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

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

- Regulations
- Stakeholders
- Consumer preferences
- Market opportunities
How UL helps retailers with compliance

Formulation

Compliance

Sustainability
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

Product registration
Manufacturers and their Suppliers

Regulatory analysis
Artificial intelligence and expert review

Results
Derives over 650 datapoints

WERCSmart delivers critical information to retailers:

- Transportation
- Storage
- Disposal
- Product safety
- Restricted Substances List (RSL) management
- Regional product restrictions
- US & Canada state/provincial regulatory flags & impact analysis
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.
NGOs are pressuring retailers to cleanup their assortments
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.
Target Clean is a leading example of this trend.
Reframing the consumer experience to emphasize safer and more sustainable products
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

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...
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.
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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THANK YOU