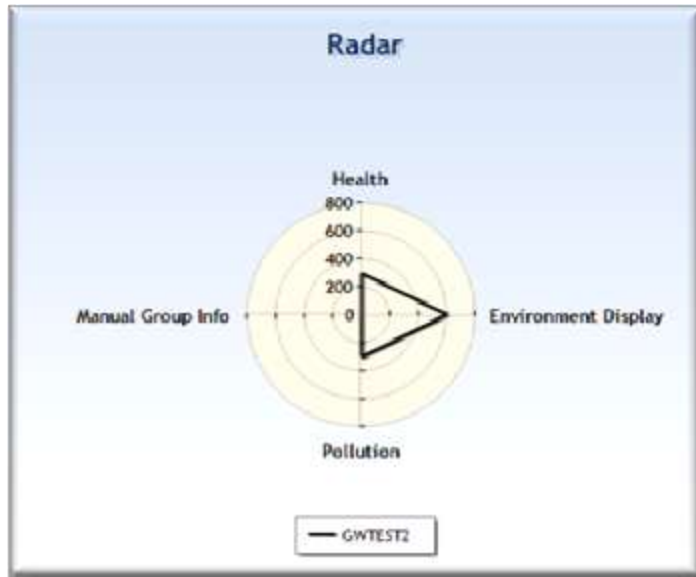
Environment

Physical

Cost

Scoring Model Architecture – Overview (One Time Setup)

Scoring Model



Groups

Health

Environment

Manual Group—i.e. Cost

Pollution



Home

Scoring Models

Axis Groups

Categories

Scoring

Advanced Scoring

Analytics

Manage Members

Category

Hazardous Air Pollutants

Filter by Name

air pollution

Show

Clear

Member Lists

Add?	List Name
<input type="checkbox"/>	Canada - Ontario - Air Pollution - Local Air Quality - Guidelines
<input type="checkbox"/>	Canada - Ontario - Air Pollution - Local Air Quality - Schedule 2
<input type="checkbox"/>	Canada - Ontario - Air Pollution - Local Air Quality - Schedule 3
<input type="checkbox"/>	Canada - Ontario - Air Pollution - Local Air Quality - Schedule 6
Added	EU - Air Pollution (2001/379/EC) - Heavy Metal Pollutants
Added	EU - Air Pollution (2004/107/EC) - Ambient Air Target Values
Added	EU - Air Pollution (2004/107/EC) - Substances Subject to Monitoring Requirements (Article 4)
Added	EU - Air Pollution (2004/107/EC) - Upper and Lower Assessment Thresholds
<input type="checkbox"/>	Japan - Air Pollution Control Law - Designated Particulates
<input type="checkbox"/>	Japan - Air Pollution Control Law - Designated Substances

Save

Back to Category



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Product Scoring

Search for Product

Products

GW PRODUCT III

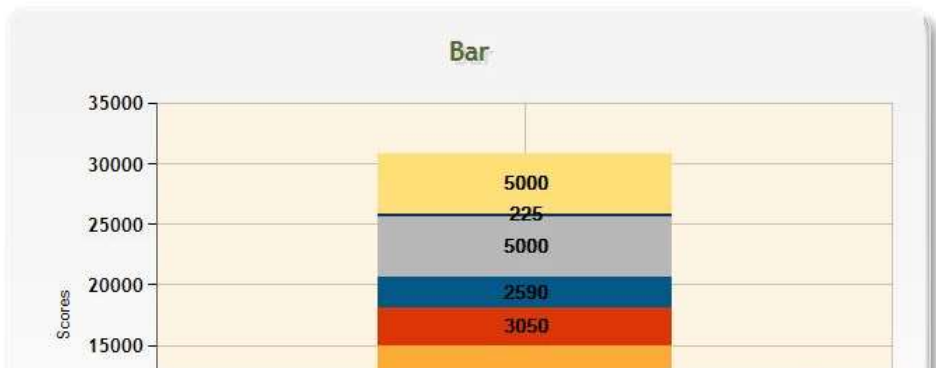
[Product Summary Document](#)

Clear All
Remove Selected

→ Total Score [GW PRODUCT III] 30865



- Bar Graph
- Radar Graph
- Comparison Graph





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Export Data

Select Scoring Model
 Ned Matrix

Date from
 12/01/2010

Date to
 02/03/2011

Display
 Total Only
 Historical Scores
 Score D

[Generate Report](#)
[Export Data](#)

December 2010						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Product	Score	Date
GW PRODUCT	1800	2011-Jan-28 4:20:12 PM
GW PRODUCT KATHLEEN	220	2010-Dec-10 8:44:34 AM
GW PRODUCT NED	0500	2011-Jan-28 4:28:38 PM
COFFEE CLEAN	0	2011-Feb-03 1:12:05 PM
GW PRODUCT III	30865	2011-Jan-28 3:27:01 PM
A00064	125	2010-Nov-29 8:54:46 AM
GW PRODUCT II	167250	2011-Jan-31 9:25:54 AM



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Export Data

Select Scoring Model
 Ned Matrix

Date from
 12/01/2010

Date to
 02/03/2011

Display
 Total Only
 Historical Scores
 Score Details
 Group Totals

- Generate Report
- Export Data

Product	Score	(1) Health	(3) Environment	(61) Cost	(122) Physical Hazards Axis	(241) Packaging Score	(301) Water Usage	(321) Energy Usage	(1) Known Carcinogens	(1) Reproductive and Development Hazard	(1) M
GW PRODUCT	49180	9055	7000	10000	3125	5000	10000	5000	1375	1500	0
GW PRODUCT KATHLEEN	15220	6845	5600	0	2775	0	0	0	1925	0	0
GW PRODUCT NED	15050	5200	4750	0	5100	0	0	0	3575	0	0
COFFEE CLEAN	0	0	0	0	0	0	0	0	0	0	0
GW PRODUCT III	30865	2590	3050	5000	225	5000	5000	10000	825	0	0
A00064	125	55	70	0	0	0	0	0	55	0	0



- Home
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- Axis Groups
- Categories
- Scoring
- Advanced Scoring
- Analytics

Export Data

Select Scoring Model

Ned Matrix ▾

Date from

12/01/2010

Date to

12/14/2010

Display

- Total Only
 Group Details
 Score Details
 Group Totals

Generate Report

Export Data

Product	Total Score	(1) Group Name	(1) Score	(3) Group Name	(3) Score	(121) Group Name	(121) Score	(122) Group Name	(122) Score	(161) Group Name	(161) Score	Date
A00064	70			Environment	70							2010-Dec-02 1:45:57 PM
COFFEE CLEAN	0					Health Hazard Matrix	0					2010-Dec-10 8:49:14 AM
GW PRODUCT	9900									Environmental Matrix	9900	2010-Dec-08 5:13:08 PM
GW PRODUCT II	11460			Environment	5600	Health Hazard Matrix	5860					2010-Dec-09 8:53:25 AM
GW PRODUCT III	3880	Health	1200	Environment	1000					Environmental Matrix	1680	2010-Dec-09 9:13:20 AM
GW PRODUCT KATHLEEN	29500	Health	6845	Environment	5600	Health Hazard Matrix	6120	Physical Harards	2775	Environmental Matrix	8160	2010-Dec-10 8:44:34 AM

Case Study



Who is Allergan?

Founded in 1950

Developed the first antihistamine eye drops

Today 4.8 Billion dollar global multi-specialty healthcare company

Portfolios of products: eye care, neuroscience, medical dermatology, medical aesthetics, obesity intervention and urologic.

What were the Challenges/Drivers?

Internal interest in method for demonstrating the safety of their products.

Desire to efficiently compare products to one another: measure safety and effectiveness.

Allergan's interest grew when they were exposed to Walmart's "Green Score"

First exposure to an automated tool that could quickly review products by category and provide meaningful information about chemical hazards.

Journey/Discovery

The first phase to see products compared against one another and as groups.

Scoring their products provided immediate credibility to marketing and R&D.

They now had tangible reliable proof for marketing.

R&D and EHS have a better way to view and organize product formulations which enabled them to look for substitutions and greener alternatives.



Case Study



Lessons Learned/Beyond the Solution

The biggest win is ability to review all incipient ingredients against authoritative human health and environmental concerns.

Allergan configured the tool and they developed an Allergan scoring model.

Example: Additional insight regarding Boric Acid.

Chemical appears on the SIN list and would need to be eliminated as an ingredient as a preservative.

Working now on safer alternatives

Sensitive to which alternatives have the potential to be regulated, saving significant amounts of money with new products and substitutions to existing products in a phase proactive approach.

This “Radar Detector” approach of proactively looking into the future is critical to the drug industry because of time to market and FDA approval processes.

Evaluating use of GreenWERCS for their in house developed API, leveraging testing and toxicological data they compile. This will help the R&D team develop safer products in the future.



Case Study



Who is GIGABASE?

GIGABASE is a China-based platform that ranks construction materials based on their ecological and health impact. Our master plan is to create market incentives for manufacturers to incrementally produce cleaner, healthier materials and transparently explain their impact.

GIGABASE's Challenge

Our platform lives and dies with credibility. When our clients dig into the details, they expect to find transparent, trustable results. For us, this hinges on chemistry. Users want full disclosure analysis and transparency, though most are turned off by deep chemical information, formulations, and technical details. This process requires time and effort and is still subject to human error.



Case Study



Journey/Discovery Process

Initially, our chemists individually broke consumer products into parts, then chemical compounds, and finally into raw chemicals. Each step was then analyzed for health impact against 3 regulatory lists. Results were made into simple understandable graphics and were finally published. Best case scenario—our chemists were spending 2-3 weeks reviewing products.

Solutions

For us, the WerCS offers a solution that both saves time while improving our credibility. Not only are our formulations reviewed against more regulatory lists than we thought existed, they are consistently reviewed each time, and are supported with simple graphics to communicate results and create leverage for improvement. The icing on the cake—we can re-evaluate formulations as often as we want, with updated vetted results just a click away.



Case Study

HALLIBURTON

Who is Halliburton?

Founded in 1919

Global leader providing products and services to the energy industry.

60,000+ global employees located in approximately 80 countries.

Formulate products used to extract oil, gas and other energy products.

What were the Challenges/Drivers?

As formulators of specialized products for the energy industry, they were driven to develop a scoring approach for evaluating formulated products impact on human health, and the environment, as well as compare products to each other in a relative fashion

Approach must allow ability to quickly score and review raw materials they purchased

Numerically score and compare products against a GHS centric scoring framework

Provide transparency around the method they developed



Case Study

HALLIBURTON

Journey/Discovery

GreenWERCs software tool enabled Halliburton to accomplish 3 key goals. Initial focus was on eliminating products that had a high/bad scores.

Tool provided ability to look at product groups and make decisions to eliminate products where safer alternative existed.

Focus development of new products safer for the environment.

Reviewing raw materials, working with supply chain, R&D developed significantly safer products.

Example: being released is an actual food ingredient that goes into fracking fluids.

Obtain empirical data, science based, that assisted in marketing new greener products to customers.

Lessons Learned/Beyond the Solution

The biggest thing learned was actually very simple.

After relatively unsuccessful efforts for years of trying to push green chemistry, GreenWERCs provided easy to understand information visually in front of people

Visual data changed internal dynamics

Significant shift in the thinking of major stakeholder occurred

They changed/improved over 20 key products that all were made greener.

In addition, now they are much more engaged with their supply chain on new product chemistry and safer alternatives.



Case Study



What are Walmart's challenges as it pertains specifically to chemically intensive products?

Walmart is on a sustainability journey that encompasses many aspects of sustainability. One of our goals as a company is to sell products that sustain people and the environment. Chemical products are diverse and the chemicals we sell range from motor oil to laundry detergent. Walmart's challenge is to take a closer look into these products and find ways to continuously improve the chemistry of the product while keeping cost and efficacy in mind.

What was the primary driver for selecting/building GreenWERCS as a tool/solution?

With the sustainability vision in place, Walmart needed a way to look at the ingredients of a product that kept the suppliers chemical formulation safe, while still assessing detailed information. Fortunately for Walmart, we started using the WERCS tool in 2006. The WERCS tool collects formulation data from suppliers and provides Walmart with regulatory information. In 2008, the tool was chosen to begin analysis of the chemicals in another fashion; bouncing the ingredients of a product against a group of chemical lists that were chosen by Walmart's stakeholder group the Chemical Intensive Products Network, or CIP. Leveraging the information already gathered by WERCS, Walmart could see results from the lists of CMRs and PBTs chosen and a numerical score could be derived.



Case Study



What lessons learned or surprises have you learned since launching the tool internally?

Once the tool was turned on, Walmart had immediate access to the scoring of over 100,000 UPCs. While this is a wealth of information, we struggled with explaining the results of all of these product to our merchandise teams with clear direction and goals. At first we envisioned the buyers directly accessing the tool and having conversations with suppliers about the future of these products. We have learned that this is a powerful tool that needs to be used correctly, and in the hands of the wrong person there is the possibility of the results being incorrectly interpreted.

How has the tool assisted in advancing safer or greener chemistry for Walmart, or supported a broader strategy?

When the tool was launched in 2009, it was immediately available for the suppliers to utilize. The suppliers are able to see their products and we have seen some action on their part to correct incorrect information and improve their ingredients, both improving their overall results. Having the GreenWERCS tool in place will be the cornerstone for assessing chemical products for chemical sustainability, and will be used alongside other important sustainability attributes for the broader Sustainability Index.



“Sustainability and lowering costs are totally aligned. We are looking at sustainability from a business standpoint—not from a standpoint of altruism. In fact, a lot of our suppliers are already way ahead of us when it comes to implementing sustainability.”

-Lee Scott, *Walmart's chairman of the executive committee*



Summary

- The needs for greener chemistry is increasing exponentially.
- The public and government bodies are holding corporations accountable.
- There is a need for a streamlined and automated approach to evaluating product chemistry.



For More Information

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Nedm@thewercs.com



12 Principles of Green Chemistry

1. **Prevent** - It is better to prevent waste than to treat or clean up waste after it has been created.
2. **Atom Economy** - Synthetic methods should be designed to maximize the incorporation of all materials used in the process into the final product.
3. **Less Hazardous Chemical Syntheses** - Wherever practicable, synthetic methods should be designed to use and generate substances that possess little or no toxicity to human health and the environment.
4. **Designing Safer Chemicals** - Chemical products should be designed to effect their desired function while minimizing their toxicity.
5. **Safer Solvents and Auxiliaries** - The use of auxiliary substances (e.g., solvents, separation agents, etc.) should be made unnecessary wherever possible and innocuous when used.
6. **Design for Energy Efficiency** - Energy requirements of chemical processes should be recognized for their environmental and economic impacts and should be minimized. If possible, synthetic methods should be conducted at ambient temperature and pressure.



12 Principles of Green Chemistry

- 7. Use of Renewable Feedstocks** - A raw material or feedstock should be renewable rather than depleting whenever technically and economically practicable.
- 8. Reduce Derivatives** - Unnecessary derivatization (use of blocking groups, protection/deprotection, temporary modification of physical/chemical processes) should be minimized or avoided if possible, because such steps require additional reagents and can generate waste.
- 9. Catalysis** - Catalytic reagents (as selective as possible) are superior to stoichiometric reagents.
- 10. Design for Degradation** - Chemical products should be designed so that at the end of their function they break down into innocuous degradation products and do not persist in the environment.
- 11. Real-time analysis for Pollution Prevention** - Analytical methodologies need to be further developed to allow for real-time, in-process monitoring and control prior to the formation of hazardous substances.
- 12. Inherently Safer Chemistry for Accident Prevention** - Substances and the form of a substance used in a chemical process should be chosen to minimize the potential for chemical accidents, including releases, explosions, and fires.

