

Walmart 

Walmart 

Sustainable Chemistry
Information Session

Sustainability Will Change the Way We Do Business Around the World

Be Part of What's Next...



Sustainable Chemistry Information Session

Welcome

Best Practices – Walmart Compliance

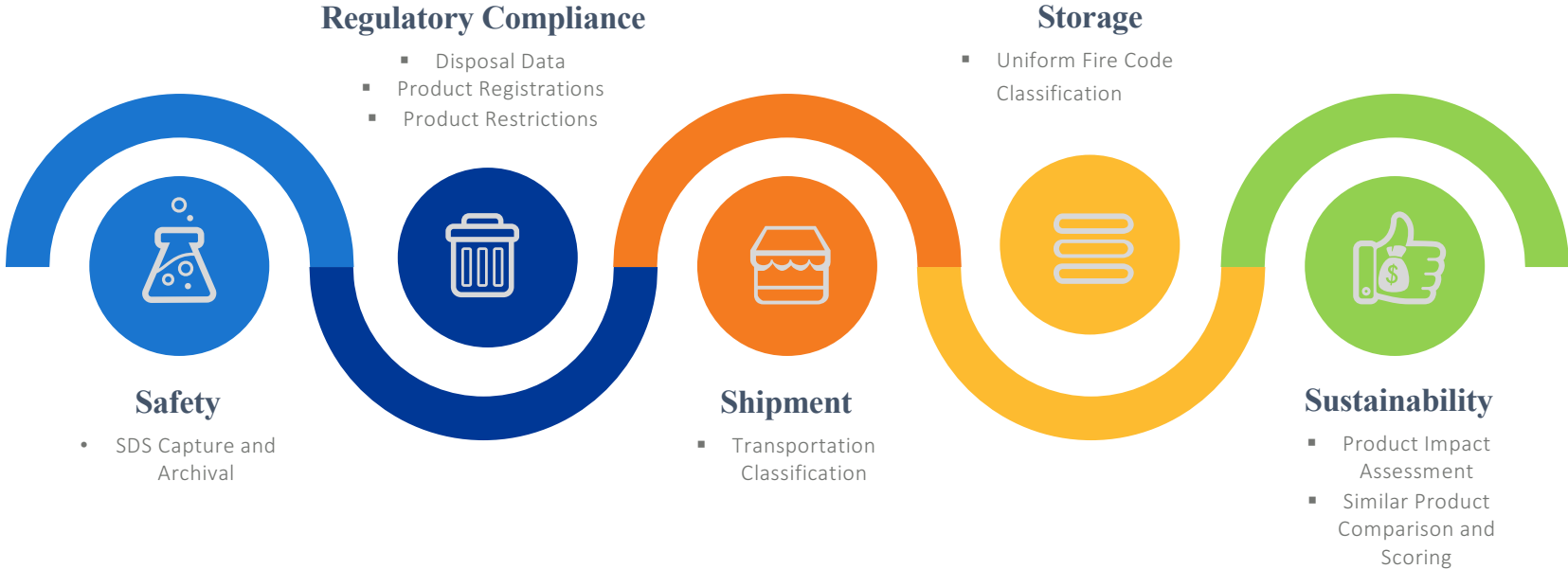
Overview of Walmart's Sustainable Chemistry Policy

FAQs

Compliance Best Practices

WERCS Assessment

Retailer Requirements



WERCS Assessment Troubleshooting

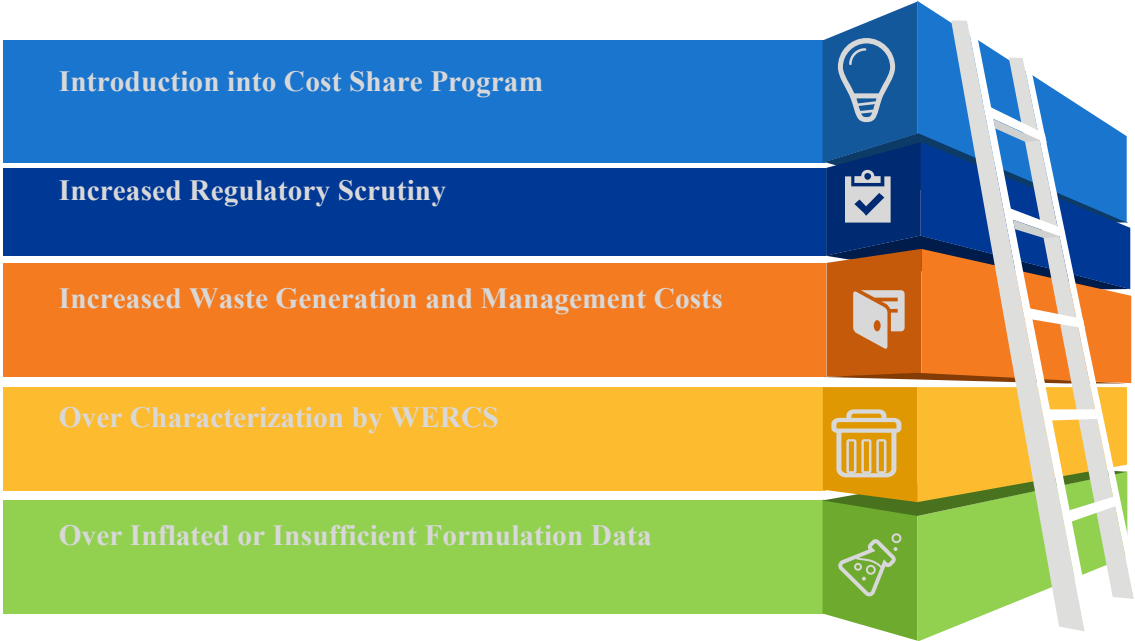
Common Delays When Completing Assessments

- Incorrect UPC
 - Exclude the preceding 0s
 - Include the check digit
 - Minimum 12 characters
 - If the UPC with the check digit is not 12 characters, include a preceding 0
 - Maximum 14 characters
- Non-representative “Recommended Use” selection
 - Ex. Battery containing product vs. electronic
- Failure to assign assessment to Walmart
- Failure to make a payment at the end of the assessment
- Failure to attach vendor ID to the registration
- Non OSHA GHS compliant SDS submission
- Failure of CAS components in product formulation to add up to 100%
- Checking the private label indicator on non-private branded products
 - This box should only be checked if Walmart asks you to sell your item as a Private/Exclusive Label
- Failure to register battery prior to the Battery Containing Product
- Battery selections do not match
 - Ex. If you choose lithium ion for the “type” of battery and the battery you select in the system from the battery manufacturer is a lithium primary battery, your registration will be placed on hold until the inconsistency gets resolved.
- Transportation Classification Discrepancy
 - If the battery manufacturer indicates the battery is fully regulated and the battery containing product supplier selects that a transportation exception applies (i.e., the battery containing product is not fully regulated for transportation purposes), the registration will be placed on hold as this is not a viable option.

Please direct questions to the WERCS Help Desk: 518-720-6220

Importance of Data Accuracy

Implications to Walmart and our Vendor Partners



Walmart Sustainable Chemistry Commitment



Scope of Commitment

Formulated consumables products sold in Walmart U.S. and Sam's Club U.S.

Walmart U.S. Departments

- 2-Health & Beauty Aids
- 4-Household Paper
- 8-Pets & Supplies
- 13-Household Chemicals
- 46-Cosmetics & Skincare
- 79-Infant Consumable Hardlines

Sam's Club U.S. Categories

- 2-Health & Beauty Aids
- 4-Tabletop & Bags
- 8-Pet Supplies
- 13-Laundry & Home Care
- 47-Baby Care
- 94-Paper Goods
- 98-Janitorial



Sustainable Chemistry Commitment

“Customers should not have to choose between products that they can afford and products that are better for them and the environment.”

Transparency

- Online ingredient disclosure beginning 2015
- Priority chemicals on pack beginning 2018
- Encourage full ingredient transparency

Safer Formulation

- Reduce, restrict and eliminate use of priority chemicals using informed substitution (10% reduction by 2022)
- Verify purity of ingredients where contaminants may exist

Advancing Assortment

- Credibly certify products using certifications such as:
 - US EPA’s Safer Choice
 - EWG Verified
 - Cradle to Cradle (silver or above)

Commitment to Every Day Low Cost (EDLC) and performance

Sustainable Chemistry Commitment

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Commitment to Every Day Low Cost (EDLC) and performance

Transparency

1. Disclose full product formulations to the WERCS through WERCSmart
2. Disclose all product ingredients online by product beginning January 2015
3. Disclose priority chemicals on pack beginning January 2018

Resources for Transparency

- The WERCS
- CSPA's Consumer Product Ingredient Communication Initiative
- U.S. EPA's Safer Choice

2018 On-pack Ingredient Disclosure Guidance

- Product labels that comply with the on-label format and content of the new California SB 258 regulation will meet Walmart's on-pack disclosure expectations.
- Products regulated by the U.S. Food & Drug Administration (FDA) that are within scope already meet Walmart's expectations.
- Walmart recognizes there is a difference between the Walmart Priority Chemical List and the Chemicals on California SB 258 designated list. Use of the CA SB 258 designated list will meet Walmart's expectations.
- We encourage Suppliers to communicate their on-pack disclosure implementation plan (by product and brand) to Walmart as soon as possible.

Measurement of Transparency

Element	Metrics
Disclose full product formulation to The WERCS	<ul style="list-style-type: none">• % of supplier's products fully disclosed to WERCS
Disclose product ingredients online beginning Jan 2015	<ul style="list-style-type: none">• % of supplier's products with online ingredient disclosure
Disclose priority chemicals on pack beginning Jan 2018	<ul style="list-style-type: none">• % of supplier's products containing Priority Chemicals with on pack disclosure of said chemicals

Sustainable Chemistry Commitment

Transparency

- Online ingredient disclosure beginning 2015
- Priority chemicals on pack beginning 2018
- Encourage full ingredient transparency

Safer Formulation

- Reduce, restrict and eliminate use of priority chemicals using informed substitution (10% reduction by 2022)
- Verify purity of ingredients where contaminants may exist

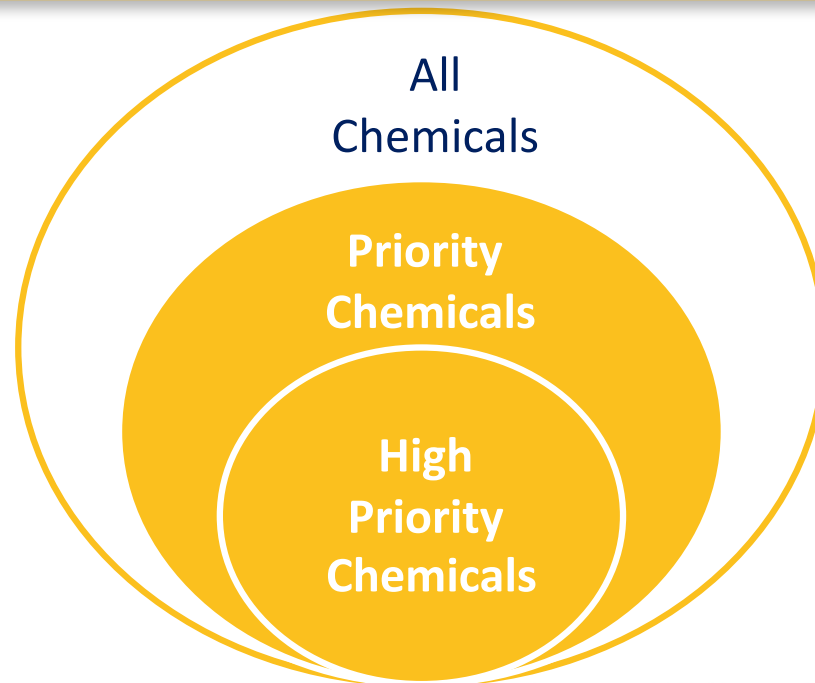
Advancing Assortment

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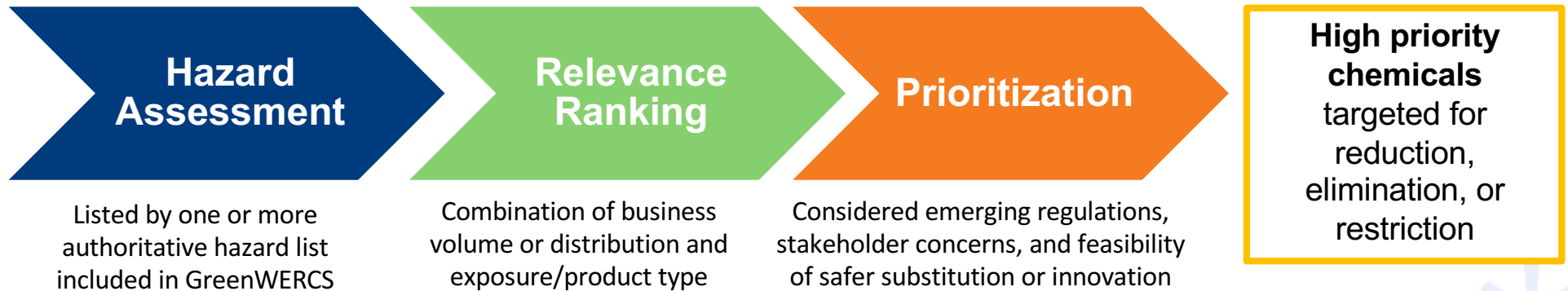
Commitment to Every Day Low Cost (EDLC) and performance

Advancing safer formulation of products

Reduce, restrict and eliminate use of priority chemicals
using informed substitution principles



Identifying High Priority Chemicals



Partners EDF, BizNGO, US EPA's DfE, The Sustainability Consortium, GreenWERCs,

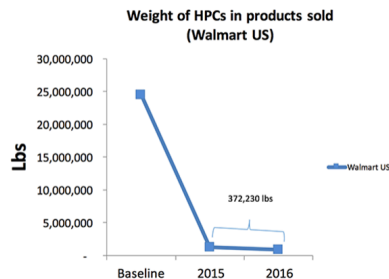
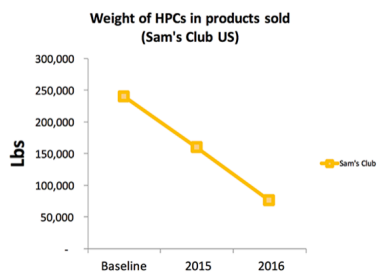


Measurement of Safer Formulation

Element	Metrics
Reduce volume of priority chemicals	<ul style="list-style-type: none">• Weight volume of PCs/HPCs in aggregate
Restrict and eliminate priority chemicals	<ul style="list-style-type: none">• Number of UPCs with PCs/HPCs• Sales volume of UPCs with PCs/HPCs• Number of suppliers with PCs/HPCs
Verify purity of ingredients	<ul style="list-style-type: none">• Weight volume of ingredients, known to often harbor contaminants of concern, that are verified to meet purity standards

Progress To Date

- **2015:** Online ingredient disclosure
- **2016:** Annual progress report – public on Walmartsustainabilityhub.com; 95% reduction of High Priority Chemicals (HPCs)
- **2017:** Walmart becomes Signatory/ 1st retailer to participate in CFP; 96% reduction of HPCs; strengthens commitment



Walmart Priority Chemicals Commitment Element	Metric	2016	Percent Change vs. 2015	Percent Change vs. 2014
Reduce Volume of Priority Chemicals	Weight (lbs) of Priority Chemicals in Products Sold	483,050,307 lbs	-7.7%	-49.0%
Walmart Priority Chemicals Commitment Element	Metric	Percentage of Total in 2016	Percentage Point Change vs. 2015	Percentage Point Change vs. 2014
Restrict and Eliminate Priority Chemicals	Number of UPCs Containing PCs	80% of UPCs Covered by Commitment	-0.2%	1.0%
	Number of Suppliers Using PCs	82% of suppliers Covered by Commitment	-0.1%	-1.0%
Sam's Club Priority Chemicals Commitment Element	Metric	2016	Percent Change vs. 2015	Percent Change vs. 2014
Reduce Volume of Priority Chemicals	Weight (lbs) of Priority Chemicals in Products Sold	67,271,455 lbs	8.7%	13.3%
Sam's Club Priority Chemicals Commitment Element	Metric	Percentage of Total 2016	Percent Point Change vs. 2015	Percent Point Change vs. 2014
Restrict and Eliminate Priority Chemicals	Number of UPCs Containing PCs	69% of UPCs Covered by Commitment	1.2%	2.5%
	Number of Suppliers Using PCs	71% of suppliers Covered by Commitment	0.6%	-5.4%

Sustainable Chemistry Commitment

Transparency

- Online ingredient disclosure beginning 2015
- Priority chemicals on pack beginning 2018
- Encourage full ingredient transparency

Safer Formulation

- Reduce, restrict and eliminate use of priority chemicals using informed substitution (10% reduction by 2022)
- Verify purity of ingredients where contaminants may exist

Advanced Assortment

- Credibly certify products using certifications such as:
 - US EPA's Safer Choice
 - EWG Verified
 - Cradle to Cradle (silver or above)

Commitment to Every Day Low Cost (EDLC) and performance

Measurement of Advanced Assortment

Element	Metrics (beginning in 2019)
Credibly certify products (using certifications such as US EPA's Safer Choice, EWG Verified, and Cradle to Cradle at the Silver or above level)	<ul style="list-style-type: none">• Number of UPCs w/ credible certifications• Number of Suppliers with credible certifications

Data Tiers

National Brand Suppliers

- Required to grant Tier 2.1 and Tier 2.2 permissions
 - *Will authorize UL to use confidential supplier data to track chemical usage and prevalence*

Private Brand Suppliers

- Required to grant Tier 2.1, Tier 2.2 and Tier 4.2 permissions
 - *Will authorize UL to use confidential supplier data to track chemical usage and prevalence*
 - *Authorizes Walmart/Sam's Club to publish a product's publicly disclosed ingredient list online*