

Product Sustainability & Compliance – Bridging the Gap with Software and Advisory



September 23, 2021



RETAIL INDUSTRY LEADERS ASSOCIATION

The Retail Industry Leaders Association (RILA) is the US trade association for retailers that have earned leadership status by virtue of their sales volume, innovation or aspiration. We convene decision-makers to collaborate and gain from each other's experience. We advance the industry through public-policy advocacy and promote operational excellence and innovation. And through research and thought leadership, we propel developments that foster both economic growth and sustainability.

Our aim is bold but simple: to elevate a dynamic industry by transforming the environment in which retailers operate.

www.rila.org

RETAIL COMPLIANCE CENTER

The Retail Compliance Center has a number of resources related to environmental compliance and sustainability that apply in retail including introductory information as well as detailed reviews of regulations and variations in state requirements.

www.rila.org/rcc



Webinars



Fact Sheets



Tracking Matrices



Retail Advisor



Newsletters

HOUSEKEEPING

Everyone is muted upon entry

- This reduces background noise during the webinar.

Recording

- The showcase is being recorded and will be housed on the RCC site for future views. The slide deck will also be posted to the RCC site.

Posing a question/commenting

- Please use the Q&A box to pose questions or comments.
- Questions and comments posed will go directly to the speakers and moderators.
- Questions will be answered after the conclusion of the speakers' presentation.

Showcase Feedback Survey

- Survey launched during Q&A as live poll

ANTITRUST STATEMENT

RILA believes strongly in competition. Our antitrust laws are the rules under which our competitive system operates. It is RILA's policy to comply with both the letter and the spirit of antitrust laws. This Antitrust Statement has been adopted to avoid even the appearance of impropriety under the antitrust laws.

At any association meeting, participants must avoid any discussion of the following subjects in order to avoid even an appearance of impropriety:

- **Do not** discuss current or future prices, price quotations or bids, pricing policies, discounts, rebates, or credit terms.
- **Do not** discuss cost information such as production costs, operating costs, or wage and labor rates.
- **Do not** discuss profits or profit margins, including what is a "fair" profit margin.
- **Do not** discuss allocating markets, territories, or customers.
- **Do not** discuss current or future production or purchasing plans, including plans to take facility downtime, production quotas, or limits on output.
- **Do not** discuss refusing to deal with any suppliers, customers, or competitors (or any class or type of suppliers or customers).
- **Do not** require or pressure any supplier, customer, or competitor to adopt any particular actions or policies.
- Never agree on any aspect of future pricing or output.

Do not engage in prohibited discussions before a meeting or after a meeting is over. These antitrust guidelines apply not only in formal RILA meetings, but also in hallways, casual conversations, phone calls, emails, text messages, cocktail parties, golf outings, or any other setting that is related in any way to the RILA. If you have questions or concerns, or if you are uncertain about the propriety of any subject of discussion or proposed activity, you should stop the discussion immediately and bring the issue to the attention of RILA staff or consult your company's general counsel.

Presenters



Cory Carson

Compliance and Sustainability
Solutions Manager at UL



Dr. Bill Pease

Chief Supply Chain
Scientist at UL



Catherine Sheehy

Global Lead
of Sustainability
Partnerships at UL



Building strong product compliance and sustainability programs with retailers

Retail Industry Leaders Association (RILA) Technology Showcase
September 23, 2021

Full formulation is required for effective product compliance and sustainability programs



Collaboration between manufacturers and retailers is critical

Product compliance is complex and dynamic

US Toxic Substances Control Act (TSCA) Product Stewardship Regulations
CEPA
California Proposition 65
Environment & Climate Change Canada Packaging Extended Producer Responsibility
State Pesticide Registration Department of Transportation (DOT)
EPA Emissions State and Federal Hazardous Waste Disposal
Consumer Product Safety Commission
Volatile Organic Compound Regulations International Air Transport Association
Natural Resources Canada International Maritime Dangerous Goods Code
NDSL/DSL
Environmental Protection Agency National Fire Protection Association
Federal Insecticide, Fungicide, and Rodenticide (FIFRA)
State Chemical Regulations Canada Chemical Management Plan
Health Canada

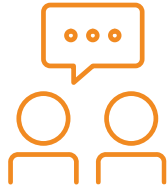
Product sustainability is driven by multiple factors



Regulations



Stakeholders



Consumer
preferences



Market
opportunities

How UL helps retailers with compliance



Facilitating the exchange of product data and regulatory guidance

WERCSmart® — A centralized hub for formulation data that **facilitates the efficient and secure exchange of product and regulatory data** between suppliers and retailers.

Manufacturers / Brands

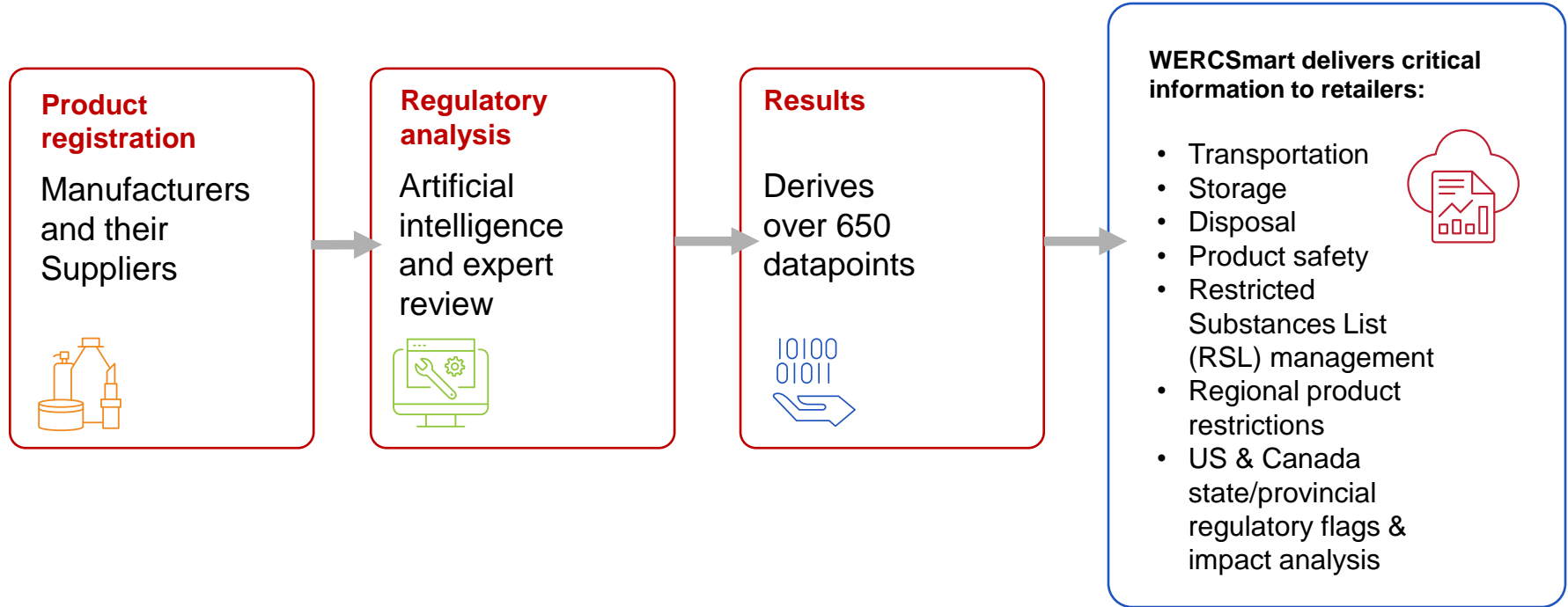
- **11,000+ global manufacturers**
- Contribute **full formulation data for products**
- **Over one million UPCs** represented
- All product information is managed in a **single secure platform** and manufacturers control how data is shared

Retailers

- **55+ leading retailers**
- Obtain compliance and regulatory data in multiple formats
- **650+ data points** for regulatory compliance, chemical policies and sustainability programs



Unique power of WERCSmart technology



How UL helps retailers with sustainability



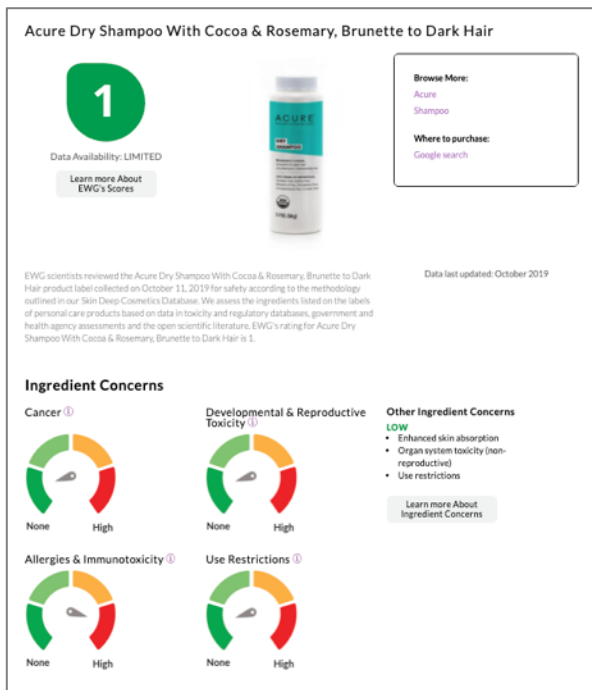


Facilitating retailer response to the factors driving growing interest in sustainable products

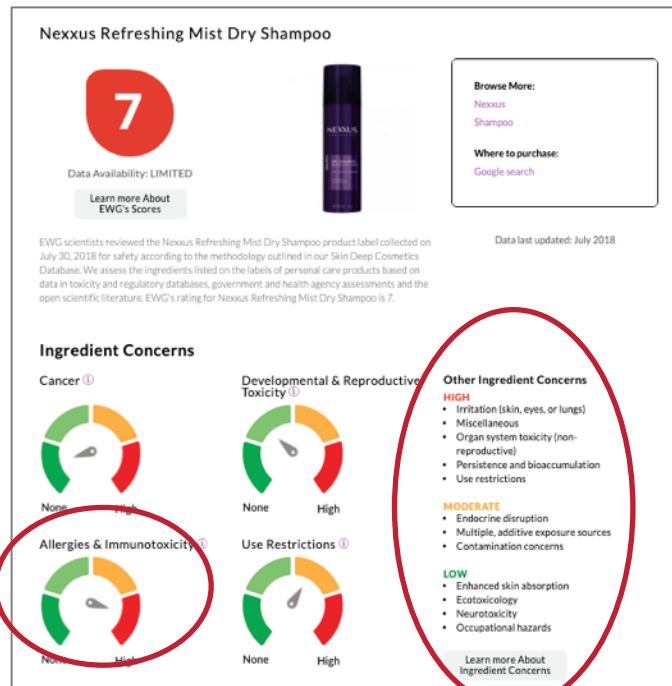
- Consumer demand for safer and greener products
- Stakeholder pressure to improve environmental performance
- Business opportunity associated with selling better products

Consumer choice has been empowered by easy access to chemical information

Spotlighting safer products




Stigmatizing products with chemicals of concern



NGOs are pressuring retailers to cleanup their assortments

Want to keep harmful chemicals out of our everyday products?

Mind the Store



[Sign our petition to the biggest retailers to keep toxic chemicals off the shelves!](#)



This shampoo for kids contains 24 harmful chemicals

TAKE ACTION

National and private-label brands see real market opportunities



*"Last year, the brands that participated in Made to Matter saw a **30% lift** in their overall sales at Target, which is **double the rate those vendors saw in other parts of their business.**"*

Kathy Tesija
Executive vice president
Merchandising and Supply Chain



*"Unilever's sustainable living brands — brands that Unilever says contribute to environmental and social sustainability — **accounted for half the company's growth** and **grew at twice the rate** of the rest of the business."*

Paul Polman
CEO

Retailers are responding by adopting chemical curation and sustainable product programs



**Mind
the
Store**

Ranking retailers
on toxic chemicals

Retailer	Grade	Points
 Apple	A+	116.25
 Target	A+	105
 Whole Foods	A	98.25
 Sephora	A	96.25
 Walmart	A-	93
 Sam's Club	A-	93
 IKEA	A-	90
 Rite Aid	B+	85.25
 REI	B	77
 Home Depot	B	76.25
 CVS Health	B	72
 Bath & Body Works	B-	69

Target Clean is a leading example of this trend

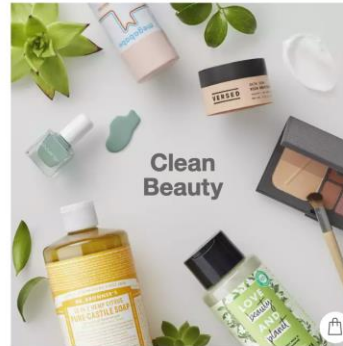
Target Clean

Target / Ways to Shop / Wellness Icon Glossary / Target Clean (6871)

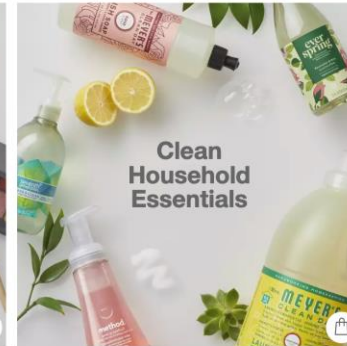


Target Clean, defined

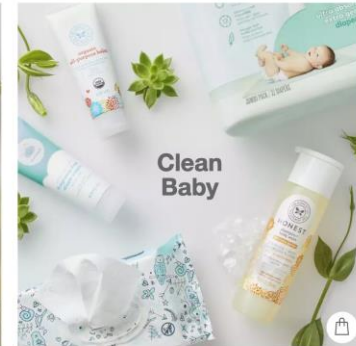
Each category's screened ingredient list is below.



Products formulated without* propyl-parabens, butyl-parabens, phthalates, formaldehyde, formaldehyde-donors, nonylphenol ethoxylates (NPEs), oxybenzone, SLES, retinyl palmitate, hydroquinone, triclosan, triclocarbon, and BHA & BHT. Plus, cruelty free and/or not tested on animals.**



Products formulated without* propyl-parabens, butyl-parabens, phthalates, formaldehyde, formaldehyde-donors, nonylphenol ethoxylates (NPEs), oxybenzone, SLES, retinyl palmitate, hydroquinone, triclosan, triclocarbon, and BHA & BHT. Plus, cruelty free and/or not tested on animals.**



Personal Care: Products formulated without* propyl-parabens, butyl-parabens, phthalates, formaldehyde, formaldehyde-donors, nonylphenol ethoxylates (NPEs), oxybenzone, SLES, retinyl palmitate, hydroquinone, triclosan, triclocarbon, and BHA & BHT. Plus, cruelty free!**
Diapers: Disposable products are made without chlorine & added fragrances.


Reframing the consumer experience to emphasize safer and more sustainable products



Target / Beauty / Bath & Body / Body Wash & Shower Gel

Love Beauty & Planet Yuzu & Vanilla Blooming Fresh Liquid Hand Wash Soap - 13.5 fl oz

[Shop all Love Beauty and Planet](#)



\$3.99

★★★★★ 138

Quantity: 1

Pick up today at
San Mateo Fashion Island
[Get store](#)
Ready within 4 hours for pickup inside the store.
Asst A18

Deliver to 94065
[Get pin code](#)
Get it by Tue, Jul 14 with free standard shipping on \$35 orders.
Only ships with \$25 orders

Looking for curbside pickup?
[Try our free Drive Up service](#), available only in the Target App.


Add to registry


[Help us improve this page](#)


About this item


Details Drug facts Label info Shipping & Returns Q&A


At a glance


 Clean


 Cruelty Free


 Vegan

 Sensitive Skin

 Oily Skin

 Combination Skin

 Normal Skin

 Mature Skin

Highlights

- Our Hand Wash Promise: Wash away bacteria with effective plant-based cleansers, for clean hands when using Love Beauty and Planet Yuzu & Vanilla hand wash
- Blooming Fresh Hand Soap Liquid: Drench your hands in our new citrus cocktail of fresh Yuzu
- Hand Soap With Nature-Inspired Ingredients: This refreshing handwash is infused with Yuzu and the warm notes of ethically sourced Vanilla
- Hand Soap With Plant-based Cleansers: Our Blooming Fresh handsoap is formulated with mild plant-based cleansers and works to wash away bacteria from your hands
- YES Coconut Oil for skin, YES Naturally Sourced Yuzu, YES Ethically Sourced Vanilla, YES Mild Cleansers, YES Vegan Handwash, YES Cruelty-free
- Our hand soap liquid formula is 95% Naturally Derived and formulated without sulfate cleansers, parabens, or dyes.

Retailers like CVS Health® are setting a higher standard for private brand products

CVS Launches New Live Better Wellness Brand

By [Jacqueline Barba](#) - 06/15/2020

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CVS Pharmacy's new wellness private label is the latest move the retailer has made to expand holistic wellness offerings and create better product transparency for shoppers.

Currently rolling out to stores, Live Better by CVS Health launched with more than 80 SKUs across nine categories including vitamins, herbal supplements and personal care products ranging in price from \$3.99 to \$25.99. The brand's indigo packaging is more than 80% recyclable, and many items are labeled USDA-certified organic, non-GMO project-certified, gluten-free, cruelty-free or vegan.

In a press release, CVS said the brand aims to offer shoppers better access to competitively priced products containing on-trend and emerging ingredients in the wellness space, such as



“Tested to be Trusted”



Trusted & Transparent

Live Better™ by CVS Health® brings you trusted and transparent wellness products. Filled with purpose and consciously selected, our products help you stay well and simply live better.

Shop The Brand



Daily Vitamins



Herbal Supplements



Unique Formats



Probiotics



Everyday Care

UL services and software that enable retailer sustainability programs

Science consulting

- Assist retailer with development of a public chemicals policy that addresses stakeholder concerns
- Create Restricted Substance List to identify unwanted chemicals
- Develop category-specific, evaluative frameworks to define safer, healthier and more sustainable products
- Integrate sustainable product development considerations into private-brand products

PurView® product evaluation platform

- Enable retailer to use regulatory data provided by suppliers for chemicals policy, sustainability and product curation programs
- Screen products for chemicals on RSL
- Assess whether product formulations are fully disclosed and able to be screened to meet consumer demand for ingredient transparency
- Rate or qualify products based on chemical or sustainability attributes to curate product assortment

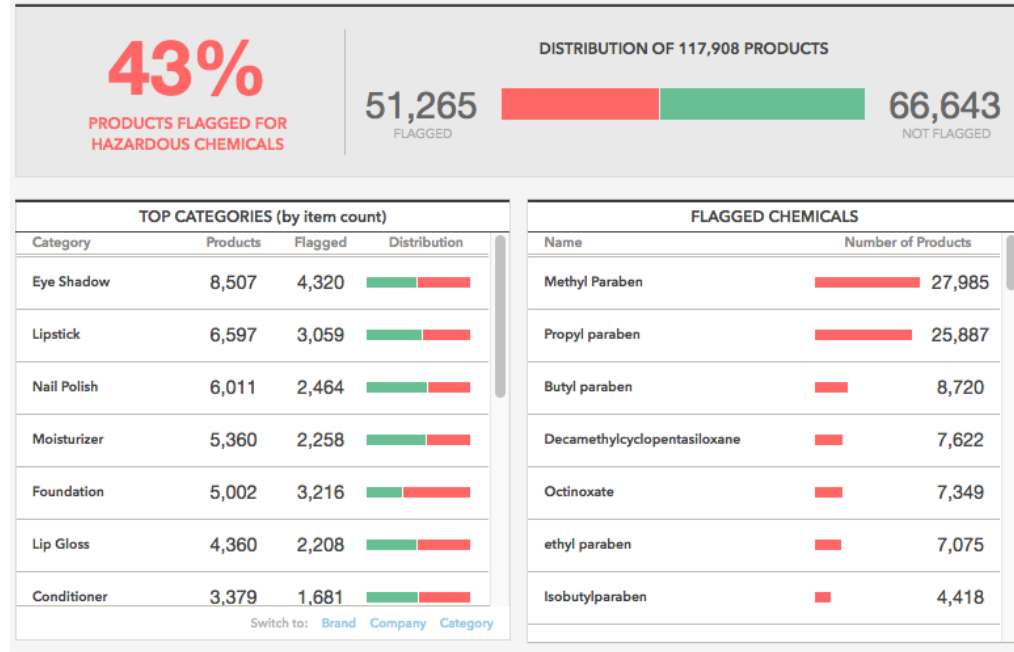
PurView demonstration

UL platforms enable a client to move beyond regulatory compliance towards sustainable product development - in steps that match the scope and sophistication of a company's sustainability goals:

Step 1: Safer Ingredients

Step 2: More Sustainable Ingredients

Step 3: More Sustainable Products



Enhancing consumer trust with 3rd party certification



Product curation by retailer program



Product certification by UL

UL's ECOLOGO certification

- ECOLOGO Certification leverages the UL brand, which is recognized by 73% of consumers and preferred by 66% of retailers.
- Currently, there are almost 6,000 product families certified to the program, from more than 150 companies across 20 product categories.
- ECOLOGO standards are recognized in more than 400 specifications and green purchasing standards globally.
- An ECOLOGO certification helps address disclosure requirements for the Sustainability Accounting Standards Board



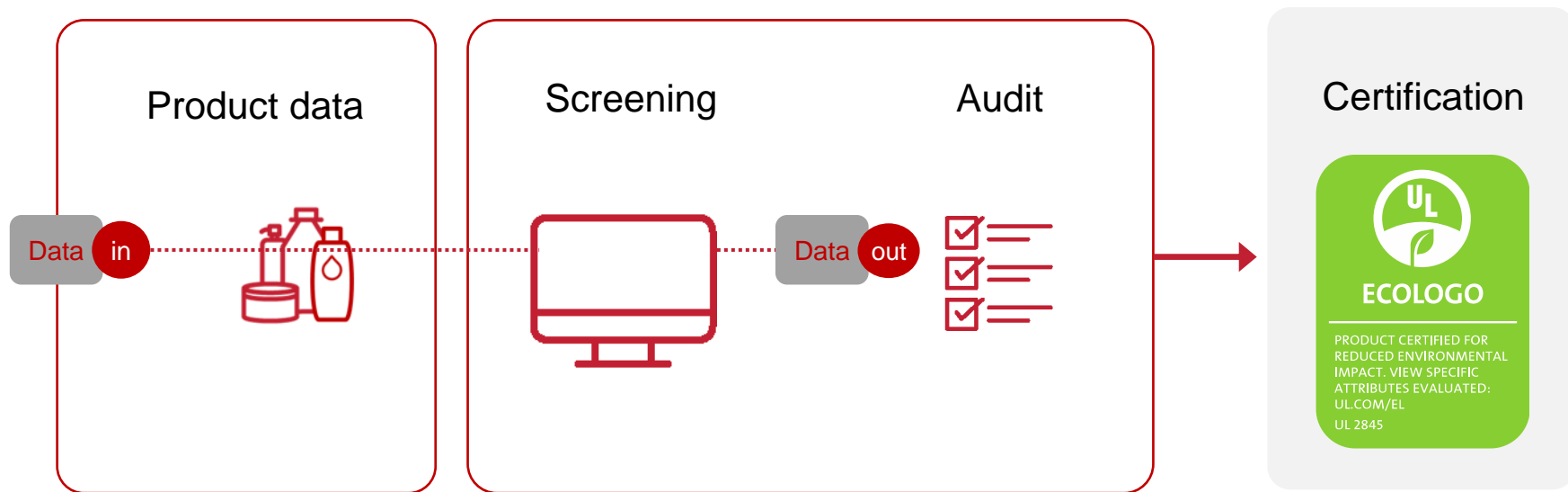
UL has the
**HIGHEST EXCLUSIVE
PREFERENCE** amongst retailers
in the U.S.



Accelerating ECOLOGO certification for formulated products

Linking UL's science-based ECOLOGO standards for formulated products to WERCSmart's robust chemical content rules engine enables design decisions and performance outcomes that help retailers meet the growing demand for more sustainable products — faster.

Product certification powered by UL WERCSmart



UL supports recipients of ECOLOGO certification

- Companies with certified products will receive ECOLOGO marks for use on packaging and promotion as well as guidelines for using the mark
- Certified products are listed on spot.ul.com for market visibility
- UL can provide a quote from a company executive for your press release
- If needed, we can support you in developing unique messaging
- We can provide a review of marketing and messaging materials for accuracy
- We can collaborate on additional promotional tactics, as appropriate



Full product formulation data is required for effective product compliance and sustainability programs



Collaboration between retailers and manufacturers is critical

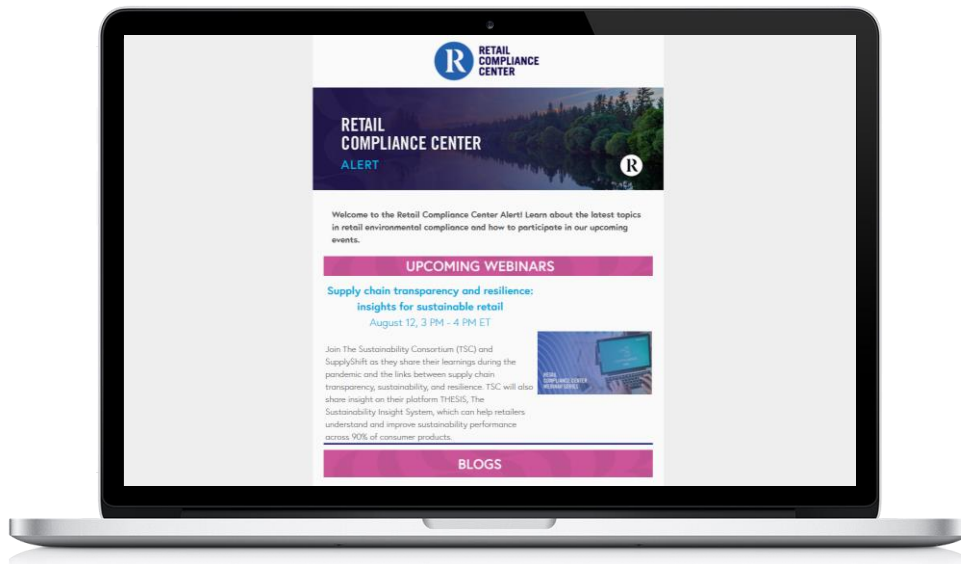
Questions

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For more information on retail environmental compliance and sustainability, visit the RCC website at <https://www.rila.org/retail-compliance-center>.



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RETAIL COMPLIANCE CENTER – CONTACT US

THANK YOU