
ZDHC Air Emissions Guidelines Industry Standard Implementation Approach

Version 1.0
August 2024

Introduction

The intention is to provide calculation models for suppliers to understand their status quo on key pollutants and plan improvement actions, without overwhelming them with testing and reporting in the initial phase. ZDHC's philosophy is to work on input chemistry, with the aim of managing output. Therefore, our focus within this guidelines document is on input chemistry management leading to cleaner air.

Through version updates, ZDHC will provide a roadmap for suppliers and brands, and explain how the guidelines work in conjunction with other industry tools, verification approaches and reporting schemes.

The ZDHC Air Emissions Guidelines V1.0 will focus on Volatile Organic Compounds (VOCs) (as listed in Appendix A) to help suppliers gain insight into their baseline status and plan improvement actions to reduce VOC emissions into the ambient air. The calculation will be done based on the 100% Potential to Emit (PTE) VOCs based on the chemical inventory used in their production processes.

The ZDHC Air Emissions Guidelines V1.0 will also include expectations from suppliers for actions on their greenhouse gas (GHG) emissions.

In relation to VOCs, the ZDHC Air Emissions Guidelines V1.0 will provide:

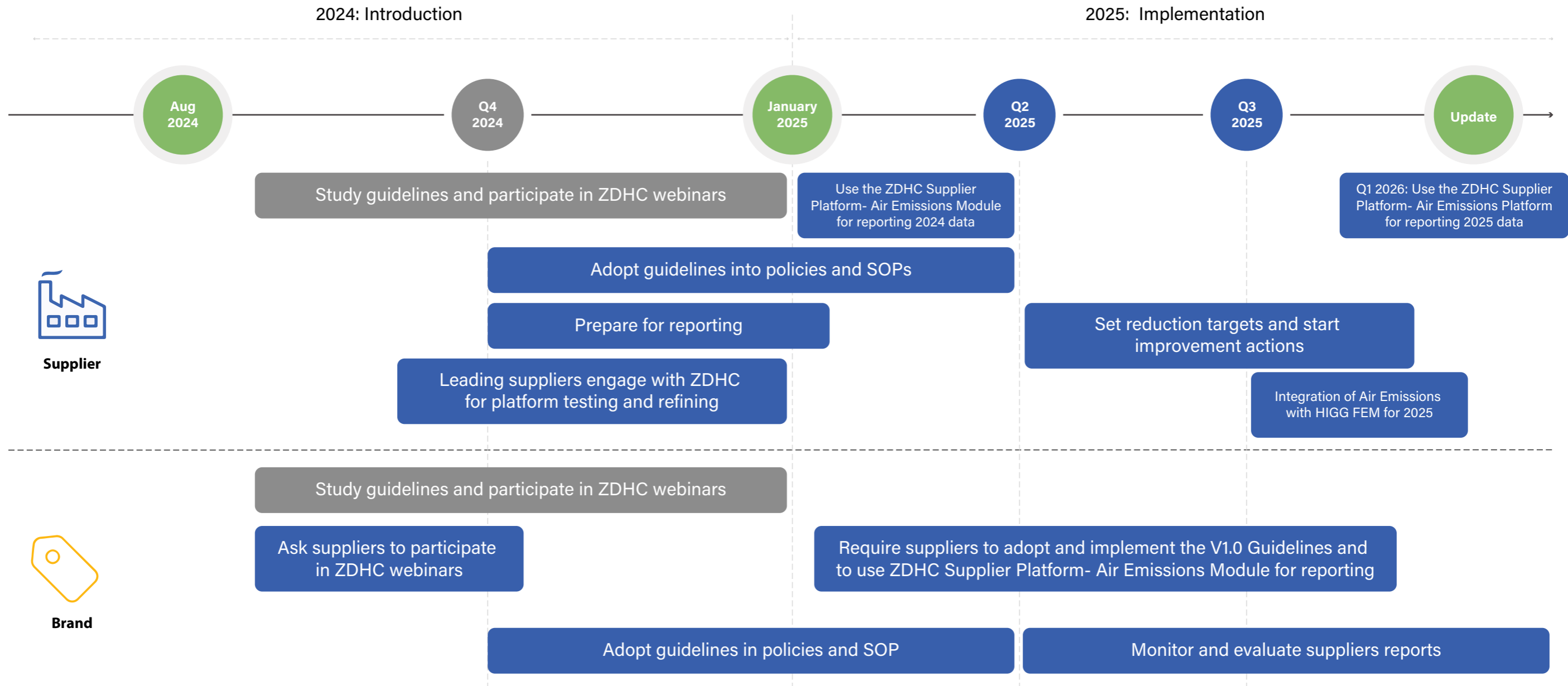
- 1) A chemical inventory template to capture data on the ingredients used in each formulation, obtained through the relevant GHS compliant Safety Data Sheet (SDS).
- 2) Calculation methodology for VOC emissions from formulations based on 100% Potential to Emit.
- 3) Evaluation of suppliers at Foundational, Progressive or Aspirational Performance Levels based on the calculated values for PTE in VOCs from the ZDHC platform.

In relation to GHG, version 1.0 sets expectations for:

- 1) Accounting Scope 1 and Scope 2 GHG emissions.
- 2) Setting targets to reduce GHG emissions.

Below is a high-level overview of the actions required, with further insight into details related to each relevant stakeholder. The remainder of 2024 is considered the introduction year, with the implementation period starting from 1st January 2025.

ZDHC Air Emissions Guidelines V1.0 – Industry Standard Implementation Approach



2.0 Introduction Period

The introduction period starts from August 2024 and ends on 31st December 2024. In this introduction period, the ZDHC Air Emissions Guidelines V1.0 will be presented to the industry in webinars for awareness raising and to inform the implementation period. All relevant supply chain actors should ask responsible staff to participate in these webinars.

During the introduction period, all stakeholders are expected to update their respective policy statements (e.g. chemical management policy) and communicate this to their internal and external stakeholders by referencing to the ZDHC Air Emissions Guidelines V1.0 to set clear expectations.

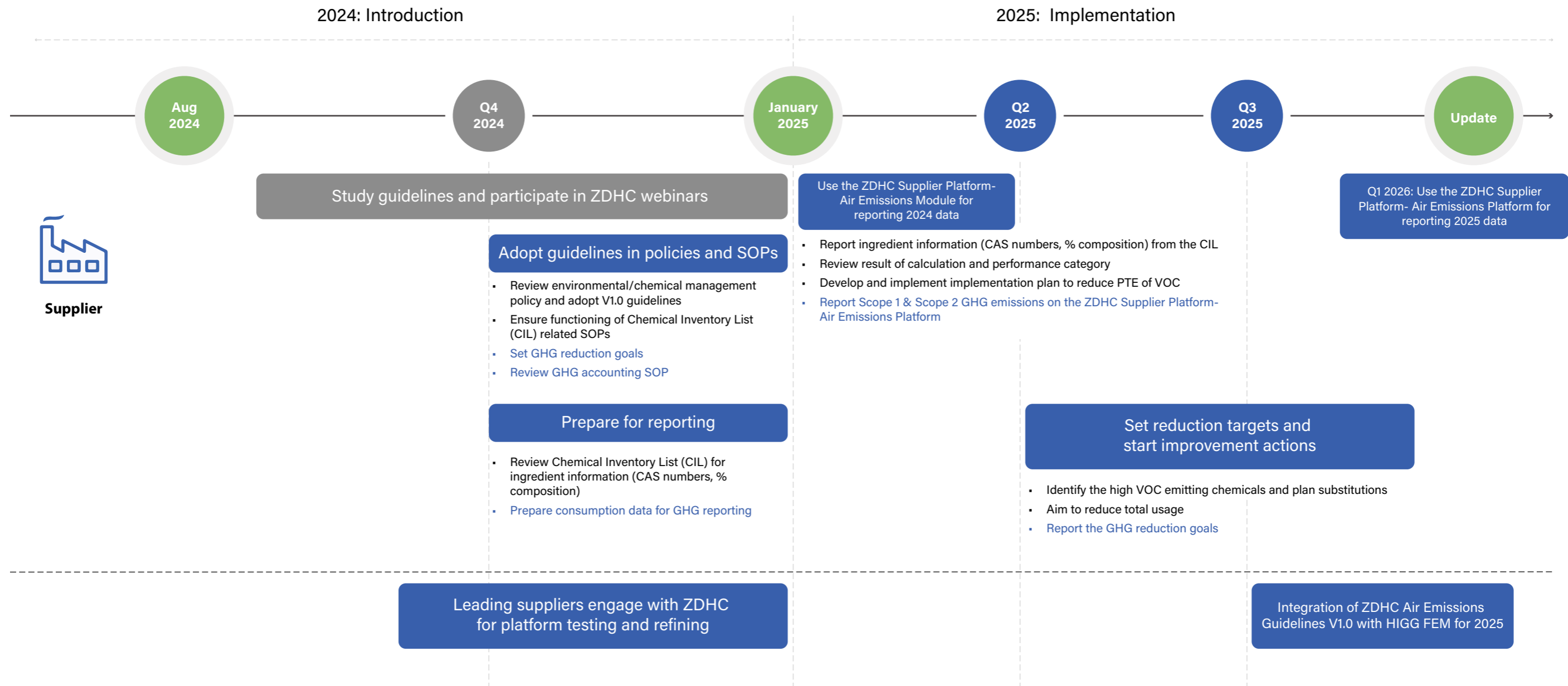
- Brands should communicate the adoption of ZDHC Air Emissions Guidelines V1.0 to their supply chain by adapting clear requirements related to ZDHC Air Emissions Guidelines V1.0 and reporting to the ZDHC Supplier Platform Air Emissions Module from January 2025.
- Suppliers should prepare for reporting to the ZDHC Supplier Platform Air Emissions Module from January 2025.

3.0 Implementation Period

The implementation period of ZDHC Air Emissions Guidelines V1.0 starts from 1st January 2025 and ends with the publication of the next update. During implementation, steps must be taken to put adoption decisions into action. These steps could be but are not limited to training, testing, tracking of results through Clearstream Reports, etc.

- Brands should engage with their suppliers on the requirements set and start implementing, monitoring and evaluation activities towards the end of the first quarter of 2025. Dialogue with suppliers is recommended to better understand the reported data and the opportunities for suppliers to take improvement actions.
- Suppliers should report on the ZDHC Supplier Platform Air Emissions Module from 1st January 2025. The data informs a review of opportunities for improvement actions. Towards the second quarter of the year, suppliers should have set or revised reduction goals. They should repeat the process at least annually.

4.0 ZDHC Air Emissions Guidelines V1.0 – Industry Standard Implementation Approach – Suppliers



5.0 ZDHC Air Emissions Guidelines V1.0 – Industry Standard Implementation Approach – Brands

