Material Health Certificate

Exploring the Opportunity

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THE NEED

Industry groups, nonprofits, governments and big brands are prioritizing the identification and elimination of chemicals of concern. These initiatives are driving manufacturers to:

- Know more about the chemicals in their products and supply chains.
- Be more transparent about the chemicals in their products.
- Avoid chemicals of high concern and shift to inherently safer chemicals.
- Commit to continuous improvement toward greener chemistry in their products.

THE OPPORTUNITY

- The Cradle to Cradle Certified Material Health Assessment Methodology is widely recognized for its depth, rigor, thirdparty auditing, and consumer friendly reporting via the certification mark.
- There is no other MH assessment on the market that offers what we do.
- The years of development that have gone into the C2C material health methodology can be leveraged.
- The infrastructure and staff already exist to operationalize this offering. Little to no investment is needed
- This is an opportunity to bring more companies into the program.
- This is an opportunity to be written into more standards (that are just concerned with MH).

SWOT ANALYSIS

 Strengths Rigorous methodology C2C covers all phases (inventory, screening, assessment, and optimization) vs others only one. Simple user interface (label with achievement level) Non-profit status Third-party audited The offering already exists, just needs repackaging Utilizing existing infrastructure – tools, database, administration, etc. Utilizing skills of existing team – no new expertise required 	 Weakness Potential to devalue the full C2C Certified program Ability to act quickly (potential weakness)
 Opportunities Growing market New revenue stream No other player poised to take market share as quickly as C2CPII C2C brand recognition Creates an entry point for the C2C Certified program More business for accredited assessors More easily adopted by owners, retailers, and standards that are just concerned about material health at this time 	 Threats Others are considering entering the market Transparency – the call remains strong for public disclosure of ingredients

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STAKEHOLDER FEEDBACK

Certified Manufacturers, CSB Members, & Assessors

Overall, positive response:

- Gets more people on the path
- Tool for product manufactures to work with their suppliers
- Easier for owners and standards to adopt (hospitals, large retailers, Google)
- Cost effective entry point

Advice/warnings:

- Protect the brand
- Not a certification mark, a certificate
- Consider step in process
- Could be a distraction
- Don't dilute investment, need to invest in C2C Certified brand

STAKEHOLDER FEEDBACK

Non-Certified Manufacturers

6 Built Environment interviews:

- Two said their biggest competitors have C2C Certification so if they were going to do anything with C2C it would have to be full certification
- Two felt that the MH Certificate would be the best option for them to show their progress in material health in a meaningful way without having to publicly disclose formulations. Solves their immediate concern. <u>Would not pursue if</u> required to complete the full five attribute certification.
- Two felt that the the material health fad would blow over but they were happy to know about the option.

Consumer products:

• Want a consumer facing label to address concerns about safer chemicals. Overall C2C certification mark isn't meaningful to consumers at this time.

STAKEHOLDER FEEDBACK

Owners & Retailers

Two interviews:

- We love all that C2C stands for but right now Material Health is our biggest concern. The C2C Material Health methodology is the most comprehensive and appropriate for manufacturers (exposure consideration). It is easier for us to ask our suppliers for the MH Certificate than it is to ask them to pursue full certification at this time.
- They could not require this of suppliers if full C2C Certification were required. Cannot be a step-in program.

DECISION POINT

- Positive stakeholder feedback
- Risk of missing outweighs risk of trying
- Confident that it will lead to more manufacturer engagement with the Institute
- Confident it will increase the number of manufacturers engaged in optimizing the chemical composition of their products
- Confident that we will have a stronger relationship to engage them in full C2C Certification
- Timing being critical, launch at Greenbuild (Oct. 21 24)

MATERIAL HEALTH CERTIFICATE

- 100% the same Material Health assessment methodology and requirements as established in the v3 standard, which is governed by the Institute's Certification Standards Board
- Stand-alone certificate (not a step in)
- Assessments will be conducted by accredited assessment bodies that have been trained and audited by the Institute
- The certification will be administered by the Institute
- Certificates are valid for two-years
- Fee (TBD)
- A separate Material Health Certificate registry will be established on the website to avoid confusions with C2C Certified products

REPORTING

This offering is a tool for manufacturers to communicate their work towards chemically optimized products. In addition to the overall material health certification level, the Institute will offer an enhanced reporting format that will increase transparency into the assessment report including:

- Achievement level (based on the v3 material health achievement levels)
 - Bronze, Silver, Gold, and Platinum (no Basic level)
- Avoiding chemicals of concern summary:
 - Banned list compliant (Bronze+)
 - No exposure from carcinogens, mutagens, and reproductive toxins (Silver+)
 - Does not contain x-assessed chemicals, fully optimized (Gold+)
 - Process chemicals have been assessed, none are x-assessed (Platinum)
 - Meets VOC testing requirements
- % assessed by weight
- % by weight A/B/C/X or grey assessed materials
- Number of materials A/B/C/X or grey assessed

Carpet

ISSUED TO Company Name

ASSESSED BY Assessor name

CERTIFIED USES

This product is certified for the following uses Lorem ipsum dolor sit amet, consectetur adipiscing elit. Duis aliquet viverra massa non placerat. Aliquam interdum enim eu erat pretium laoreet. STANDARD V3.0

PRODUCTS COVERED

This Material Health Certificate and the associated Trademark License Agreement apply only to the following products: xyz, xyz, xyz Adterial Health

SILVER

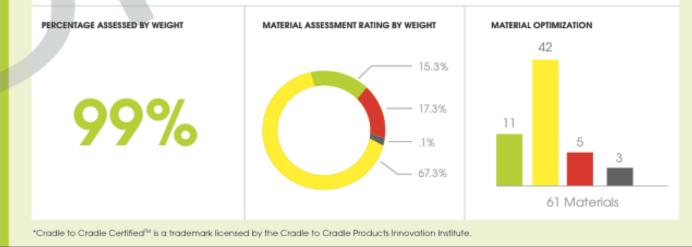
Expires September 2014

CRADLE TO CRADLE **PRODUCTS** INNOVATION INSTITUTE

CHEMICALS OF CONCERN

- Cradle to Cradle Certified Banned List Compliant
- No exposure from carcinogens, mutagens, and reproductive toxicants
- Meets VOC testing requirements
 - Does not contain any X-assessed materials; product is fully optimized

Process chemicals have been assessed and none are x-assessed



SUMMARY

The Institute is well positioned to launch this extension of the certification program and to extend our current offering. There are multiple benefits to our stakeholders. These include:

- Increased awareness of C2C Certified through increased market share
- Increased business for accredited assessors
- More data to contribute to a list of positive ingredients