



Understand the situation at hand

ASSESSING YOUR CHEMICAL PURCHASING PRACTICES

Assessing your chemical purchasing practices



- Requirements as per ZDHC CMS
- Apply good chemical purchasing practices
- Chemical purchasing decision
- Identify your chemical suppliers
- Approving and removing suppliers
- Where do you stand

Requirements as per ZDHC CMS

ZDHC CMS reference:

- 2.3.1 - Chemical purchasing policy considerations
- 2.3.2 – Identify chemical suppliers
- 2.2.3 – Supplier approval/removal process

Expected deliverables as per ZDHC CMS

- Purchasing and disposal policy for chemicals
- List of chemical suppliers as part of chemical inventory
- Standard operating procedure for approval and removal of supplier



Good chemical purchasing policy and practices

For consideration

- To tighten purchasing controls and make purchasing more efficient (e.g. Do not buy extra chemicals in bulk for anticipated savings).
- Chemical's disposal cost at time of purchase (=> disposal cost may be 20 to 50 times the original purchase price).
- Handling and disposal requirements (=> Prefer non-hazardous chemicals or those that are suitable for reuse).
- Reduce expired stock: Order reagents in amounts needed and stock smaller containers of chemicals.
- Use older stock first: Use a first in, first out policy to keep chemicals from becoming outdated.
- Avoid chemical donations: Do not accept donated chemicals or free samples unless they meet a specific need.

Good chemical purchasing policy and practices

Chemical purchase policy - Example



Company XYZ procures textile dyes & chemicals with particular consideration of their environmental, health and safety and global ecological impacts to ensure doing business in environmentally sustainable manner. The concerned team of company XYZ will look out for innovations in chemical applications and continuously search for and assess safer chemicals. For the implementation of this policy, company XYZ will adhere to the relevant national rules and regulations. Furthermore, the company will comply with xxx (e.g. REACH, EPA,...) standards as well as conform to requirements of (*ZDHC/Detox/blue sign*) MRSL and its buyers` restricted substances lists in the selection of chemicals.

Applying good chemical purchasing practices

Before ordering chemicals...

- Make sure the chemical is on the facility system's list of approved chemicals and check against any MRSL/RSL in effect in your company
- Train personnel so that they are capable of assessing chemical hazards.
- Train personnel to be sufficiently knowledgeable in recognising requests from others for non-essential chemicals.
- Develop and/or update the inventory of existing chemicals.



Applying good chemical purchasing practices

For each chemical, ask yourself...

- Can the supplier provide a Safety Data Sheet (SDS), preferably in the local language, containing the relevant sections on proper handling, hazards, transport and safe disposal?
- Can proper storage be provided for the chemical?
- Are the facilities appropriate for the use of this chemical?
- Is appropriate PPE available/required for safe use of the chemical or its end product?
- Do we have qualified persons who will handle and use the chemical been trained in handling these chemicals? Are they aware of the hazards?
- Will the chemical or its end products require disposal as hazardous waste (occurring corresponding disposal costs)?

Chemical purchasing decision

For selecting chemicals, consider...

- Relative hazard level of chemical
- Value of using chemical
- Staff experience or lack of experience in using substance
- Degree to which the laboratory/factory is equipped for safe use of this chemical



Identify your chemical suppliers

How to proceed

- List chemical manufacturer and/or supplier in your chemical inventory
- Document relevant contact details for each chemical supplier for urgent technical support or in case of emergencies (e.g. point-of-contact name, phone number and address)



Cross-check with your chemical inventory!

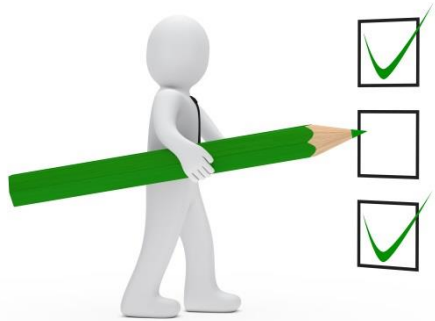
Approving and removing your chemical suppliers

ZDHC CMS requirement

- Establish, document and implement a process for identifying and using preferred suppliers and removing suppliers from the preferred list when appropriate



Approving and removing your chemical suppliers



Criteria for selecting chemical suppliers (examples)

- Supplier provides up-to-date safety data sheets (e.g. as per GHS) and technical data sheets
- Good quality of labelling on chemical containers (e.g. as per GHS)
- Supplier readily provides MRSL/RSL etc. chemical conformity declarations
- Supplier offers a „positive list“ of chemicals
- Supplier is committed to „Responsible Care“
- Supplier has „hot desk“/emergency contact mechanism

Approving and removing your chemical suppliers



Chemical supplier conformity declaration

Required for certifying conformity with MRSL and/or your customers' RSL

- Verify who has issued/signed the declaration (e.g. stewardship department, upper manager representative)
- If in doubt, ask for possible additional documentation from your chemical supplier:
 - Test reports from third-party accredited laboratories
 - Certificates

Where do you stand

ZDHC audit questions (Example)

- Is there a procedure on how to select and purchase chemicals? (CRP 1.1.1)
- Are chemicals purchased against a specification? (CRP 1.1.2)
- Are chemicals sampled and tested when received for approval against specifications? (CRP 1.1.3)
- Do large quantity deliveries have additional controls to assure chemical purity and freedom from contamination/substitution prior to off-loading to storage? (CRP 1.1.4)
- Is there a written contract or agreement established, mutually confirmed and controlled between the factory and its contractors/subcontractors covering subcontracted activities? (CRP 1.1.6)
- Does the organisation document receipt of purchased chemicals? (CMD 2.1.5)



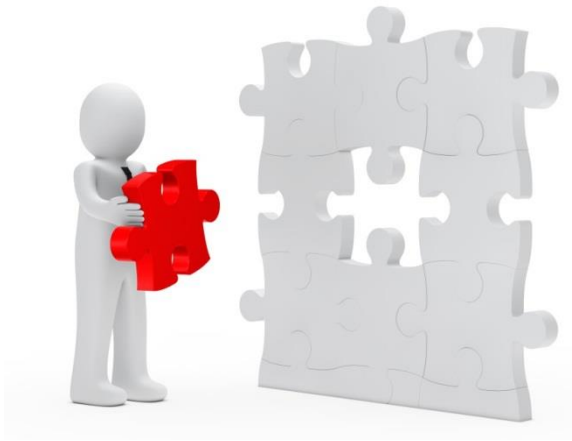
Where do you stand

ZDHC audit questions (Examples) ctnd.

- Has the organisation documented and implemented procedures to ensure that the identification of raw chemicals includes appropriate labelling, supplier name, receipt tracking information, matching supplier documentation and quantity tracking? (CMD 2.1.9)
- Does the facility have **signed and dated declarations** from their dye and chemical suppliers confirming that the formulations supplied to the facility are compliant with the relevant retailers' or the facility's own RSL and/or MRSL? (CRP 1.1.5)
- Does the facility require its suppliers to follow a MRSL/RSL? (CRC 1.1.1)
- Does the facility actively monitor RSL/REACH supplier certificates and track against their inventory? (CRG 1.1.1)



Next steps



- Prepare/Review your purchase policy
- Develop/update your supplier approval and removal procedure
- Collect and maintain record of chemical supplier conformity declaration and related documents
- Review/update chemical inventory with regard to compliance with applicable MRSL and RSL.
- Set target for purchase of less/non-hazardous substances
- Encourage supplier in purchase orders to provide such substances