Sustainable Chemistry Information Session

Welcome

Best Practices – Walmart Compliance

Overview of Walmart’s Sustainable Chemistry Policy

FAQs
Compliance Best Practices
WERCS Assessment
Retailer Requirements

- Safety
  - SDS Capture and Archival

- Regulatory Compliance
  - Disposal Data
  - Product Registrations
  - Product Restrictions

- Shipment
  - Transportation Classification

- Storage
  - Uniform Fire Code Classification

- Sustainability
  - Product Impact Assessment
  - Similar Product Comparison and Scoring
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

- Introduction into Cost Share Program
- Increased Regulatory Scrutiny
- Increased Waste Generation and Management Costs
- Over Characterization by WERCS
- Over Inflated or Insufficient Formulation Data
Walmart Sustainable Chemistry Commitment
### Scope of Commitment

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

<table>
<thead>
<tr>
<th>Walmart U.S. Departments</th>
<th>Sam’s Club U.S. Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-Health &amp; Beauty Aids</td>
<td>2-Health &amp; Beauty Aids</td>
</tr>
<tr>
<td>4-Household Paper</td>
<td>4-Tabletop &amp; Bags</td>
</tr>
<tr>
<td>8-Pets &amp; Supplies</td>
<td>8-Pet Supplies</td>
</tr>
<tr>
<td>13-Household Chemicals</td>
<td>13-Laundry &amp; Home Care</td>
</tr>
<tr>
<td>46-Cosmetics &amp; Skincare</td>
<td>47-Baby Care</td>
</tr>
<tr>
<td>79-Infant Consumable Hardlines</td>
<td>94-Paper Goods</td>
</tr>
<tr>
<td></td>
<td>98-Janitorial</td>
</tr>
</tbody>
</table>
Sustainability Will Change the Way We Do Business Around the World

Be Part of What’s Next...

<table>
<thead>
<tr>
<th>Sustainable Chemistry Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Customers should not have to choose between products that they can afford and products that are better for them and the environment.”</td>
</tr>
</tbody>
</table>

### 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

**Transparency**
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Sustainability Will Change the Way We Do Business Around the World
Be Part of What’s Next...
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

<table>
<thead>
<tr>
<th>Element</th>
<th>Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclose full product formulation to The WERCS</td>
<td>% of supplier’s products fully disclosed to WERCS</td>
</tr>
<tr>
<td>Disclose product ingredients online beginning Jan 2015</td>
<td>% of supplier’s products with online ingredient disclosure</td>
</tr>
<tr>
<td>Disclose priority chemicals on pack beginning Jan 2018</td>
<td>% of supplier’s products containing Priority Chemicals with on pack disclosure of said chemicals</td>
</tr>
</tbody>
</table>
Sustainable Chemistry Commitment

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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

All Chemicals

Priority Chemicals

High Priority Chemicals
Identifying High Priority Chemicals

**Hazard Assessment**
Listed by one or more authoritative hazard list included in GreenWERCS

**Relevance Ranking**
Combination of business volume or distribution and exposure/product type

**Prioritization**
Considered emerging regulations, stakeholder concerns, and feasibility of safer substitution or innovation

High priority chemicals targeted for reduction, elimination, or restriction

**Partners**
EDF, BizNGO, US EPA’s DfE, The Sustainability Consortium, GreenWERCS,
## Measurement of Safer Formulation

<table>
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<tr>
<th>Element</th>
<th>Metrics</th>
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</thead>
<tbody>
<tr>
<td>Reduce volume of priority chemicals</td>
<td>• Weight volume of PCs/HPCs in aggregate</td>
</tr>
<tr>
<td>Restrict and eliminate priority chemicals</td>
<td>• Number of UPCs with PCs/HPCs</td>
</tr>
<tr>
<td></td>
<td>• Sales volume of UPCs with PCs/HPCs</td>
</tr>
<tr>
<td></td>
<td>• Number of suppliers with PCs/HPCs</td>
</tr>
<tr>
<td>Verify purity of ingredients</td>
<td>• Weight volume of ingredients, known to often harbor contaminants of concern, that are verified to meet purity standards</td>
</tr>
</tbody>
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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
Sustainable Chemistry Commitment

**Transparency**
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**Safer Formulation**
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**Advanced Assortment**
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  - EWG Verified
  - Cradle to Cradle (silver or above)

Commitment to Every Day Low Cost (EDLC) and performance
## Measurement of Advanced Assortment

<table>
<thead>
<tr>
<th>Element</th>
<th>Metrics (beginning in 2019)</th>
</tr>
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</table>
| Credibly certify products (using certifications such as US EPA’s Safer Choice, EWG Verified, and Cradle to Cradle at the Silver or above level) | • 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