IC2 Webinar: Walmart and the Retail Industry Leaders Association (RILA) on Chemical Ingredient Disclosure
June 28, 2016
Ashley C. Hall is Senior Manager of Sustainability for Walmart Stores Inc. In her role, Ashley manages sustainability projects across the Consumables and Health & Wellness business, which includes categories such as personal care, household chemical, and over-the-counter. She oversees Walmart’s Sustainable Chemistry Policy, working to increase ingredient transparency in products and drive innovation. Ashley also works on Walmart’s packaging and recycling initiatives.

Sue Pifer is the Vice President of Compliance for the Retail Industry Leaders Association (RILA). In her role, Sue leads RILA’s Environmental Compliance, Internal Audit, and Financial Leadership Councils.
Sustainable Chemistry
Policy on Sustainable Chemistry in Consumables

A. Transparency of ingredients to customers

B. Advancing safer formulation of products through informed substitution principles

C. Safer Choice in private brands

Commitment to Every Day Low Cost (EDLC) and performance

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

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
Policy on Sustainable Chemistry

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

Safer Choice in Private Brands

- Strive for Safer Choice certification of private brands to the extent possible

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 Design for the Environment Standard for Safer Products

Best-in-class online disclosure goes beyond minimum recommendations found in the guides listed above, and includes additional ingredient information, such as:

- Full disclosure of all ingredients including those typically protected under trade secrets (e.g. fragrances)
Sustainability Index
Key Performance Indicator

Ingredient disclosure - Manufacturer to consumer

For what percentage of products, by revenue, does your organization disclose ingredients to consumers online according to a nationally recognized standard?
## Policy on Sustainable Chemistry

### 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

### Safer Choice in Private Brands
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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 Safer Choice, The Sustainability Consortium, GreenWERCS,
Policy on Sustainable Chemistry

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Commitment to Every Day Low Cost (EDLC) and performance
Supporting transparency and quality in the products we sell: Progress against commitments

*As of Fiscal Year End 2016*

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Commitment</th>
<th>Progress</th>
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<tbody>
<tr>
<td>Reducing chemicals of concern</td>
<td>Disclose online ingredient information.</td>
<td>Engaged 76 percent of suppliers queried through our Sustainability Index in 2015 to report on their online ingredient disclosure practices, with 78 percent of those suppliers reporting that they disclose ingredients online for all their products (according to a nationally recognized standard).</td>
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<td>Reduce, restrict and remove use of high-priority chemicals using informed substitution principles.</td>
<td>Achieved 95 percent reduction by weight in Walmart U.S.</td>
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<td>Strive toward formulating and labeling private brand products in accordance with U.S. EPA's Safer Choice program.</td>
<td>Began adding Safer Choice certification to our private brand products and will continue our work to offer even more of these products to our customers.</td>
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Thank You
Interstate Chemicals Clearinghouse

Partnering in the Age of Transparency

June 2016
Agenda

• About RILA
• Drivers for Strategic Partnerships in the Supply Chain
• Pressures for Increased Transparency in Products
• RILA’s Proposed Solutions
  • Supply Chain Transparency Initiative
  • Interoperability of the Global Data Synchronization Network (GDSN)
• Appendix
  • Center for Retail Compliance
  • How We Did It
RILA Members are Industry Leaders
Why do our members strategically partner with suppliers?
The Takeaway: Retailers can have the greatest risk/leverage in product supply chain.

300-500 companies control 70% of consumer choice.
Retailers are considering the regulatory, environmental and social impacts of their supply chains.
What are the key pressure points for increased transparency?
Multiple channels of interactions are emerging

**Traditional Retailer-Supplier Relationship**
- Retailer (Buyer)
- Product Supplier
- Exchange of products

**Emerging Retailer-Supplier Relationship**
- Retailer
- Sustainability team
- Social & product compliance
- Exchange of products
- LCAs, surveys, retrofit financing
- Codes of conduct, audits, capacity building

**Illustration**: Collaborations
Transparency is propagating up the supply chain

Retailer

Product Supplier

Tier 2 Supplier

What products issues are/will you work on?

- Transportation
- Chemicals of concern
- Packaging design
- Product take-back
- Manu. env. impacts
- Product design
- Factory labor conditions
- Sourcing locations
- Product use & disposal
- Business innovation
- Measuring lifecycle

20% 40% 60% 80% 100%

Now 2 years
Leading retail-supplier engagement programs are combining engagement objectives

- Integrated corporate structure
- Collaboration with suppliers, industry, and other stakeholders
- Supply chain reporting for human rights, safety, regulatory compliance and environmental impact
Internal and external collaborations are crucial for effective product supply chain action

“You need a common set of rules before someone can win and collaboration is the only way rules can be created.”

“It’s difficult for suppliers to listen when every customer is speaking a different language.”

Need for collaborative structures, interoperability, and standard-setting
What does this look like?
RILA partnered with GS1 to set standards for product attributes critical to safe and compliant
  - Transportation of products through reverse logistics
  - Chemicals considered “hazardous” under federal and state laws
Call-to-action extended beyond RILA’s membership to all retailers
Goal was to increase transparency and interoperability for the exchange of information among trading partners and critical third-parties, who may provide extended analysis and content
Model scalable for future collaboration relative to other regulatory, safety, sustainability or consumer attributes, e.g. images
Supply Chain Transparency Initiative
SCTI: Fostering Engagement
SCTI Work Group Deliverables

- SCTI Work Group was Charged with
  - Reviewing chemical and regulatory attributes in Global Data Synchronization Network
  - Validate accuracy and completeness; identify gaps in information or structure of data
- Review how to move chemical assessment and validation upstream from individual retailers
- Work group closed in June 2016
  - Review completed successfully with changes to critical product attributes
  - Suppliers successfully piloted sourcing and loading attributes
  - Retailers successfully piloted receiving and validating attributes
  - Work Request are being entered to GDSN as needed to deploy in 2017
    - +Lithium batteries to test scalability of standard-setting model
    - Next challenge: standard-setting for FIFRA requirements
Next Steps - Business Integration

- Six retailers already planning for harmonized product attributes in GDSN

- Discussions to strengthen chemical validation and classification with third parties

- Strategic vision for integration with Center for Retail Compliance
The journey to adoption…

Chemical ingredients proof of concept to "load" attributes

GS1/1WS/RILA Work Group develops draft of future state attributes and data flows

GS1/1WS/RILA Work Group completes proof of concept, including third party input

Community votes on / approves standards

GS1/1WS integrates with attributes roadmaps agreed upon by retailers and suppliers

Version release new standards

Momentum grows! 2017+

2014 - 2015

2015:H2

2016:H1

2016:

H2

Call to action

GS1 US takes over governance; GS1, 1WS and RILA commission a retailer work group

Business case for chemical transparency
About the CRC

• Retail Industry Leaders Association (RILA)
• Free resource
• Open to all retailers
• Focus on environmental compliance
Challenges in Retail

- Staffing
- Turnover
- Number of locations
- Multiple jurisdictions
- Regulations not designed for retail
Center for Retail Compliance (CRC)

Resources & Guidance

Active Tools

Research & Data
Environmental Compliance

Retailers are subject to numerous environmental regulations in areas as varied as hazardous waste, pesticide labeling, and stormwater. Maintaining compliance with these regulations at numerous facilities across many jurisdictions that have differing requirements is a challenge. The Center for Retail Compliance (CRC) provides resources and guidance to help retailers comply with environmental regulations and improve their environmental performance. The CRC is an initiative of the Retail Industry Leaders Association (RILA) and is free and open to all retailers.

Resources for Retailers

- California requires retailers to display BPA warning signs from May 11. Visit [Hot Topics](#) for details.
- Modification of OSHA Hazard Communication Standard comes into effect on June 1. More info in [Hot Topics](#).
- Sustainability stories have been added to the [Newsroom](#).
- New on the CRC – [Refrigerant Fact Sheet](#).
- Compliance resources arranged by [store department](#).
- Coming soon - Spill Reporting Matrix

[Sign up to get CRC alerts and updates](#)
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Developing Standards: Data Exchange among Trading Partners
GDSN Attribute Review
RECOMMENDED CHANGES TO HW AND TRANSPORTATION STANDARDS

• Changes recommended by work group
  – Move the Hazardous Waste attributes out of the SDS module into its own module as they may be shared for items without a SDS
  – Repeat Hazardous Waste attributes for multiple state and local distinctions
  – Set up the concentration values (chemicalIngredientConcentration) to allow a range as well as the current exact value along with a qualifier (example: LESS_THAN, GREATER_THAN)
  – Repeat transportation values for ground, air and vessel modes in reverse logistics
  – How to handle transportation information for wasted product, not transported in reverse logistics because of damage, leaks, etc.
  – Criteria for lithium batteries
Chemical ingredient attributes
GDSN CHEMICAL INGREDIENT INFORMATION CHEMICAL INGREDIENT EXTENSION

ChemicalIngredientExtension

ReferencedFileInformation

ChemicalRegulationInformation

RegistrationInformation

SafetyDataSheetInformation

ChemicalCertificationInformation

TransportationClassification

All Classes are optional and repeatable at this level
HOW TO HANDLE TRANSPORTATION INFORMATION FOR WASTED PRODUCT

– Leave the attributes the same as they are currently. All transportation information would be passed in the current attributes and the waste information would point to the EPA declarations for how to handle the item when it becomes waste.

– Add new codes to the attribute transporationModeRegulatoryAgency to clarify that the transportation information listed below it refers to waste. Examples of current codes are IMDG, USDOT, etc. New codes could be something like USDOT_RCRA.

– Add new codes to the attribute transporationModeCode to clarify that the transportation information listed below it refers to waste. Examples of current codes are DOMESTIC_AIR_CARGO, GROUND, etc. New codes could be something like DOMESTIC_AIR_CARGO_RCRA, GROUND_RCRA.

– Add a new attribute which would be populated under the transportationModeCode to denote that the information is related to when the item is declared as waste by regulation.
GDSN CHEMICAL INGREDIENT INFORMATION CHEMICAL INGREDIENT EXTENSION

ChemicalIngredientExtension

ChemicalIngredientInfo

chemicalIngredientIdentity
chemicalIngredientName
chemicalIngredientDescription
chemicalIngredientSunsetDateTime
chemicalIngredientRegistration
chemicalIngredientRestriction
chemicalIngredientCertification

ChemicalRegulationInfo

chemicalRegulationAgency
chemicalRegulationName
regulatedChemicalIdentifier
regulatedChemicalDescription
regulatedChemicalName
regulatedChemicalSunsetDateTime
technicalChemicalName
testCriteriaDescription

ChemicalPropertyInfo

chemicalPropertyCode
chemicalPropertyName
chemicalPropertyAdditionalDescription

RegistrationInfo

registrationAgency
registrationEndDateTime
registrationNumber
restrictionDescription

ChemicalCertificationInfo

chemicalEvaluationCertificateIdentification
chemicalEvaluationCertificateDateTime
chemicalEvaluationCertificateOrganisationIdentifier

ReferencedFileInfo

0..*
GDSN CHEMICAL INGREDIENT INFORMATION CORE TRADE ITEM (CONT.)

- **PhysicalChemicalPropertyInformation**
  - autolignitionTemperature
  - boilingPoint
  - freezingMeltingPoint
  - lowerExplosiveLimit
  - physicalFormDescription
  - physicalState
  - upperExplosiveLimit
  - waterSolubility

- **FlashPoint**
  - flashPointTemperature
  - flashPointTestMethodCode

- **PHInformation**
  - exactPH
  - maximumPH
  - minimumPH

- **SpecificGravityInformation**
  - specificGravity
  - specificGravityReferenceMaterialCode

- **SafetyDataSheetInformation**
  - ProtectiveEquipment
    - protectiveEquipmentAdditionalDescription
    - protectiveEquipment
    - protectiveEquipmentStatusCode
    - ProtectiveEquipmentBodyAreaCode

- **StorageCompatibilityInformation**
  - storageCompatibilityAgency
  - storageCompatibilityCode
  - storageCompatibilityDescription

- **REACHInformation**
  - chemicalIngredientOrganisation
  - chemicalIngredientScheme

- **REACHUseDescriptorInformation**
  - rEACHChemicalProductUseDescriptorCode
  - rEACHEnvironmentReleaseUseDescriptorCode
  - rEACHProcessUseDescriptorCode
  - rEACHSectorUseDescriptorCode
Battery attributes
BATTERY ATTRIBUTES

Proposed new attributes
1. Qualifier to denote if the following information is about the CELL or the BATTERY
2. Watt hour rating
3. Material content

- **TradeItemBatteryInformation**
  - areBatteriesIncluded
  - areBatteriesRequired

- **BatteryTypeInformation**
  - areBatteriesBuiltIn
  - batteryTechnologyType
  - batteryType
  - batteryWeight
  - quantityOfBatteriesBuiltIn
  - quantityOfBatteriesRequired
  - maximumBatteryLife

- **BatteryMaterialInformation**
  - batteryMaterialQualifier

- **BatteryRating**
  - batteryWattHourRating

- **TradeItemMaterial**
  - materialCode
  - materialContent
  - materialPercentage
  - materialWeight
CONTACT INFORMATION

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Don’t forget to join us on **Thursday, July 14** at 2:00 PM EDT/11:00 AM PDT for the second webinar in our two-part series on chemical ingredient disclosure in supply chains:

**GS1 and UL on Collecting Information on Chemical Ingredients**

As a follow up to the June 28th discussion, **Carrie Wilkie** from GS1 US will present a more technical overview of the standards, attributes, and structure of the GS1 Global Data Dictionary. She will also cover some tools and resources available today which may help the IC2 Database Workgroup leverage existing data elements exchanged within supply chains. And **Frank Adams** from UL will discuss standardized data elements used by the Wercs to collect information on chemical ingredients from the perspective of a third-party verification and service provider. He will also cover some of the challenges in design and data management for real-time and retrospective information.
The Training Workgroup continues to plan additional webinars intended to inform and engage. Let us know if you have ideas for future webinar topics or presenters.

Please give us your feedback through the post-webinar survey.
Thank you for attending.