

## 2020 CRN Chairman's Address

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Unprecedented. Unconventional. Extraordinary. Unparalleled. Exceptional. Unforeseen. Beyond Compare.

And probably a few other descriptions that are not appropriate for a family-oriented industry.

I don't know about you, but I have run out of adjectives for 2020. It is quite simply not like anything we have seen before or could possibly have completely prepared for.

I'm Dave Campbell, the current Chairman of CRN, and for the benefit of those who may not remember my speech last year – and for those who are new to our ranks – let me remind you of the word I applied to this time in our industry last year.

Pivotal. I certainly did not foresee all of the disruption that a once-in-a-century pandemic could bring. But I'm sticking by that characterization of this moment in this industry. Even before the coronavirus arrived, this was a pivotal time for dietary supplements and functional food. All that has happened since then has made that description even more appropriate.

I observed that we were at an inflection point where we truly had an opportunity to change our future path. That reality unfolded in ways we could never have imagined—and through it all, in spite of it all, and to some event, because of the pandemic, CRN rose to the occasion.

We were faced with challenges – and we saw opportunities. This industry, with its characteristic optimism, scrappiness, and bluster, has more than met this moment.

So yes, 2020 has been a pivotal year, one that has tested us. It has been a crucible, tempering us in the moment and calling us to emerge stronger. We've shown how we can confront challenge and thrive in the face of massive uncertainty.

We've learned that we can't be complacent and do things the way they have always been done. The days of sitting back and saying "no" and clinging to the way things used to be are over. And CRN has been at the forefront of that resilience and adaptability. This association has demonstrated proactive leadership and been the voice for positive change in the industry. We

are taking bold action to secure a vibrant future for our companies, our consumers and the future of nutrition and health.

As individuals, as companies, and as an industry, we've had to make tough decisions. To shift priorities. To adapt how we do things. We've had to rely on our friends and colleagues for strategic advice and direction. We have needed to have faith and trust in each other to make decisions — often through murky horizons, and not always completely data-driven — since things were changing so fast.

I still remember very clearly — back in March — deliberating with Steve about whether to pivot our March Board meeting to an online, virtual format. At that point, none of us knew exactly what this virus was, how much impact it might have, or how long all of this might last. Travel bans had not been imposed, and some industry events were still moving forward. To be honest, it felt like a classic “damned if we do, damned if we don't” moment. It would be the first of many such moments to come. Ultimately, we pivoted to a virtual meeting — and this wound up as the right decision.

Since that March Board meeting, we have continued to confront a series of difficult and — yes, pivotal — decisions. We made similar hard decisions around our subsequent quarterly Board meetings, and CRN's other annual, in-person events. More on that in a moment. In the words of the Verizon commercial, we didn't bounce back, we bounced forward.

In spite of — or in some cases, perhaps because of the craziness that 2020 has thrown at us — take a look at some of what we've accomplished.

CRN took bold action right at the beginning of the pandemic as shutdown orders swept the land — making sure that the full industry — from research to manufacturing, from testing to transport, and from supply chain to retail chain — were all recognized as essential. We helped members troubleshoot new problems on the fly, from disruptions to increased demand. We supported members, and ultimately consumers, as they looked to us more than ever to support their health and wellness during a health crisis. An unprecedented response to an unprecedented crisis.

CRN has also created serious momentum for a mandatory product listing. We've educated; we've drafted; we've built support; we've even developed some unconventional allies, and we are nearing the moment for a considerable legislative push. After much debate and preparation, we are now committed to making a mandatory product listing a reality to strengthen the current regulatory framework without disrupting the fundamental balance of interests enshrined in DSHEA.

Related to the mandatory product listing, CRN has been shoring up the Supplement OWL, our self-regulatory initiative. This time last year I told you how we'd be overhauling the database with user-friendly additions and upgrades. Despite the pandemic, these have been rolled out. The Supplement OWL now delivers not only a truly great user experience, but it also provides a

real-time manageable template of how a mandatory listing might work. We can be that much more confident that FDA can administer a workable registry because the OWL already demonstrates how it can work.

At the same time, we've recommitted that participation in the Supplement OWL is a requirement of CRN membership, and we are working to bring members into full compliance. Soon, you will see a major push in the trade media to remind the broader industry about the OWL, to let them know how important it is, and how easy it has become to reap the benefits of being in it. Unconventional for an industry to lead its regulators but these are unconventional times.

During my time as Chairman, CRN has opened membership to responsible companies selling CBD dietary supplements. We've continued to work with FDA and Congress to create a legal path forward for dietary supplements containing hemp-derived CBD. From the Citizens Petition CRN submitted in May to our "Send-In" (our virtual Day on the Hill event) we are keeping the pressure on. And just last month our government relations team worked with some of our fellow trade associations on the introduction of H.R. 8179, the Hemp and Hemp derived CBD Consumer Protection and Market Stabilization Act, which, if enacted, will direct the FDA to use its regulatory authority to provide that legal pathway to market for dietary supplements containing hemp-derived CBD. An uncommon approach that's building momentum.

Throughout all of these initiatives, we've improved our relationships with the FDA, respectfully disagreeing with the agency when we need to, and collaborating on common concerns when we can. As COVID has drawn the agency into new challenges it did not expect, our own self-regulatory initiatives and education have taken on even greater importance.

CRN has used this time to double down on education. We heard from members early on that they wanted guidance and craved new information about this dramatically different environment. Nearly every week since March, CRN staff and industry experts joined to present compelling programming addressing this unique moment for the industry. Much of this content is still available on archive, and much of it remains very relevant.

We reimagined – from the ground up – events that had been on autopilot for years. We revamped as we virtualized yearly rituals such as the Communications seminar, our Day on the Hill, the Legal Conference, and even this event. Pivoting to new online platforms has given us the opportunity to reshape and reinvent these events to bring value to our membership.

The momentum for education continued with our Label Wise label education campaign that came to the forefront as the industry rolled out its new Supplement Facts labels this year. The campaign aimed to reduce consumer, practitioner and retailer confusion about the label changes and reassure these audiences the changes would improve the availability of information about our products, and it did. CRN was even heralded with a coveted industry award for it.

We've seen the tremendous opportunities in probiotics, and as the year comes to a close, CRN is preparing to launch a new retailer education campaign that will instruct buyers, retail quality teams and in-store pharmacists and dietitians about the unique qualities of probiotics. This will help them better curate their offerings of high quality products. An exceptional opportunity to grow the market.

After years of working to improve FDA's system of Certificates of Free Sale, and studying the possibilities, CRN is starting the pilot testing of CRN issued Certificates of Free Sales—with the agency's consent and its blessing. Stay tuned for details of the roll out in the coming months.

FDA published research that identified swallowing hazards as a substantial contributor to adverse events associated with dietary supplements. So we took those findings seriously. CRN's delivery form task force has developed, and the Board has adopted, considerations for members to address potential choking issues that the FDA has identified.

This year, sports nutrition has received special emphasis at CRN as the business model for many of these products was upended by shifting consumer priorities and the closing of gyms and fitness studios during the pandemic. We've got a reinvigorated sports nutrition committee that is moving us forward in this category as well.

And our yearly consumer survey – about which you will hear more on Friday – again arms the industry with important data on which to make marketing and strategic decisions. We've seen certain ingredients take off during the pandemic, and the opportunity for growth in some of our basics – such as letter vitamins that are the building blocks of good health and wellness – is stronger than ever. Don't fail to include this important tool in your strategic arsenal – the survey is available for purchase right now.

All these achievements, in a time of tremendous disruption, are nothing short of extraordinary.

My two years as Chair have been demanding and challenging, but more than anything, rewarding. I've had the opportunity to see the industry progress and to be a part of driving that change – for this I am appreciative and honored.

Moving forward, we cannot lose sight of the bigger picture and we must continue to be open to change and continue to collaborate with our competitors and our regulators. We're stronger when we work together as an industry – no one of us can do this work alone.

CRN has shown itself to be the natural leader in this space. Much like the designation of our businesses, dare I say that CRN is essential for the work that lies ahead. We need to continue to strengthen the relationships we've worked so hard to build and bring more voices together. We must speak in unison for what's best for the entire industry.

Consumers look to our industry to support them in the hard times and provide products that protect and improve their health. The world is depending on us to work together, now more

than ever.

I'm privileged to have had such an incredible experience working more closely with the CRN staff, who have risen to meet this moment. I'm also honored to have forged such strong relationships with Jim Hyde, our former Chair and Barry Ritz, our incoming Chair. I know you both met, and will meet, your own challenges as chairman. But I hope I'll be the only one of us to face a one in a hundred-year pandemic.... I guess I'm just lucky.... What were the odds?

Despite all we have accomplished over the past two years, we are far from done. More difficult decisions and hard work lie in front of us. Moving forward will require a new level of faith and trust in those with whom we surround ourselves. As I've always believed, when you put the right minds together, and harness the ingenuity, creativity, and good old fashioned work ethic – anything is possible.

So I return to the words that I began with:

Extraordinary....Unconventional....Exceptional... Unparalleled....Beyond Compare.

Yes, they do describe the year we've had, but they also aptly convey the energy, commitment, creativity and camaraderie that CRN embodies. I know we are up to the challenge.

Thank you again for this opportunity to lead, and thanks for being a part of what we do at CRN.

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