



## Implementation Guide for Policy on Sustainable Chemistry in Consumables

Last updated: February 21, 2014

### Purpose of Guide

The purpose of this document is to provide direction and resources to suppliers so that they can easily and efficiently understand and achieve the goals of the Walmart U.S. and Sam's Club U.S. Policy on Sustainable Chemistry in Consumables. This document follows the organization of the Policy and provides a description, resources and measurement approach for each element of the 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

**Scope of policy:** The policy covers formulated (chemical-based) consumables products sold through Walmart U.S. and Sam's Club U.S., hereby referred to jointly as "Walmart." It includes the following departments/categories:

Walmart U.S. accounting 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

The policy excludes active ingredients that provide therapeutic benefit when present in a product approved by the FDA New Drug Application process.

**Definitions:**

**Priority chemical:** priority chemicals are substances with certain hazardous properties that can affect human health, and/or the environment. A priority chemical is defined as a chemical that meets the criteria for classification as a carcinogen, mutagen, reproductive toxicant, or is persistent, bioaccumulative, and toxic; or any chemical for which there is "scientific evidence of probable serious effects to human health or the environment which give rise to an equivalent level of concern<sup>1</sup>."

**Walmart Priority Chemicals:** Walmart U.S. and Sam's Club U.S. have defined a list of authoritative and regulatory lists (see Appendix 1) to identify "Walmart Priority Chemicals" within the scope of this policy.

**Walmart High Priority Chemicals:** From among Walmart Priority Chemicals, Walmart U.S. and Sam's Club U.S. have identified a subset of approximately ten "Walmart High Priority Chemicals" as a starting point for suppliers. For business reasons, Walmart has elected not to publish the list of Walmart High Priority Chemicals and will inform its suppliers of the presence of Walmart High Priority Chemicals through its partner, The Wercs.

**A. Transparency**

***A.1. Disclose full product formulations to The Wercs through WERCSmart***

**Description:** The Wercs is a vendor to Walmart supporting chemical safety and regulatory compliance. Proprietary product formulations provided through the WERCSmart platform will remain confidential from Walmart.

**Resources:** [About WERCSmart](#)

**Measurement:** Percentage of products (by number of UPCs and sales) with fully disclosed formulation by supplier to The Wercs through WERCSmart

***A.2 & A.3 Disclose all product ingredients online by product beginning January 2015. Disclose priority chemicals on pack beginning January 2018.***

**Description:** Walmart will create more transparency about ingredients contained in the products on its shelves by requiring all suppliers to provide full online ingredient disclosure beginning January 2015 and Walmart Priority Chemicals on pack beginning January 2018. Walmart expects online public disclosure to be publicly accessible from the supplier's website and to be displayed at the per-product level.<sup>2</sup> For online and on pack disclosure content, Walmart advises suppliers to consult leading guides on public ingredient disclosure. Walmart recommends that suppliers, at a minimum, utilize the recognized elements of public ingredient disclosure provided by the US EPA and the CSPA, referenced below.

**Resources:** Two recommended guides for ingredient disclosure are:

- 1) [U.S. EPA's Design for the Environment Standard for Safer Products](#)

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<sup>1</sup> [REACH Title VII, Chapter 1, Article 57](#)

<sup>2</sup> Public Disclosure for Walmart's Private Brands will be available on the Walmart Corporate Website

## 2) [CSPA's Consumer Product Ingredient Communication Initiative](#)

See Appendix 2 for a table outlining the US EPA and CSPA recognized elements of public ingredient disclosure.

Walmart recognizes that best-in-class online disclosure often goes beyond the minimum recommendations found in the guides listed above, and includes additional ingredient information, such as the following:

- Ingredient CAS numbers
- Full disclosure of all ingredients including those typically protected under trade secrets (e.g. fragrances)
- Known residuals, contaminants, and by-products
- Identification of ingredient function and uses
- Product formula number
- Hazard information (e.g. MSDS/SDS data)
- Priority chemicals that have been removed from the product or portfolio of products, in conformance with [FTC's Green Guides](#)

### **Measurement:**

- Percentage of supplier's products with online ingredient disclosure
- Percentage of supplier's products containing Walmart Priority Chemicals with on pack disclosure of said chemicals

## **B. [Advancing safer formulation of products](#)**

### ***B.1. Complete the Sustainability Index to report performance on chemical disclosure, risk assessment and hazard avoidance.***

**Description:** The Sustainability Index program is a powerful tool that is helping Walmart to understand, monitor, and enhance the sustainability of our products and supply chain. The Sustainability Index uses questionnaires that are based on Key Performance Indicators (KPIs) developed by The Sustainability Consortium (TSC), a multi-stakeholder organization working to develop a science-based, sustainability measurement and reporting system for consumer goods.

### **Resources:**

- [About The Sustainability Consortium](#)
- [About the Walmart Sustainability Index](#)
- [Register to take the Index through the Product Sustainability Network](#)

### **Measurement:**

- Completion of the Sustainability Index for relevant and available product categories
- Responses to relevant Sustainability Index key performance indicators

***B.2. & B.2.a. Reduce, restrict and eliminate use of priority chemicals using informed substitution principles. Walmart U.S. and Sam’s Club U.S. have defined a list of authoritative and regulatory lists, which will be made public, to identify “Walmart Priority Chemicals” within the scope of this policy.***

**Description:** All suppliers are expected to reduce, restrict and eliminate use of priority chemicals using informed substitution principles. Walmart U.S. and Sam’s Club U.S. have defined a list of authoritative and regulatory lists (made publicly available through Appendix 1) to identify “Walmart Priority Chemicals” within the scope of this policy.

Informed substitution is the considered transition from a chemical of particular concern to safer chemicals or non-chemical alternatives<sup>3</sup>. Using informed substitution principles will mitigate hazard risks associated with product formulation and achieve compliance with Walmart’s Policy on Sustainable Chemistry in Consumables. Per Walmart Compliance procedures, a new UPC/GTIN must be issued on products that have changes to formulation or composition. For additional information on UPC change requirements, please go to the [Walmart Compliance Website](#).

In the aim of advancing safer formulated products and promoting informed substitution, Walmart recommends the major tenets of Alternatives Assessment, a process for identifying, comparing and selecting safer alternatives to priority chemicals (including those in materials, processes or technologies) on the basis of their hazards, performance, and economic viability<sup>4</sup>.

The Commons Principles of Alternatives Assessment are reproduced here<sup>5</sup>:

1. REDUCE HAZARD
2. MINIMIZE EXPOSURE
3. USE BEST AVAILABLE INFORMATION
4. REQUIRE DISCLOSURE AND TRANSPARENCY
5. RESOLVE TRADE-OFFS
6. TAKE ACTION

Walmart encourages its suppliers to use methods, databases, and lists such as the ones listed in Appendix 3 (Guides for Alternatives Assessment) on their journey to reduce and eliminate priority chemicals using informed substitution.

Walmart also welcomes innovative products that have been certified or screened by programs that clearly state continuous improvement and informed safer substitution as program principles, such as the U.S. Environmental Protection Agency’s Design for Environment (DfE) Safer Product Labeling Program.

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<sup>3</sup>U.S. EPA. 2012. [EPA’s DfE Standard for Safer Products \(DfE Standard\)](#)

<sup>4</sup> Chemical Commons. 2013. [The Commons Principles for Alternatives Assessment](#)

<sup>5</sup> Ibid.

**Resources:**

- See Appendix 1 for a list of authoritative and regulatory reference lists of priority chemicals that Walmart uses to identify Walmart Priority Chemicals.
- Going forward, the WERCSmart website will be modified so that when a supplier enters the formulation of a product, the supplier will be notified if a particular component of your product is a Walmart Priority Chemical and/or Walmart High Priority Chemical (see Appendix 5 for illustration)
- See Appendix 3 for a non-exhaustive list of guides for alternatives assessment aligned with The Commons Principles of Alternatives Assessment that suppliers may use to advance safer formulation of products using informed substitution.

**Measurement:** Walmart will track the policy elements in section B.2.a. using the metrics listed in the table below and information from The Wercs. Suppliers’ proprietary formulations will remain strictly confidential and will not be shared with Walmart. The metrics will be attributed to individual suppliers at the item level by chemical functional class (e.g. Supplier X sells Product Y which contains a preservative that is a Walmart Priority Chemical). Individual supplier performance will remain strictly confidential (see Section III for how Walmart will publicly report on aggregate progress). Additionally, Walmart will track individual Walmart Priority Chemicals by CAS number for products in the aggregate, but not attributed to individual suppliers or individual products (e.g. X pounds of Walmart Priority Chemical Y in department Z).

Policy Element	Metrics
Reduce volume of priority chemicals	<ul style="list-style-type: none"><li>• Weight volume of Walmart Priority Chemicals in aggregate</li></ul>
Restrict and eliminate priority chemicals	<ul style="list-style-type: none"><li>• Number of UPCs with Walmart Priority Chemical(s)</li><li>• Sales volume of UPCs with Walmart Priority Chemical(s)</li><li>• Number of suppliers with Walmart Priority Chemical(s)</li></ul>
Use informed substitution	<ul style="list-style-type: none"><li>• GreenWERCS<sup>6</sup> Score</li><li>• Number of products formulated exclusively with DfE approved ingredients</li></ul>

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<sup>6</sup> [About GreenWERCS](#)

***B.2.b. From among “Walmart Priority Chemicals,” Walmart U.S. and Sam’s Club U.S. have identified a subset of approximately ten “Walmart High Priority Chemicals” as a starting point for suppliers and will inform suppliers of the presence of Walmart High Priority Chemicals through our partner, The WerCS.***

**Description:** From among Walmart Priority Chemicals, Walmart has identified a subset of approximately ten “Walmart High Priority Chemicals” as a starting point for suppliers to reduce, restrict and eliminate using informed substitution principles. This list of Walmart High Priority Chemicals is based on (a) authoritative lists, (b) current and pending regulatory lists, (c) high prevalence in Walmart products, and (d) concerns of direct exposure to consumers.

The list of Walmart High Priority Chemicals is proprietary to Walmart. Walmart will inform our suppliers of the presence of Walmart High Priority Chemicals in their products through our partner, The WerCS.

- First, for those products that are currently registered with The WerCS, The WerCS will send a one-time email to each supplier indicating which of their products have Walmart High Priority Chemicals. The email will identify the product and the Walmart High Priority Chemical.
- Second, the WERCSmart website will be modified so that when a supplier enters the formulation for a product, the supplier will be notified if a particular component of its product is a Walmart High Priority Chemical.

Walmart requests that the information that suppliers receive in this manner, particularly, the identification of Walmart High Priority Chemicals, be used by the respective supplier to achieve the goals of the Policy, and not be disclosed or used outside the supplier’s organization.

**Resources:**

- Initial email notification from The WerCS indicating which products have Walmart High Priority Chemicals, identifying both the product and the corresponding Walmart High Priority Chemical
- Going forward, the WERCSmart website will be modified so that when a supplier enters the formulation of a product, the supplier will be notified if a particular component of your product is a Walmart Priority Chemical and/or Walmart High Priority Chemical (see Appendix 5 for illustration)

**Measurement:** Same as for section B.2.a but for Walmart High Priority Chemicals

## **C. Design for the Environment (DfE) in Private Brands**

***C.1. Walmart U.S. and Sam's Club U.S. will strive towards formulating and labeling its private brand products in accordance with the U.S. EPA's Design for the Environment (DfE) program, beginning in January 2014 with cleaning products and expanding to other categories as the program grows.***

**Description:** The U.S. EPA's Design for Environment (DfE) Safer Product Labeling Program is an authoritative voluntary program that reviews the safety of products by evaluating their individual ingredients against transparent, scientifically-based criteria. Products that earn the DfE label have had every ingredient (including fragrances and other ingredients that are covered as trade secrets) evaluated for human health and environmental effects using the most current information, predictive modeling tools, and expert judgment. To meet the DfE requirements, a product and its ingredients must comply with criteria outlined in "Design for the Environment Program Master Criteria for Safer Ingredients" or the relevant "Design for the Environment Functional-Class Criteria" and "EPA's DfE Standard for Safer Products". In addition, a DfE-certified product must meet performance, labeling, and sustainable packaging requirements. By acquiring a DfE label, a product proves that it contains the safest possible ingredients for its function.

**Resources:** US EPA Design for the Environment program

- Please see Appendix 4 for an overview of the DfE process

For more information see:

- [DfE Standard and Criteria for Safer Chemical Ingredients](#)

**Measurement:**

- Percentage of private brand products in product categories covered by DfE which are DfE certified
- Percentage of private brand products that are DfE certified

### **Section III: Monitoring and Reporting**

***Walmart will monitor progress against this policy through the Sustainability Index and The Wercs, beginning January 2014, and publicly communicate progress beginning January 2016.***

#### **Description:**

- Walmart will monitor transparency and disclosure of full product formulation to The Wercs, all product ingredients online and priority chemicals (Walmart Priority Chemicals) on pack through The Sustainability Index and The Wercs.
- Walmart will monitor the advancement of safer formulation of products through The Sustainability Index and The Wercs, using a baseline of 2012. Information from The Wercs will maintain the confidentiality of suppliers' proprietary product formulations by grouping products and chemicals into combinations of aggregate data.
- Walmart will publicly communicate aggregate progress against the policy in Walmart's Global Responsibility Report beginning in 2016, including progress on transparency, advancing safer formulation of products and DfE certification of private label.



## Appendix 1: Walmart reference lists of priority chemicals

As of February 21, 2014

The following authoritative and regulatory lists may be used as resources to identify Walmart Priority Chemicals for reduction, restriction, or elimination in accordance with Walmart's Policy on Sustainable Chemistry in Consumables.

Note: The policy excludes active ingredients that provide therapeutic benefit when present in a product approved by the FDA New Drug Application process.

EU - Endocrine Disrupters - Ranked Priority List - Human Health Categorizations 1 and 2
EU - Interim Strategy for Management of Persistent Bioaccumulative Toxic (PBT) and very persistent very bioaccumulative (vPvB) Substances
EU - REACH (1907/2006): <ul style="list-style-type: none"> <li>• Annex XIV - Substances Subject to Authorisation</li> <li>• Annex XV - Candidate List of Substances of Very High Concern for Authorisation</li> <li>• Annex XVII Appendices 1 and 2 - Carcinogens Categories 1A and 1B</li> <li>• Annex XVII Appendix 4 - Mutagens Category 1B</li> <li>• Annex XVII Appendices 5 and 6 - Reproductive Toxicants Categories 1A and 1B</li> </ul>
International Agency for Research on Cancer (IARC) Groups 1 (Carcinogenic to Humans) and 2A (Probably Carcinogenic to Humans) and 2B (Possibly Carcinogenic to Humans)
United Nations Environment Programme (UNEP) - Stockholm Convention Secretariat Stockholm Convention on Persistent Organic Pollutants (POPs)
U.S. EPA - Priority PBT List
U.S. EPA - Toxic Release Inventory (TRI) PBT Chemicals
U.S. EPA - National Waste Minimization Program - Priority Chemicals
U.S. National Toxicology Program (NTP) - Report on Carcinogens - Known to be Human Carcinogens and Reasonably Anticipated to Be Human Carcinogens
U.S. State of California - Proposition 65 - Developmental/ Reproductive Toxicants
U.S. State of Maine: <ul style="list-style-type: none"> <li>• Chemicals of High Concern</li> <li>• Priority Chemicals</li> </ul>
U.S. State of Minnesota: <ul style="list-style-type: none"> <li>• Chemicals of High Concern</li> <li>• Priority Chemicals</li> </ul>
U.S. State of Washington - Chemicals of High Concern to Children (CHCC)
U.S. State of Washington - Persistent Bioaccumulative Toxins

**Appendix 2: US EPA and CSPA recognized elements of public ingredient disclosure**

	<b>U.S. EPA’s Design for the Environment (DfE) Standard for Safer Products</b>	<b>CSPA’s Consumer Product Ingredient Communication Initiative</b>
<b>Disclosure sequence</b>	Ingredients listed in descending order of concentration down to 1%; remaining ingredients listed in any particular order	Ingredients listed in descending order of concentration down to 1%; remaining ingredients listed in any particular order
<b>Acceptable nomenclature</b>	<p>Chemical Abstract Service (CAS) number, if available, and one or more of the following:</p> <ul style="list-style-type: none"> <li>• CAS name</li> <li>• Consumer Specialty Products Association (CSPA) Dictionary name</li> <li>• International Nomenclature Cosmetic Ingredient (INCI) name</li> <li>• International Union of Pure and Applied Chemistry (IUPAC) name</li> </ul>	<p>Any of the below:</p> <ul style="list-style-type: none"> <li>• INCI name</li> <li>• IUPAC name</li> <li>• CAS name</li> <li>• CSPA Dictionary name</li> <li>• Common chemical name</li> </ul>
<b>Nomenclature for ingredients protected as trade secrets<sup>7</sup></b>	May use a chemical-descriptive name	May use trade name and common chemical names

<sup>7</sup> Generally, for ingredients protected as trade secrets, a manufacturer may use chemical-descriptive name, for example, the EPA Premanufacture Notice generic name or the CSPA Dictionary name, in lieu of the specific chemical name; however, the name must be as specific as possible without revealing trade secret information.

### **Appendix 3: Guides for Alternatives Assessment**

The following is a non-exhaustive list of publicly known methods, tools, and databases aligned with The Commons Principles of Alternatives Assessment that suppliers may use to advance the safer formulation of products using informed substitution.

Source: Chemical Commons. [The Commons Principles for Alternatives Assessment](#). Accessed July 2013

#### Safer Chemical Databases or Tools

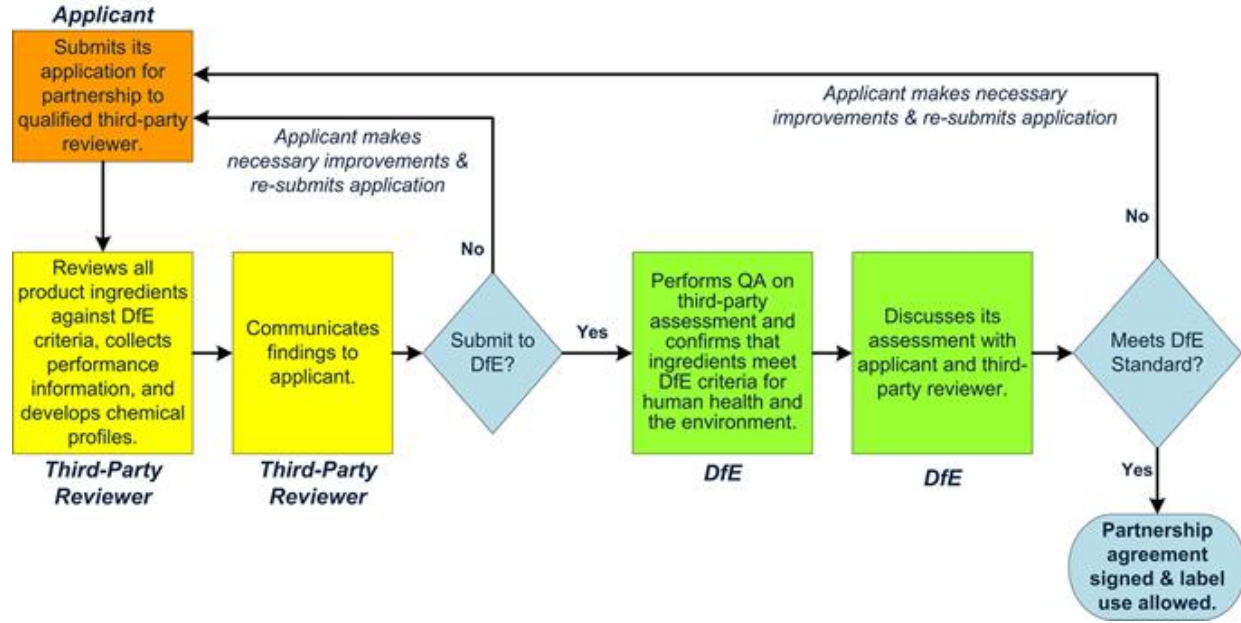
- [CleanGredients®](#)
- [GreenScreen™ List Translator](#)
  - Available in automated format through GreenWERCS and Pharos
- [GreenWERCS](#)
- [Pharos Chemical and Material Library](#)
- [SciVera Lens™](#)
- [U.S. EPA DfE Safer Chemical Ingredient List \(SCIL\)](#)

#### Alternatives Assessment Paradigms

- [BizNGO's Chemical Alternatives Assessment Protocol](#)
- [GreenScreen™ Methodology](#)
- [University of Lowell's Alternatives Assessment Protocol](#)
- [U.S. EPA's DfE Alternatives Assessment Methodology](#)

#### Appendix 4: Overview of DfE process

Figure 1: Reproduced from “How to Partner, Get the DfE Label on a Product”. Accessed 16 August 2013.



## Appendix 5: Notification of Walmart Priority Chemicals and Walmart High Priority Chemicals within WERCSmart portal

Going forward, the WERCSmart website will be modified so that when a supplier enters the formulation of a product, the supplier will be notified if a particular component of your product is a Walmart Priority Chemical and/or Walmart High Priority Chemical.

Product Data Entry > Composition

Product Composition - please click on an existing component to edit

Enter each Component By CAS # or Name

CAS Number	Chemical Name	Percent	Trade Secret	Regulated
7732-18-5	Water	20	<input type="checkbox"/>	Yes
50-00-0	Formaldehyde	20	<input type="checkbox"/>	Yes
951323-15-2	Test frank	80	<input type="checkbox"/>	No
<b>Total Percent:</b>		<b>120</b>		

Upload Formulation using WERCS Connect

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Product Data Entry > Composition

Product Composition - please click on an existing component to edit

Enter each Component By CAS # or Name

CAS Number	Chemical Name	Percent	Trade Secret	Regulated
7732-18-5	Water	20	<input type="checkbox"/>	Yes
50-00-0	Formaldehyde	20	<input type="checkbox"/>	Yes
951323-15-2	Test frank	80	<input type="checkbox"/>	No
<b>Total Percent:</b>		<b>120</b>		

**Regulatory List**

Regulatory Code	Classification
WHMHAZ	WHMIS - Canada Hazardous Chemicals

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Product Data Entry > Composition

Product Composition - please click on an existing component to edit

Enter each Component By CAS # or Name

CAS Number	Chemical Name	Percent	Trade Secret	Regulated
7732-18-5	Water	20	<input type="checkbox"/>	Yes
50-00-0	Formaldehyde	20	<input type="checkbox"/>	Yes
951323-15-2	Test frank	80	<input type="checkbox"/>	No
<b>Total Percent:</b>		<b>120</b>		

**Regulatory List**

Regulatory Code	Classification
CAAVOC	Volatile Organic Compounds (VOC) - Clean Air Act
CAPROP	CA Prop 65
CAWAST	California Hazardous Waste
CER302E	CERCLA Extremely Hazardous Substances EPCRARCS
CFFLOW	Flash Points in Flammable/Combustible Range
HAPS	Hazardous Air Pollutants (HAPS) - Clean Air Act
IARG1	IARC - Group 1 - Carcinogenic to Humans
ILLRTK	Illinois - Right To Know
MARTK	Massachusetts - Right To Know
NURTK	New Jersey - Right To Know
NTPSUS	NTP - Suspected Human Carcinogens

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