

Chemicals Information for Retail



Rick Leahy, Vice President EH&S Compliance
Wal-Mart Stores, Inc.

- Retail sector large part of U.S. GDP
 - Consumer Products are ubiquitous
- Walmart is the world's largest retailer- + \$470 Billion Annual Sales
 - Our mission is to save people money, so they can live better - EDLC/EDLP
 - Serve customers more than 245 million times/week
 - 11,000 retail units in 27 countries
 - Employ 2.2 million associates worldwide
 - 5,000 domestic facilities



The Problem : A Lack of Visibility to Consumer Product Ingredients for Compliance and Sustainability Programs

It's All About the Information...

Why do we need it?

- Regulatory (RCRA, FIFRA, VOCs, DOT, Required Disclosures)
- Sustainability (Chemical ingredients for Green Chemistry initiatives)

Where is the information and where is it used?

- Thousands of Suppliers
- More than 2 million active products
- More than 5 thousand facilities (U.S.)



Compliance with RCRA for Consumer Products



Increased
Regulatory
Scrutiny

Impact to the
Environment

Management
Cost

Reputational
Risk

- 22,000 Compliance Inspections
- 1,800 Environmental Inspections
- 60,000 compliance hotline inquiries
- 25,000 facility audits
- 50 state Agencies/Feds



Inspect them PLEASE!!!

Hazardous Waste Enforcement Actions in California:

- | | |
|---------------------|----------------|
| • Home Depot (2007) | \$9.9 million |
| • Kmart (2009) | \$7 million |
| • Walmart (2010) | \$27.6 million |
| • Target (2011) | \$22.5 million |
| • CVS (2012) | \$13.7 million |
| • Costco (2012) | \$2.6 million |
| • Walgreens (2012) | \$16.5 million |
| • Rite-Aid (2013) | \$12.3 million |

Walmart - Federal civil and criminal actions (2013)

- EPA and DOJ - RCRA, CWA, and FIFRA
- \$82 million in fines
- Criminal probation
- Independent Monitor

Walmart has approximately 2,000,000 active items

A typical Walmart Supercenter contains about 150,000

Product make-up is trade secret

MSDS not required to indicate if product RCRA/State regulated if it becomes a waste.

These products are regulated under other regimes and are “safe” for consumer use.

Retail associates are also consumers, and there is an inherent challenge in training them to manage the same products they use at home under such strict regulatory regimes.



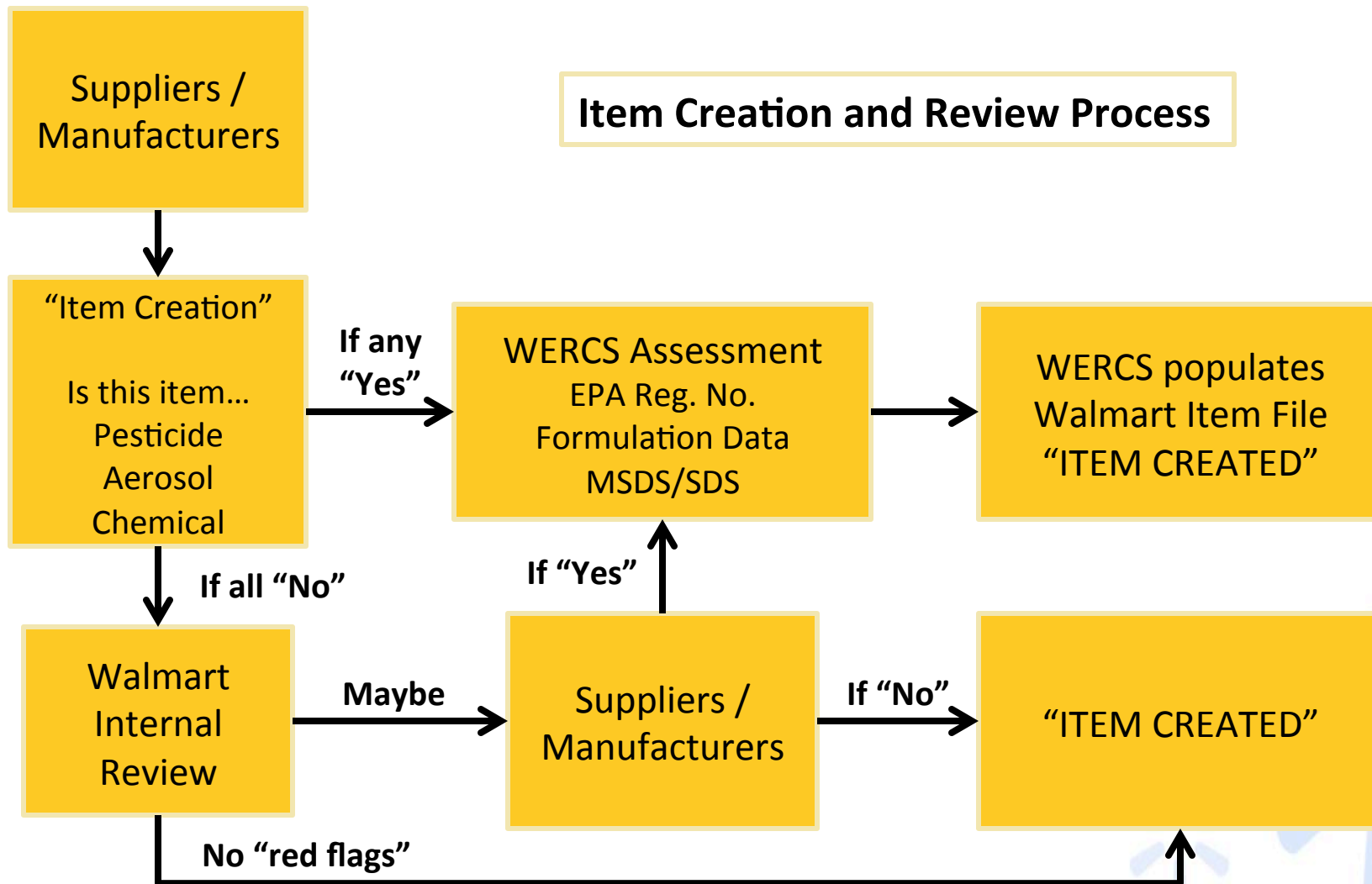
Are any of these Products Hazardous Waste?



How do Retailers make hazardous waste determinations?

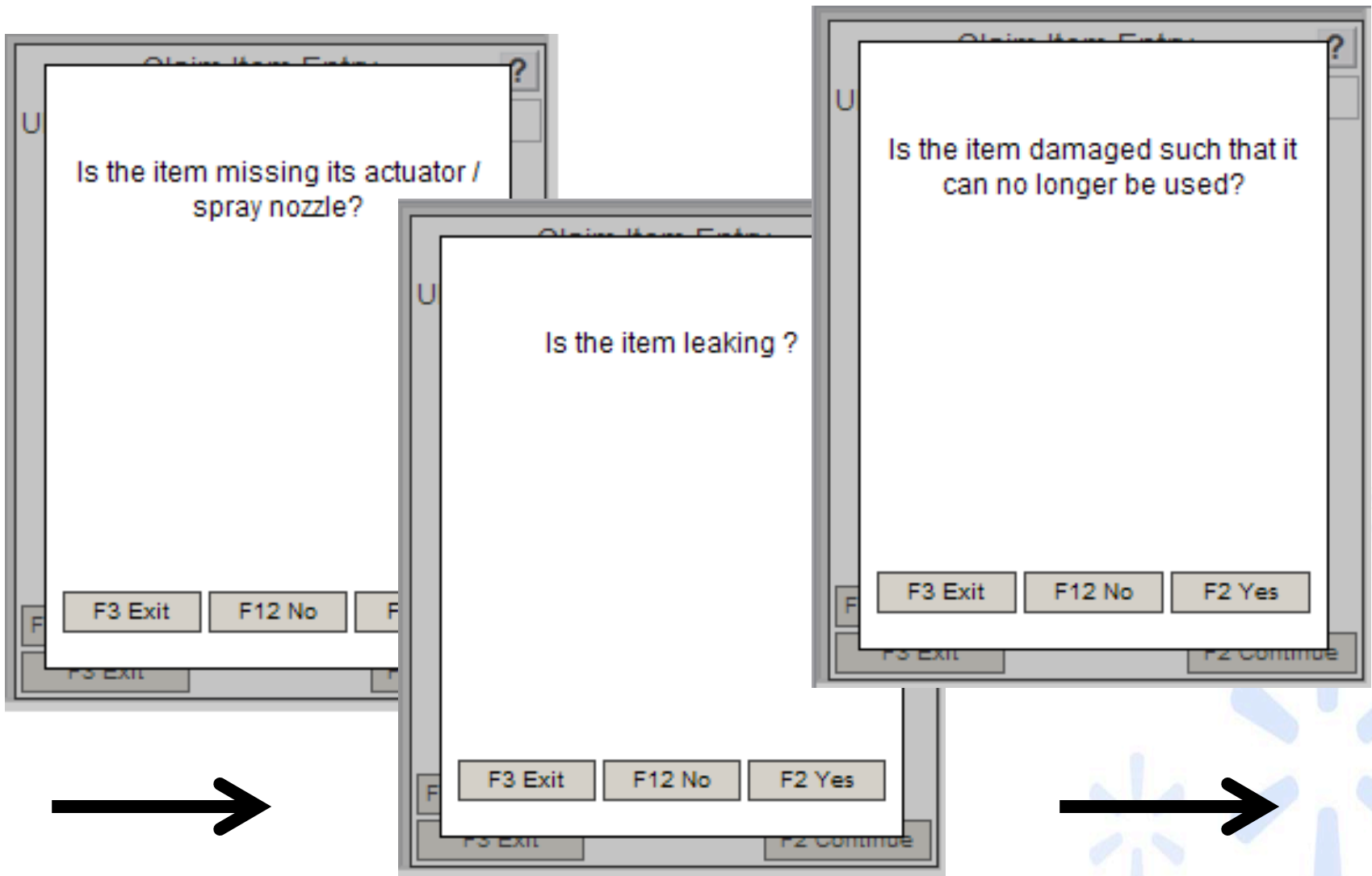
- 3rd party analysis
- 3rd party intermediaries
- MSDS/SDS Review
- Not at all





Walmart Transmitting Chemical Information to Retail Facilities for Compliance





No Ship



Claim Item Entry ?

UPC: 0000797496654270 Item: 1049328
PRESTONE SPRAY DEICE
Supplier: FRAM GROUP HOLDINGS INC
Dept: 10
Claim: 0601001013001
Claim Type: DEFC-RCTR-SH
Quantity Added: 1

The item should be shipped to return center when the claim is finalized

Do you wish to Continue?

F12 Cancel Clm Instr F2 Yes

ORM-D

This is an ORM-D hazardous material. When shipped requires 99 Supply ORM-D box or a Limited Quantity Box.

F12 Cancel F2 Continue

Claim Item Entry ?

UPC: 0000797496654270 Item: 1049328
PRESTONE SPRAY DEICE
Supplier: FRAM GROUP HOLDINGS INC
Dept: 10
Claim: 060100301300196
Claim Type: DEFC-RCTR-VIRT
Quantity Added: 1

DO NOT SHIP THIS ITEM. Use the following bucket for handling contents : BLU

Do you wish to Continue?

F12 Cancel Clm Instr F2 Yes

Ship





To be supplied 100%
by renewable energy



To create zero waste



To sell products that sustain
people and the environment



Sustainable Chemistry Policy

Section I: Background

Walmart customers and Sam's Club members expect products that are safe, affordable and sustainable. As part of its corporate mission to help people Save Money and Live Better, Walmart and Sam's Club believe that customers/members should not have to choose between products that they can afford and products that are better for them and the environment. Walmart and Sam's Club have worked with suppliers, NGOs, academics, government, and industry stakeholders to develop a company policy on sustainable chemistry for the consumables products that we sell. Sustainable Chemistry is the design of chemical products and processes that reduce or eliminate the use or generation of hazardous substances, both to humans and the environment.

Section II: Policy

Walmart U.S. and Sam's Club U.S. commit to empower customers/members with information about the products that we offer them and to accelerate the use of sustainable chemistry practices. Expectations of suppliers of formulated consumables to Walmart U.S. and Sam's Club U.S. are as follows:

A. Transparency

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

Action

[Sustainable Chemistry F.A.Qs](#)[Sustainable Chemistry Implementation Guide](#)

Related Information

[Introduction to Sustainable Chemistry](#)

Also of Interest

[Our Goals - Our three sustainability goals](#)[How to Make a Difference - How can you help?](#)[How to Make a Difference - Reduce food waste](#)

www.walmartsustainabilityhub.com

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

Transparency

- Online ingredient disclosure beginning 2015
- Priority chemicals on pack beginning 2018

Safer Formulation

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

DfE in Private Brands

- Strive for Design for the Environment certification of private brands to the extent possible

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

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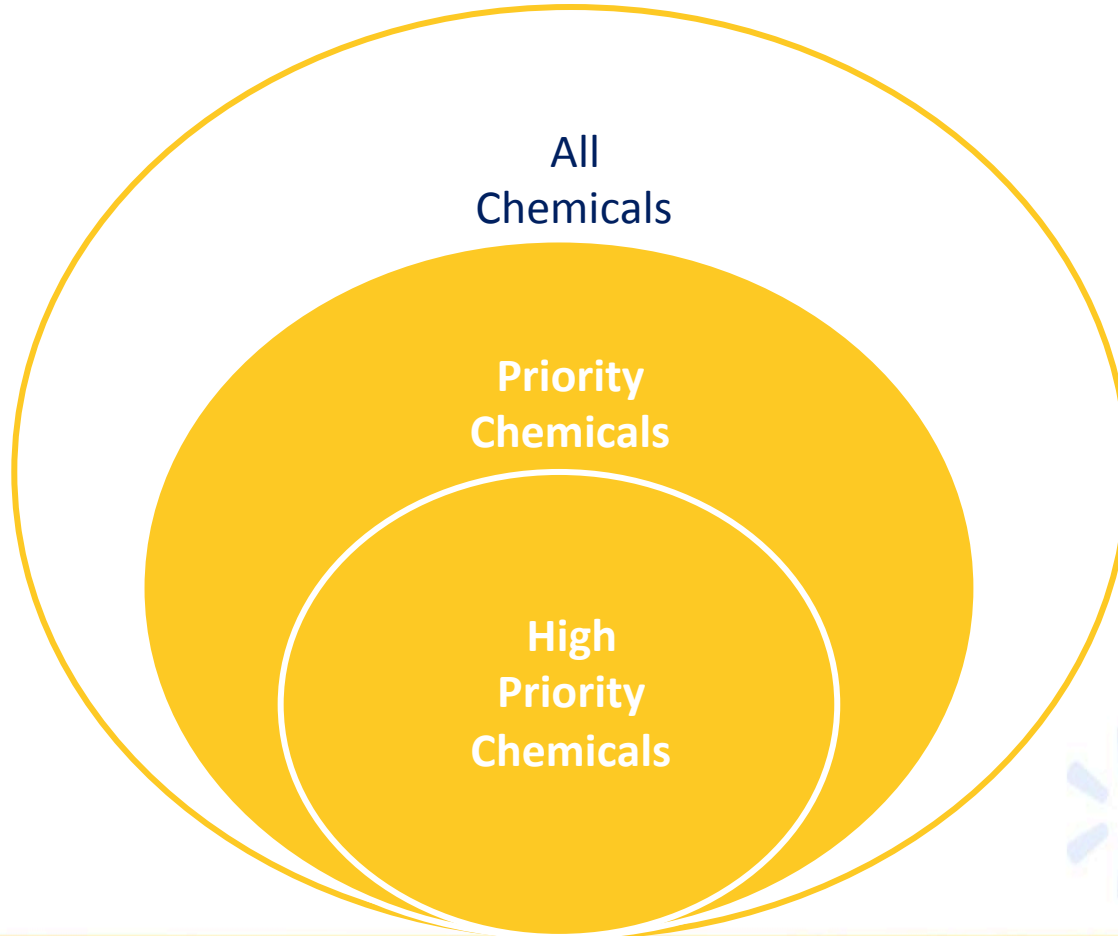
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**Reduce, restrict and eliminate use of priority chemicals
using informed substitution principles**



Identifying High Priority Chemicals



Listed by one or more authoritative hazard list included in GreenWERCs



Combination of business volume or distribution and exposure/product type



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,



Policy 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
Use informed substitution	<ul style="list-style-type: none">• GreenWERCS Score• Number of products formulated exclusively with DfE approved ingredients

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Looking Forward: DfE Logo Redesign



Redesign could help better convey *human health*
and environmental benefits of safer products

Thank You!