WRITTEN STATEMENT
OF
KELLY M. SEMRAU
SENIOR VICE PRESIDENT –
GLOBAL CORPORATE AFFAIRS, COMMUNICATION & SUSTAINABILITY
S. C. JOHNSON & SON, INC.
BEFORE THE SUBCOMMITTEE ON SUPERFUND, TOXICS,
AND ENVIRONMENTAL HEALTH
OF THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE
FEBRUARY 3, 2011

"ASSESSING THE EFFECTIVENESS OF U.S. CHEMICAL SAFETY LAWS"

Chairman Lautenberg and members of the Subcommittee, I am very pleased to be here today to support modernizing U.S. chemical management policies. My name is Kelly Semrau and I am Senior Vice President of Global Corporate Affairs, Communication, and Sustainability at S. C. Johnson & Son, Inc. (SC Johnson). Among my responsibilities, I oversee the company's diverse global sustainability programs and initiatives, some I will describe for you today. Many programs are directly linked to understanding, evaluating, and making informed decisions about the chemicals we use to formulate our consumer products. Thus, we have a great interest and a stake in the congressional debate over whether and how to modernize the Toxic Substances Control Act (TSCA) and bring it into the 21st Century.

125 years old in 2011, SC Johnson is family-owned and managed with the fifth generation of the Johnson family, Dr. Fisk Johnson, as our Chairman and Chief Executive Officer. Our business is dedicated to creating and marketing innovative, high-quality products to make consumers' lives easier, better and healthier. We have a particular emphasis as well on excellence in the workplace and enduring generational commitment to the environment. We also believe that the communities in which we operate should be better because we are there. Our international headquarters is in Racine, Wisconsin, where the company was originally founded.

SC Johnson is one of the world's leading manufacturers of products for cleaning, home storage, air care, and insect control. We market leading brands such as GLADE®, OFF!®, PLEDGE®, RAID®, SCRUBBING BUBBLES®, SHOUT®, WINDEX®, and ZIPLOC® in the U.S. and beyond, and among the brands we market outside the U.S. are AUTAN®, BAYGON®, BRISE®, KABIKILLER®, and MR. MUSCLE®. We market our products in virtually every country around the world. We employ 12,000 people globally, yet with many of our employees in the U.S. Please visit our website at *www.scjohnson.com* to learn much more about the company and our values.

Doing What's Right for Consumers

First let me explain what motivates our appearance before the Subcommittee today. Some of you may already be familiar with our company. Perhaps you have seen our television commercials, particularly our most recent ones featuring Fisk Johnson, talking about the importance of doing what's right for our consumers by being more open and transparent about what's in our products. That message – doing what's right for consumers – is what SC Johnson is all about, and it's not just a tag-line in a commercial or slogan in a company brochure. It is a value that we live every day.

Doing what's right for consumers by working to safeguard the environment and protect human health has been a part of our company's ethic for generations. For example, we switched to water-based aerosols from petroleum-based aerosols in 1955. We were leaders in the industry in 1975 as the first company to remove CFCs (chlorofluorocarbons) from all aerosol products, doing so voluntarily and unilaterally three years before the federal mandate. We launched our patented, award-winning Greenlist™ process in 2001 to enable us to select ingredients for our products with the most preferred environmental impact. And in 2009, we announced a broad ingredient communication program that was a logical extension of Greenlist™, designed to bring more transparency to our products by sharing product ingredients with consumers through (1) a dedicated website; (2) product labels; and (3) a toll-free number. Some of these decisions were difficult and expensive but, in each case, SC Johnson felt it was the right thing to do.

While SC Johnson may be a large global company, we pride ourselves on being a *family* company. And everything we do has families in mind. We are always working to make products that consumers know they can trust. For a family company, earning and keeping consumers' trust is paramount. Yet by no means are we a perfect company. However, our commitment to put the health and well-being of our consumers first is what informs the work we do every day at SC Johnson, as well as the perspectives we are developing on TSCA modernization.

SC Johnson Supports TSCA Modernization

While we view TSCA first and foremost as a chemical statute, and not a product-based statute, SC Johnson strongly supports efforts to modernize the 35-year-old law. For many years, TSCA was viewed as an appropriate tool for regulating industrial chemicals, but the statute has not been substantively amended in more than a generation. Yet, the science behind much of chemical management in the U.S. – including the sciences of risk assessment and management – has greatly evolved, and as a result, so have many of our own business practices. We believe it simply makes good business sense to bring TSCA into the 21st Century, while still protecting and enhancing the spirit of innovation that lies at the heart of SC Johnson, the consumer products industry, and the U.S. economy. There are several reasons why we believe there is a compelling business case for modernizing TSCA:

First, formulators like SC Johnson are in many respects the public face of the U.S. chemical industry. Our chemically-formulated products are in every home and on store shelves around the country. Yet, more important to us, the Johnson family name is on every one of our company's products – and has been for five generations. Maintaining a high level of consumer confidence in the safety and performance of every one of our products is a responsibility we take very seriously. Because we go to great lengths to evaluate the ingredients that go into SC Johnson products and study their related exposures, we believe consumers and their families are and can be very confident about using our products. But, we acknowledge that some gaps exist in the data that is available about chemicals that are used in commerce. We believe a TSCA modernization process would give us the opportunity to objectively examine where those data gaps occur and how they can be filled in the most effective and economically responsible manner. Modernizing TSCA may not be the only solution or even the best solution, but the debate opens the door to addressing this fundamental concern.

Second, companies like SC Johnson and others in the chemical industry face tremendous pressure at the state level, as state legislatures and regulatory authorities seek to develop and implement their own chemical management programs in the absence of action at the federal level. These various state initiatives could have the undesirable effect of establishing differing sets of requirements for evaluating chemicals, assessing potential alternatives, and if necessary, eventually substituting chemicals. Since we market products in all 50 states, the prospect of manufacturing products to as many as 50 different sets of state chemical management requirements, no matter how well intentioned, will result in significant uncertainty and inefficiencies. It will also depress innovation. While we respect the belief in the states as "laboratories of democracy," we believe an appropriately modernized and confidence-inspiring federal TSCA statute will ultimately lessen the perceived need for regulation of chemicals on a state-by-state basis.

Third, chemical regulation is changing rapidly and significantly around the globe. Like many of our competitors, SC Johnson is an international company. We comply with the rigorous requirements of Europe's REACH regulation for the Registration, Evaluation, Authorization, and Restriction of Chemical Substances. Added to that are the new Canadian Chemicals Management Program and China's recent revisions to its chemical management program. We believe it is essential for the U.S. chemical management system to keep pace with global developments – including leveraging data and findings for new international chemical management regimes – and that our government be a global leader in chemical regulatory policy.

For these reasons, we believe TSCA should be modernized. We fully intend to play a constructive role to help develop meaningful, effective, and, above all, workable reforms. We will continue to engage Congress, the Administration, EPA, leading non-governmental organizations, and within our own industry to motivate and build support for improving U.S. chemical management practices. This is consistent with the essential principles and building blocks we and our industry developed for a successful chemical management regulatory framework.

Building Blocks of TSCA Modernization

As you think through how best to modernize TSCA, there are issues we believe are critically important:

1. Balanced Transparency: We strongly support transparency, but in a way that balances our genuine desire to inform, and empower our consumers, with the need to protect legitimate confidential business information. We need legitimate confidential business information (CBI) to ensure continued innovation and success in the competitive marketplace. To compete on a global scale, some information must remain a trade secret. Otherwise, U.S. manufacturers will have little or no incentive to expend the research and development resources to innovate. Companies would lose their competitive edge, jeopardizing precious American jobs. With that in mind, however, we are prepared to support reasonable changes in CBI treatment under TSCA, including:

    a. Last year, the EPA asked us to review older files containing CBI claims that we submitted to EPA and to strictly limit such claims in any future TSCA filings. We support EPA's efforts to improve transparency of chemical data. We are committed to undertaking an internal review of our past TSCA submissions with the goal of declassifying information that we conclude no longer merits CBI protection. We also will review our overall TSCA compliance policies concerning future CBI-related claims.

    b. In addition, one of the legislative reforms that has been suggested is to facilitate greater sharing of CBI between governments, whether between the states or between nations. We would support this goal, with proper protections.

    c. We do not object in principle to the suggestion that companies should provide substantiation for CBI claims when the information is submitted to the EPA, provided there is real transparency in the standards under which that substantiation will be evaluated.

    d. There also have been proposals to place time limits on claims of CBI. We can support this approach, provided there is a means to renew the CBI protection where information warrants it.

2. Providing Adequate Use, Exposure and Toxicity Information: We urge EPA to work with chemical manufacturers and downstream users to ensure that EPA has timely and adequate information on chemical hazards, exposures, and uses, including use in children's products. By committing to provide such use and exposure information, formulators like SC Johnson are agreeing to a new reporting responsibility – but one we believe is necessary to properly inform the chemical safety evaluation process. As we evaluate chemical ingredients for use in our products, we find that there are

gaps in the available data. We work very hard to address these gaps and mitigate the risks by working with our suppliers and utilizing peer-reviewed research.

3. Promoting Greener Chemistries: SC Johnson invests in green chemistry. Whether through our Greenlist™ process or our partnership with EPA's Design for the Environment (DfE) program, we see green chemistry as an avenue for motivating the selection of better, safer raw materials. Any TSCA modernization effort should promote the transition to more sustainable alternatives, not hinder manufacturers' ability to formulate out of one ingredient and into another with a more beneficial environmental and human health profile.

4. Ensuring Adequate Time to Respond to New Requirements: We recognize the need to move ahead with TSCA modernization in a timely fashion. We also must ensure that the chemical industry has sufficient time to transform itself and implement the technological and scientific tools needed to accomplish the mission of TSCA modernization. It is vitally important for policymakers to understand and appreciate the fact that manufacturers cannot "flip a switch" and be exactly where we wish to be at a time-certain. I think our Greenlist™ process has put us ahead of the curve for some of the anticipated changes to TSCA, and we are willing to make additional changes that may result from legislation. However, we need a reasonable amount of time to integrate such changes responsibly – those that are less critical priorities where more time can be taken to implement them.

In addition, some other suggestions from industry that we encourage you to consider as you develop legislation include:

1. Promote Innovation: Any changes to current TSCA should promote innovation by chemical manufacturers and their customers by emphasizing simplicity, flexibility, and appropriate protection of intellectual property.

2. Address Prioritization: We believe an effective priority-setting process must be risk-based, taking into consideration a chemical's hazard characteristics and potential exposures to all relevant populations. Prioritization is essential for EPA to focus on the most critical chemicals first, and will in turn bolster public confidence that chemicals of most concern are being addressed first. Neither our resources nor EPA's are limitless. Prioritization will help ensure we proceed in an economically responsible manner.

3. Update the Safety Standard: EPA should establish a risk-based methodology to determine whether a priority chemical is reasonably expected to be safe for its intended use. This will entail the use of exposure data in conjunction with hazard data to make risk-based determinations. Safety determinations should consider the likelihood and potential exposure to the intended population, including children and other sensitive sub-populations, as well as the anticipated benefits from use of a chemical and the availability of suitable alternatives.

4. Leverage and Integrate Chemical Reviews: Policymakers should leverage chemical management programs and reviews undertaken by other nations and integrate, when it makes sense to do so, the patchwork of national laws governing chemical management. This includes accepting validated data generated to meet another country's requirements, so as to minimize duplication of animal testing.

5. Use the Best Available Science: It is essential for policymakers and regulators alike to rely on the best available, scientifically valid data and information, regardless of its source, and to discourage the kind of hype and misleading information that we have seen in recent years.

SC Johnson Sustainability Initiatives

Our perspectives on modernizing TSCA are greatly informed by our own chemical-related innovations and sustainability initiatives. We are very proud of three programs in particular that directly relate to chemical evaluation and selection, and transparency with our customers. These include our Greenlist™ environmental classification process, our ingredient communication initiative, and our ongoing partnership with the EPA Design for the Environment (DfE) program.

Greenlist™

The cornerstone of our company's sustainability efforts is our Greenlist™ process. We implemented Greenlist™ globally in 2001 to classify ingredients considered for use in our products by their impact on human health and the environment. Today, SC Johnson scientists have a computerized, global system that helps them select ingredients with better environmental footprints and to strive to improve our products continually. Our now-patented Greenlist™ process includes ratings for more than 95 percent of the ingredients we use in our products. Among the 19 ingredient categories we have rated under Greenlist™ are chelants, dyes, fragrances, insecticides, packaging, propellants, preservatives, resins, solvents, and surfactants, and our scientists are continually exploring other categories to add. Each type of ingredient is judged based on key criteria, such as toxicity and biodegradability. Greenlist™ scores also take into account whether our suppliers demonstrate their own high environmental performance, such as receiving ISO 14001 certification.

Using the Greenlist™ process, each potential ingredient that goes into an SC Johnson product receives a rating from 3 to 0. An ingredient with a 3 rating is considered "Best," 2 is "Better," 1 is "Acceptable," and 0-rated materials are for restricted use only, when there is no viable alternative. This means that while 0-rated materials may be legal to use, we deem them to be unacceptable against our Greenlist™ program criteria compelling us to work proactively to replace them with those that have a more preferable environmental and human health profile. When SC Johnson scientists create a new product or reformulation, they work to select raw materials rated "Better" or "Best." When existing products are reformulated, the scientist must include ingredients that have combined ratings equal to or higher than the original formula.

Our goal with Greenlist™ is that beyond meeting the legal and regulatory requirements for our products, we increase year-on-year the percentage of our ingredients that are most preferred for their environment impact. In our latest reporting year – 2008/09 – SC Johnson's use of "Better" and "Best" ingredients reached 44% versus 18% in 2000/01. And despite sales growth, our use of the lowest-rated materials in 2008/09 remained at a low 1%. As a result of Greenlist™, we have been able to continuously improve our products, going beyond legal or regulatory requirements to replace less desirable ingredients with those that we believe have a better environmental or human health profile.

Here are a few examples of how Greenlist™ enables us to move away from using certain less desirable ingredients in our products:

- In 2002, we eliminated polyvinyl chloride (PVC) from all of our packaging because it is not biodegradable and has been linked to health problems and other issues.

- Also in 2002, we eliminated chlorine-bleached paperboard packaging because the chlorine can cause contamination of air and water.

- In 2004, we eliminated the organophosphate insecticide DDVP because of links to human health and environmental risk.

- Also in 2004, we eliminated halogenated polymers (PVDC and PVC) from SARAN WRAP® and replaced them with polyethylene (PE).

- In 2006, we acted ahead of regulatory requirements by eliminating another insecticide, propoxur, because of its toxicity and persistence in the environment.

We developed Greenlist™ according to rigorous scientific best practices. It is built on input from recognized experts, such as the UK's Forum for the Future and the U.S. EPA, as well as with help from suppliers, university scientists and other organizations. To this day, we continue to look for ways to improve the Greenlist™ process. It has been scientifically reviewed by organizations like the Society of Environmental Toxicology and Chemistry and the World Wildlife Fund, and has received third-party validation from the Green Chemistry Institute, a division of the American Chemical Society, which is dedicated to promoting and advancing green chemistry. I am proud to note that SC Johnson also has been recognized with multiple awards, including the Presidential Green Chemistry Challenge Award and the Ron Brown Award for Corporate Leadership – both in recognition of our work on Greenlist™.

We are committed to sharing Greenlist™ because we believe other organizations can benefit from the work we have done. We will license Greenlist™ to other companies royalty-free. Because the Greenlist™ process is highly flexible and adaptable, companies licensing it can adapt it to reflect their unique chemicals and materials. Licensees also get a proven management system for establishing, evaluating, and

reporting on performance against measurable objectives. Just as important, they must agree to uphold the responsibility and transparency that's fundamental to operating sustainably. Companies that license the Greenlist™ process must be willing to establish measurable goals and report them annually.

Ingredient Communication

In March 2009, SC Johnson announced a broad ingredient communication program that was a logical extension of Greenlist™. Knowing that families want to understand more about the products they use in their homes, we decided to go beyond the parameters of the ingredient disclosure and "right to know" program launched by our industry in January 2010, which SC Johnson helped develop .Our program goes beyond the industry model by listing dyes (by their trade name), preservatives, and fragrance ingredients for the public to access and review. For fragrances, we will provide a listing of all ingredients that could *potentially* be included in the fragrance, in order to protect the proprietary details of individual fragrance formulations, which are a trade secret. Plus, we continue making our information available to consumers through not just one, but three sources: online at www.whatsinsidescjohnson.com, on product labels, and via a toll-free number that connects customers to our 24-hour Consumer Resource Center.

Additionally, our program focuses on using a single naming system – the International Nomenclature of Cosmetic Ingredients (INCI). This drives simplicity and clarity, as many consumers are already accustomed to seeing INCI terms on personal care product labels. And, we are not just listing, but also defining ingredients and explaining their purpose in the product.

Since that 2009 announcement, we have achieved three key milestones in the implementation of our disclosure program:

- In November 2009, just eight months after announcing our plans, we populated our U.S. ingredient website, www.whatsinsidescjohnson.com. The site contains more than 200 air care, home cleaning and home storage products and the hundreds of ingredients they include.

- In December 2009, SC Johnson Canada launched its own ingredient site in both English and French.

- In March 2010, SC Johnson became the first company in our industry to offer a Spanish-language ingredient site. Just like its English-language counterpart, the site offers easy-to-access and easy-to-understand information about the ingredients in SC Johnson's U.S. air care and home cleaning products. Phone support is available for Spanish-speaking callers, as well.

Transparency with our consumers, as well as with federal and state regulators, is something we take very seriously, and we are looking forward to expanding and enhancing our ingredient communication program in the months ahead. I encourage

members of the Subcommittee to visit our ingredient communication site and share any feedback you may have.

Design for the Environment (DfE)

Finally, we are particularly pleased to be part of the EPA Design for the Environment (DfE) program. In fact, SC Johnson was the first major consumer packaged goods company to partner with DfE. For us, it was a natural fit, as DfE's goals are very much aligned with our Greenlist™ process. Both programs focus on evaluating the safety of numerous cleaning product raw materials. Both place the environment and human health at the center of product development and formulation. And both share a commitment to promoting continuous improvement.

As you consider changes to TSCA, we urge you to preserve our ability to design, implement and expand upon the kinds of sustainability initiatives and programs I described. We need to drive innovative product improvements through the timely evaluation and selection of chemicals that make up our products. And we believe changes to TSCA must be driven by sound science, include realistic timelines for action – for both industry and EPA – and seek to achieve objectives in the least burdensome, most economically responsible manner.

In closing, I would like to thank Chairman Lautenberg and members of the Subcommittee for this opportunity to share our views. SC Johnson pledges to work with you and your colleagues in the other body to develop responsible and workable changes to TSCA that will garner broad public and industry support, and make the U.S. a global leader in chemical management policy.

I look forward to your questions.