



Chemical Footprint Project (CFP) –
Empowering Companies & Investors

October 11, 2017





Ashley C. Hall

Senior Manager of Sustainability
Walmart

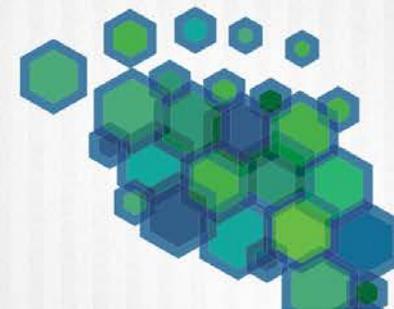
Mark S. Rossi, Ph.D.

Executive Director
Clean Production Action

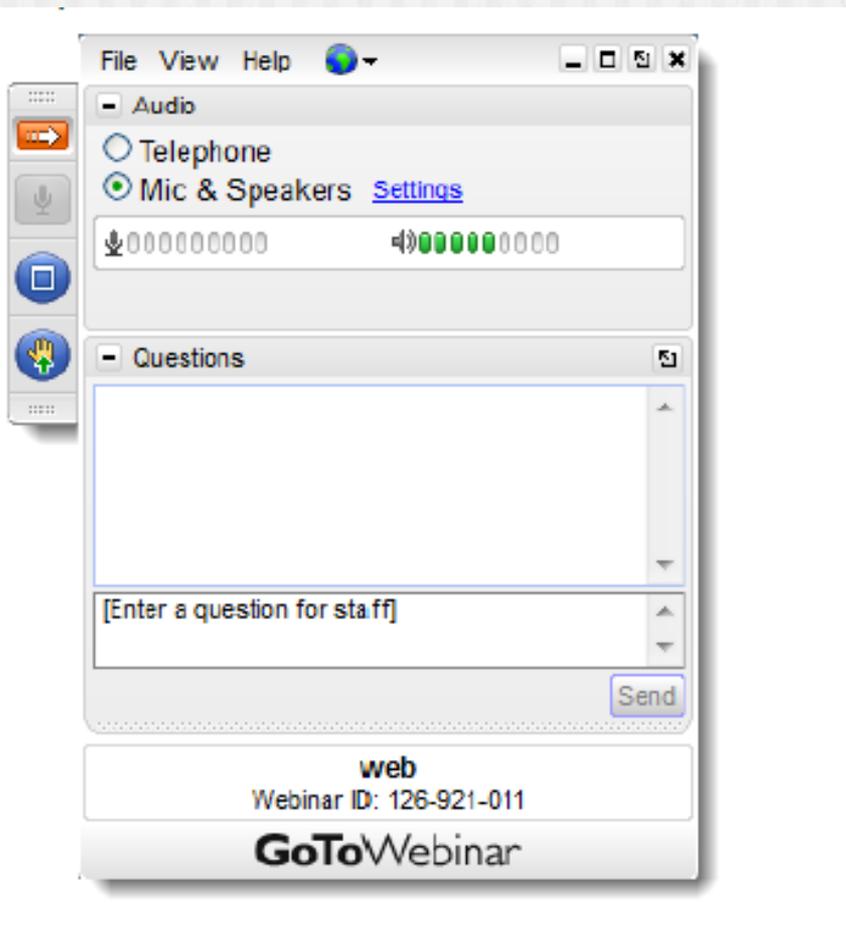


Susan Baker

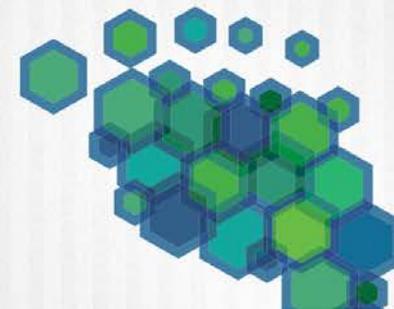
Vice President,
Shareholder Advocacy
Trillium Asset Management



Questions?



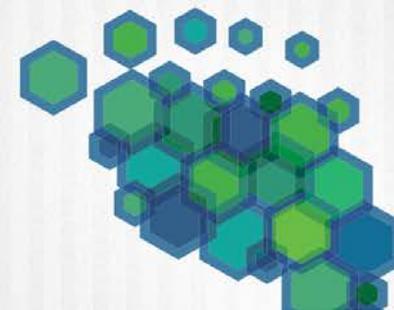
- Post your question to the Questions pane in your GoToWebinar Control Panel
- Presentation and recording will be available at www.chemicalfootprint.org



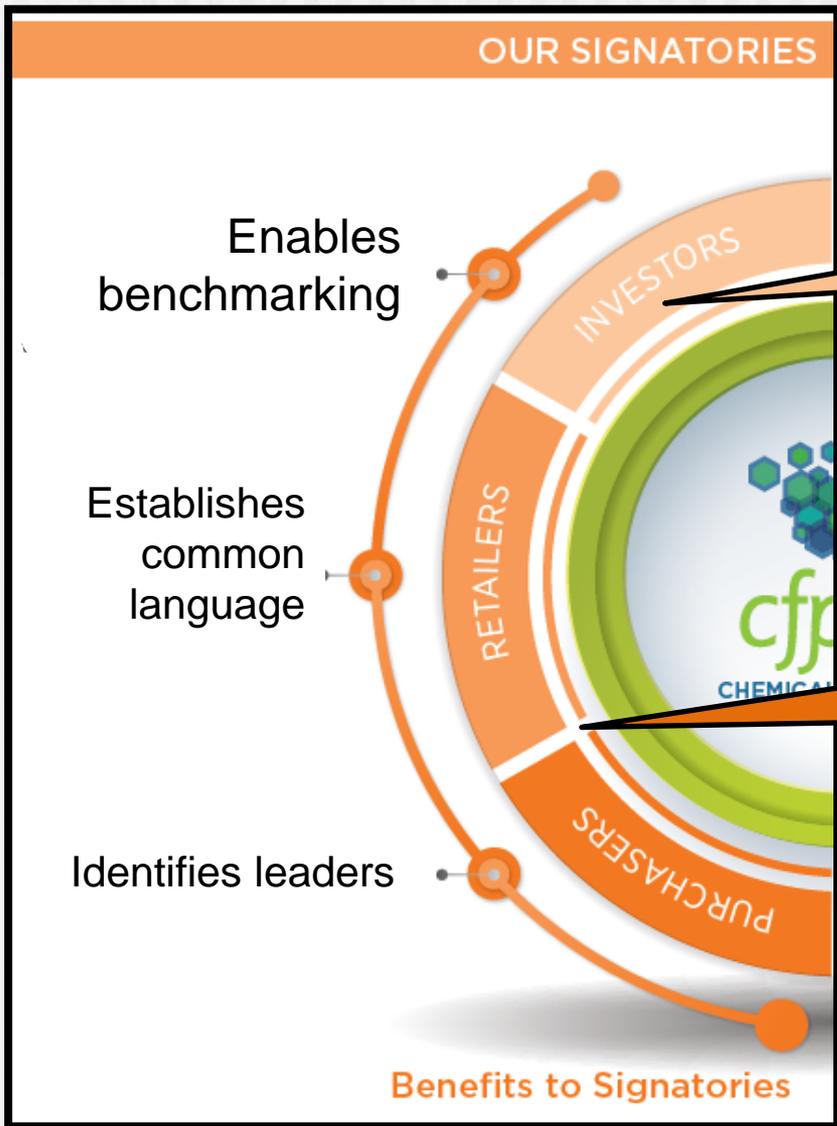
Overview



- CFP Survey & 2017 Report Highlights
- Value for retail
- Value for investors
- Q&A



Signatories



\$2.3 trillion in assets under management

\$600 billion in purchasing power



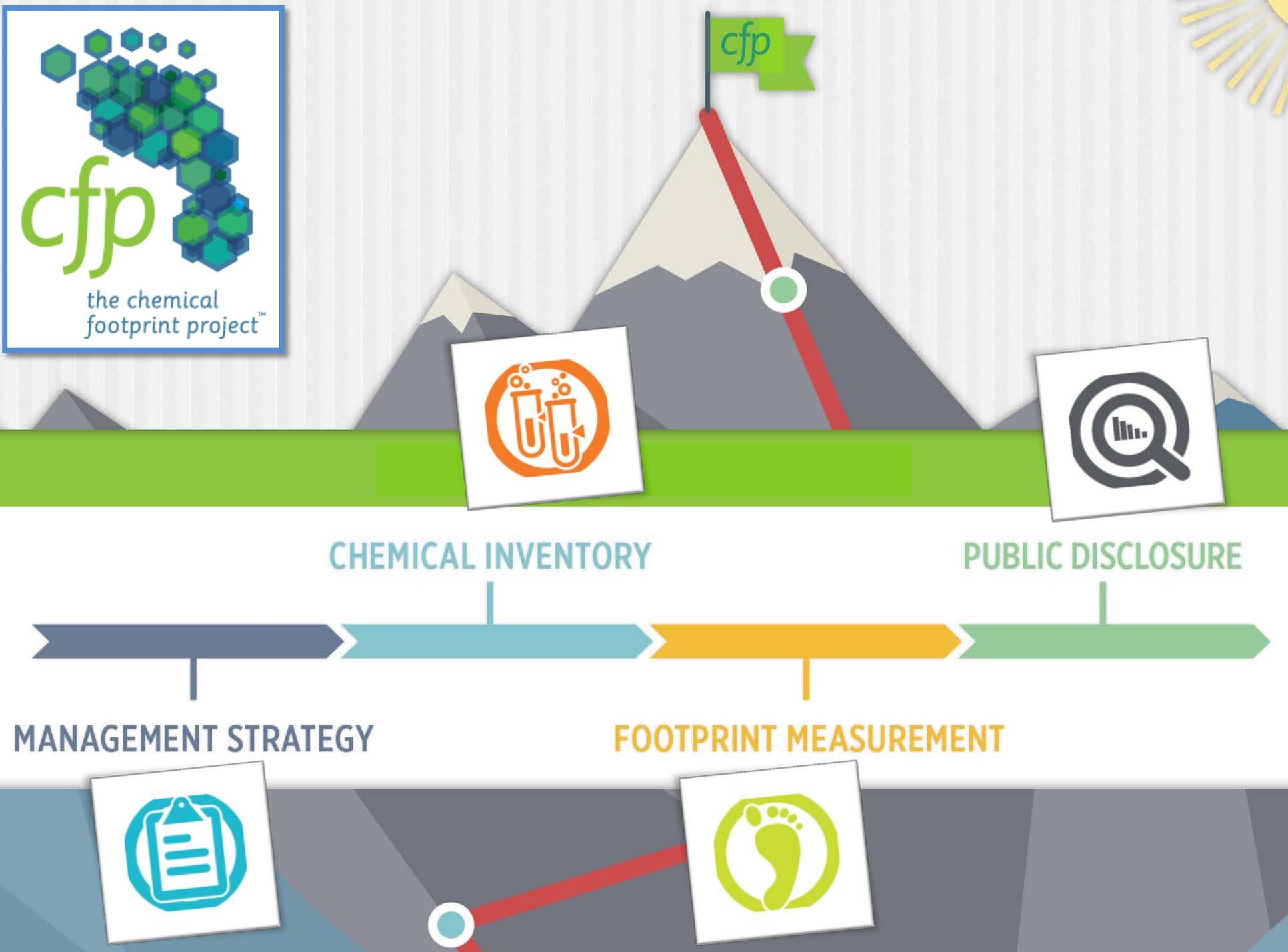


CHEMICAL INVENTORY

PUBLIC DISCLOSURE

MANAGEMENT STRATEGY

FOOTPRINT MEASUREMENT



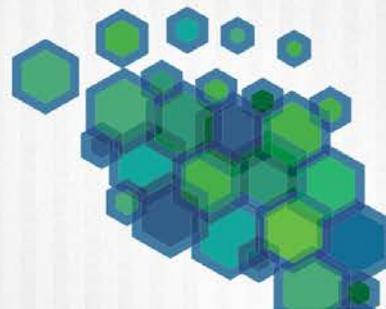
2017 Annual Report

2

Key Findings from the 2016 Chemical Footprint Project Survey

Companies Disclosing Their Participation in the 2016 CFP Survey

- adidas AG
- Alima Pure
- Angelica Corporation
- Beautycounter
- Becton Dickinson and Co. (BD)
- Case Medical, Inc.
- Construction Specialties, Inc.
- GOJO Industries, Inc.
- Herman Miller, Inc.
- HP Inc.
- Inpro Corporation
- Johnson & Johnson
- Kimball Hospitality Inc.
- Levi Strauss & Co.
- nora systems, Inc.
- Radio Flyer
- Replenish
- Seagate Technology PLC
- Sealed Air Corporation
- Seventh Generation
- Wal-Mart Stores, Inc.
- WaterWipes



2017 Annual Report: All Pillars



Management Strategy = 52%



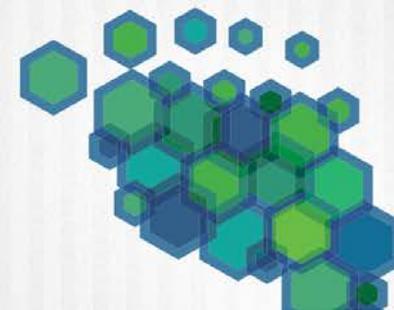
Chemical Inventory = 65%



Footprint Measurement = 52%

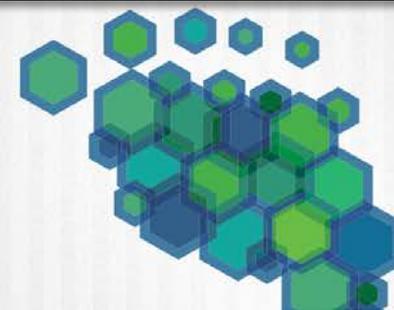


Disclosure & Verification = 20%



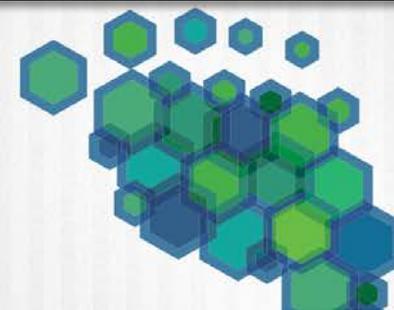
2017 report: companies selling formulated products or formulated products & articles

CFP Pillar	Small and Large Companies selling Formulated Products or Formulated Products + Articles (average percent of CFP points)				
	0-20%	>20-40%	>40-60%	>60-80%	>80-100%
Management Strategy					
Chemical Inventory					
Footprint Measurement					
Disclosure & Verification					
Average of all four pillars					



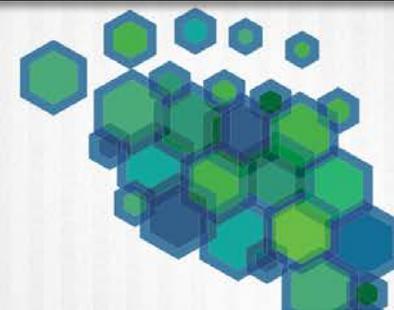
2017 report: companies selling formulated products or formulated products & articles

CFP Pillar	Small and Large Companies selling Formulated Products or Formulated Products + Articles (average percent of CFP points)				
	0-20%	>20-40%	>40-60%	>60-80%	>80-100%
Management Strategy	Small - 50%				
	Large - 86%				
Chemical Inventory					
Footprint Measurement					
Disclosure & Verification					
Average of all four pillars					



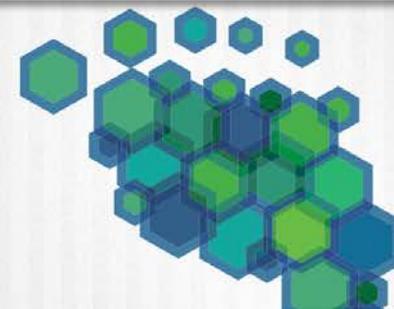
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	0-20%	>20-40%	>40-60%	>60-80%	>80-100%
Management Strategy	Small - 50%				
	Large - 86%				
Chemical Inventory	Small - 65%				
	Large - 82%				
Footprint Measurement	[Visual representation of data for Footprint Measurement, Disclosure & Verification, and Average of all four pillars]				
Disclosure & Verification					
Average of all four pillars					



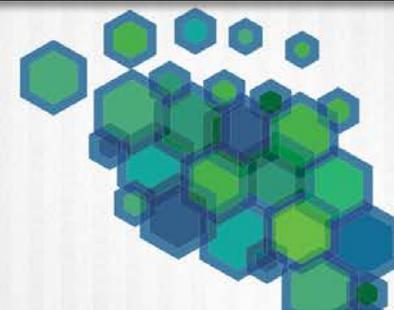
2017 report: companies selling formulated products or formulated products & articles

CFP Pillar	Small and Large Companies selling Formulated Products or Formulated Products + Articles (average percent of CFP points)														
	0-20%	>20-40%	>40-60%	>60-80%	>80-100%										
Management Strategy	[Light blue bar representing 0-20%]														
Chemical Inventory															
Footprint Measurement	<table border="1"> <tr> <td>Small - 70%</td> <td colspan="4">[Light green bar representing 70%]</td> </tr> <tr> <td>Large - 56%</td> <td colspan="4">[Dark green bar representing 56%]</td> </tr> </table>					Small - 70%	[Light green bar representing 70%]				Large - 56%	[Dark green bar representing 56%]			
Small - 70%	[Light green bar representing 70%]														
Large - 56%	[Dark green bar representing 56%]														
Disclosure & Verification	[Light blue bar representing 0-20%]														
Average of all four pillars															



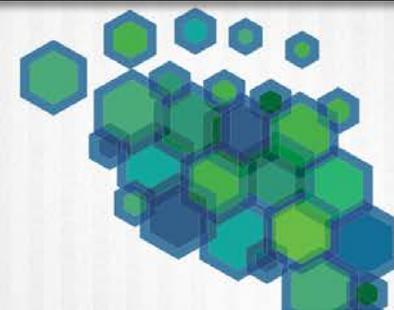
2017 report: companies selling formulated products or formulated products & articles

CFP Pillar	Small and Large Companies selling Formulated Products or Formulated Products + Articles (average percent of CFP points)				
	0-20%	>20-40%	>40-60%	>60-80%	>80-100%
Management Strategy	[Light blue bar representing 100%]				
Chemical Inventory					
Footprint Measurement	Small - 70% [Green bar] Large - 56% [Green bar]				
Disclosure & Verification	Small - 37% [Grey bar] Large - 15% [Grey bar]				
Average of all four pillars	[Light blue bar representing 100%]				



2017 report: companies selling formulated products or formulated products & articles

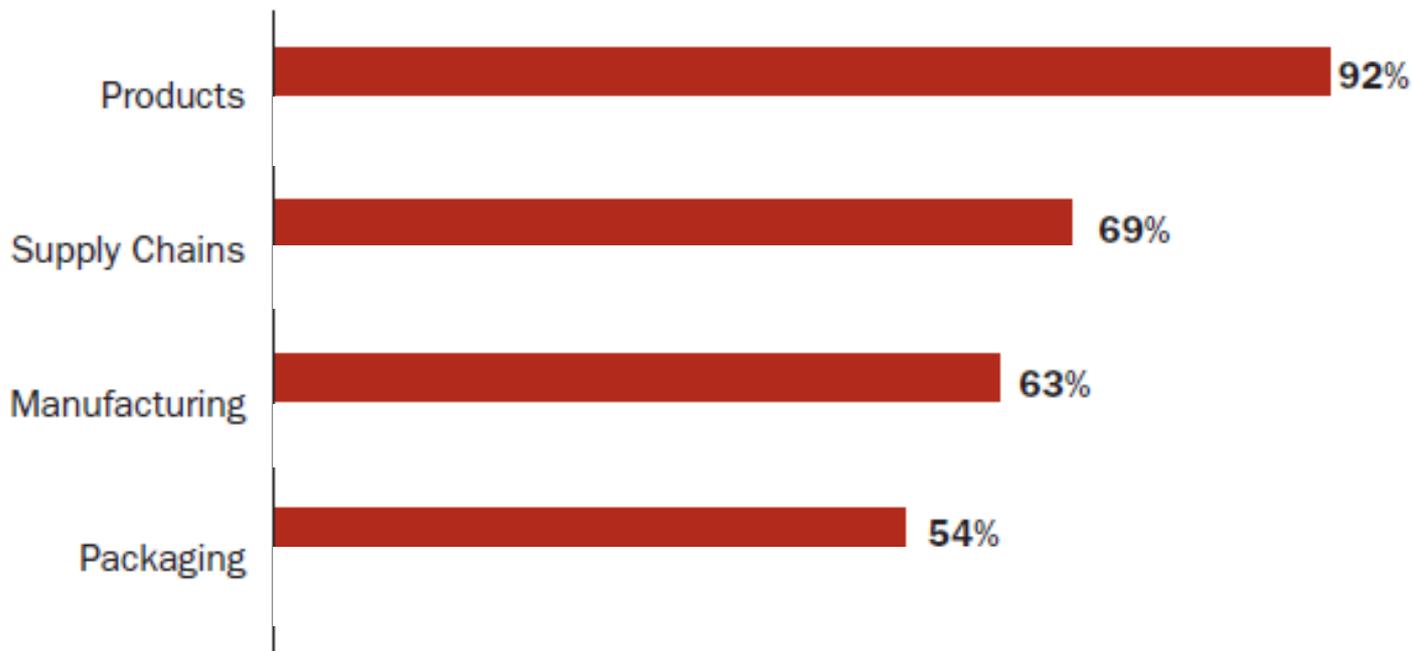
CFP Pillar	Small and Large Companies selling Formulated Products or Formulated Products + Articles (average percent of CFP points)				
	0-20%	>20-40%	>40-60%	>60-80%	>80-100%
Management Strategy					
Chemical Inventory					
Footprint Measurement					
Disclosure & Verification					
Average of all four pillars	Small - 58%				
	Large - 62%				



2017 Findings: Corporate Policies (question M1)



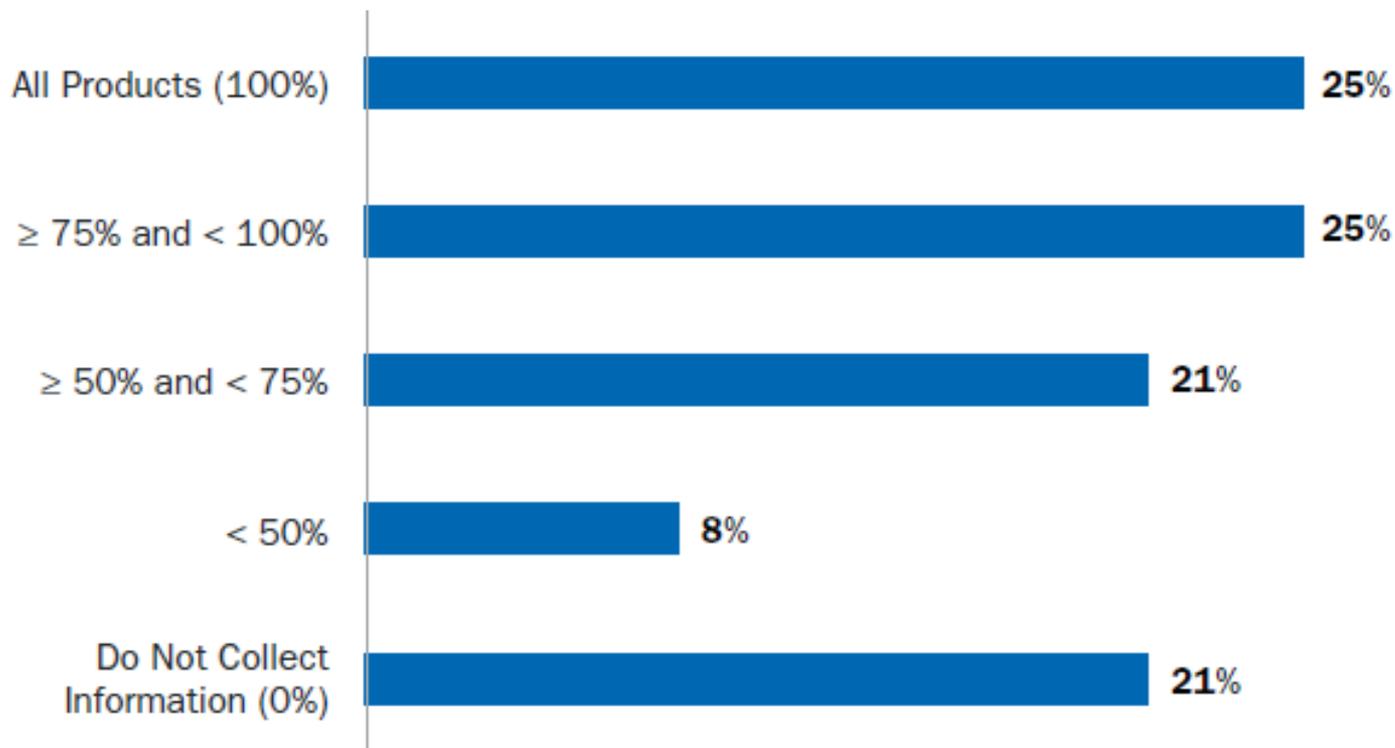
Management Strategy: percent of companies with corporate policy addressing chemicals of high concern (M1)



2017 Findings: Full Chemical Ingredient Information (question I4)



Chemical Inventory: percent of companies collecting full chemical ingredient information (I4)



2017 Findings: Measure Baseline Chemical Footprint? (question F2)



Measure Footprint: “count” or “mass” of chemicals shipped in products (question F2)

- 42% of companies measured footprint
- “SVHCs” or “CoHCs”

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Count – 21% of companies used this metric

- SVHCs = 1-13
- CoHCs = 1-632



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Mass – 21% of companies used this metric

- Reported shipping 631 million pounds of CoHCs
- Note: these companies reported reduction of 416 million pounds in F3



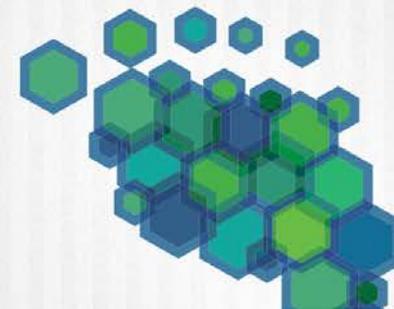
Value of CFP

CHAPTER 1

Chemical Footprinting is Moving to the Mainstream



- Common language
- Quantitative metric to measure progress
- Gap analysis
- Alignment with leading business practices & investors



Trust and Transparency

“When we get it right, customers are able to shop at ease, knowing we did the work for them. They know that the products on our shelves and website were produced at a low ‘true cost’ for all - not just in terms of being the best value, but in terms of whether they enhance the environment and the lives of all the people who helped produce them.”

Doug McMillon
President and CEO
Wal-Mart Stores,
Inc.



We pledged to create

**ZERO
WASTE**

in our operations

By 2025 we will achieve

**ZERO
WASTE**

to landfill in four of our
larger markets across the
supply chain

We pledged to be operated with

100%
RENEWABLE ENERGY

By 2025

50%
of our operations

to be powered by
renewable energy

We pledged to sell

PRODUCTS
that
SUSTAIN

our resources and the environment

Support
**TRANSPARENCY &
QUALITY**

Help reduce
**DEFORESTATION IN
OUR SUPPLY CHAIN**

Provide
**AFFORDABLE, SAFE & HEALTHIER
FOOD AND PRODUCTS**

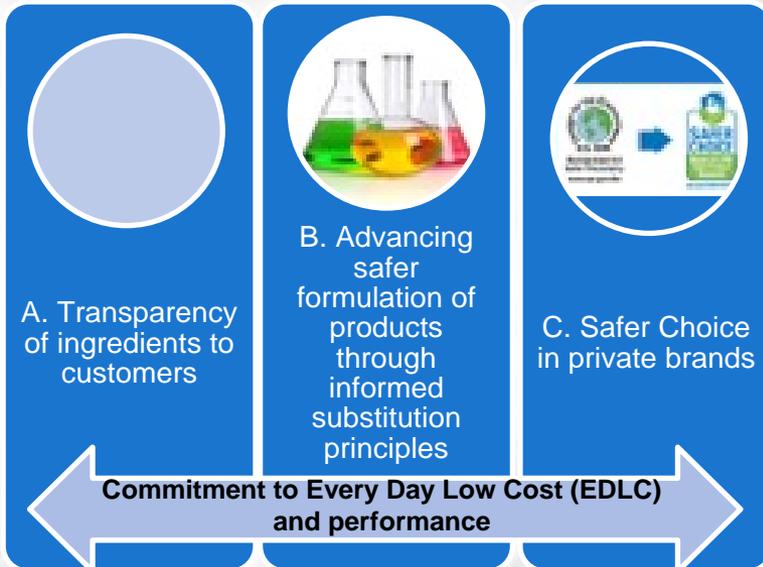
SUSTAINABLE CHEMISTRY

- Build Trust
- Deliver Impact
- Stay Ahead of Regulation



Public commitment on Sustainable Chemistry

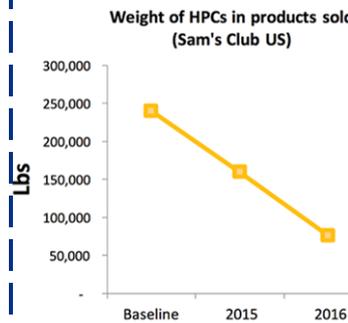
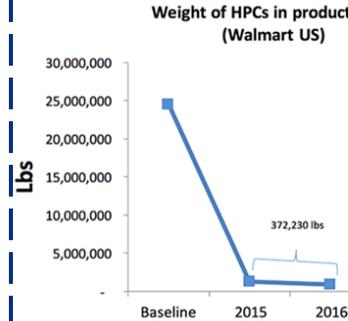
Launched sustainable chemistry policy in 2013 with strong reception and coverage



- Walmart departments: 2, 4, 8, 13, 46, 79
- Sam's Club Categories: 2, 4, 8, 13, 47, 94, 98
- Out of scope: Health & Wellness, FDA exempt ingredients (i.e., triclosan for oral care)
- Walmart US and Sam's Club US, including walmart.com and jet.com inventoried products (excludes marketplace)

Progress to Date

- **2015:** Online ingredient disclosure
- **2016:** Annual progress report – public on Walmartsustainabilityhub.com; 95% reduction of High Priority Chemicals (HPCs)
- **2017:** Walmart becomes Signatory/ 1st retailer to participate in CFP; 96% reduction of HPCs; strengthens commitment



Walmart Priority Chemicals Commitment Element	Metric	2016	Percent Change vs. 2015	Percent Change vs. 2014
Reduce Volume of Priority Chemicals	Weight (lbs) of Priority Chemicals in Products Sold	483,050,307 lbs	-7.7%	-49.0%
Walmart Priority Chemicals Commitment Element	Metric	Percentage of Total in 2016	Percentage Point Change vs. 2015	Percentage Point Change vs. 2014
Restrict and Eliminate Priority Chemicals	Number of UPCs Containing PCs	80% of UPCs Covered by Commitment	-0.2%	1.0%
	Number of Suppliers Using PCs	82% of suppliers Covered by Commitment	-0.1%	-1.0%

Sam's Club Priority Chemicals Commitment Element	Metric	2016	Percent Change vs. 2015	Percent Change vs. 2014
Reduce Volume of Priority Chemicals	Weight (lbs) of Priority Chemicals in Products Sold	67,271,455 lbs	8.7%	13.3%
Sam's Club Priority Chemicals Commitment Element	Metric	Percentage of Total 2016	Percent Point Change vs. 2015	Percent Point Change vs. 2014
Restrict and Eliminate Priority Chemicals	Number of UPCs Containing PCs	69% of UPCs Covered by Commitment	1.2%	2.5%
	Number of Suppliers Using PCs	71% of suppliers Covered by Commitment	0.6%	-5.4%



INCREASED TRANSPARENCY

Leading in on-pack disclosure of priority chemicals

SAFER FORMULATION

Reducing use of Priority Chemicals by 10% (>55 million lbs)

ADVANCED ASSORTMENT

Delighting customers w/ new, safer products customers feel good about

TRILLIUM OVERVIEW

- **Sustainable and Responsible Investment (SRI) since 1982**
- **Goal: deliver both impact and performance to our investors**
- **Active Shareholder Engagement: Dialogue, Proxy Process and Public Policy work to influence corporate practices on environmental, social and governance issues**
- **Signatory to CFP; Certified B Corp; member Investor Environmental Health Network**

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ONE IN FIVE DOLLARS USING AN SRI STRATEGY



ENVIRONMENTAL AND SOCIAL IMPACTS

Chemical-related economic, health & regulatory concerns grow ...

Chemical Exposure Linked to Billions in Health Care Costs

Researchers conclude they are 99 percent certain that hormone-altering chemicals are linked to attention problems, diabetes, other health problems.

By Elizabeth Grossman, for National Geographic
PUBLISHED THU MAR 05 05:11:00 EST 2015



Scientists warn of hormone impacts from benzene, xylene, other common solvents.

Researchers warn that benzene, toluene, ethylbenzene and xylene may disrupt people's hormone systems at levels deemed "safe" by feds

April 15, 2015



California LEGISLATIVE INFORMATION

SB-258 Cleaning Product Right to Know Act of 2017

Demand for safer alternatives increases

THE WALL STREET JOURNAL.

'No' Lists on Labels Make Shoppers Say 'Yes'

With shoppers more interested in what isn't in skin and hair products, many marketers tout their lack of ingredients, such as parabens, sulfates and phthalates

By Elizabeth Holmes

May 25, 2016 2:34 p.m. ET



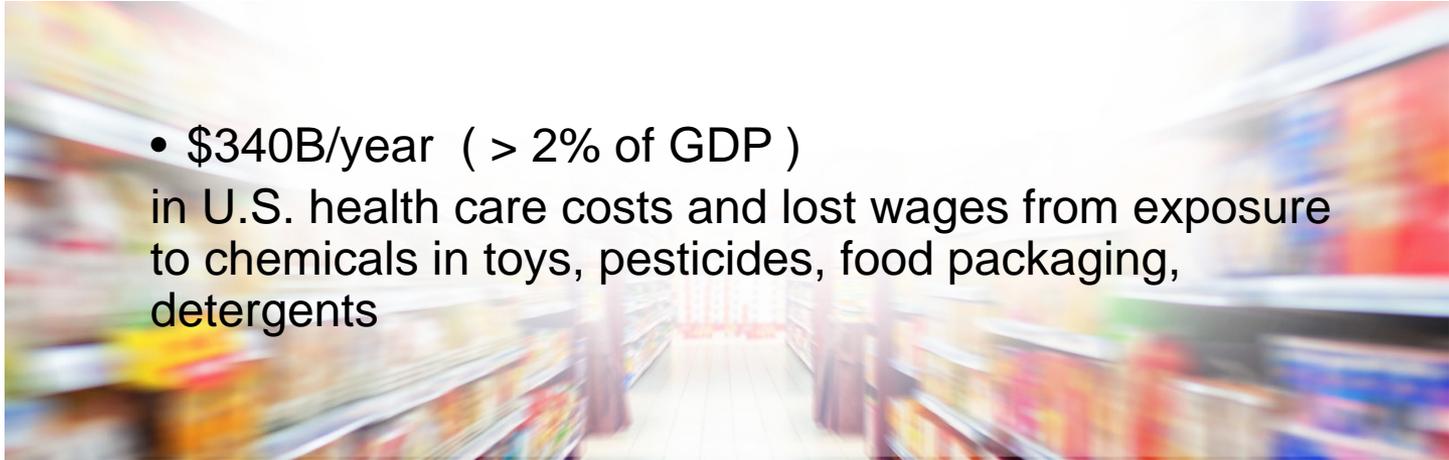
After Activist Pressure, Macy's Vows to Ensure Furniture Is Free of Toxic Flame Retardants

by Christie Boyden Lindsey Rupp
@lcrupp

October 20, 2015 - 3:38 PM EDT



THE BUSINESS CASE FOR KNOWING CHEMICALS IN SUPPLY CHAINS

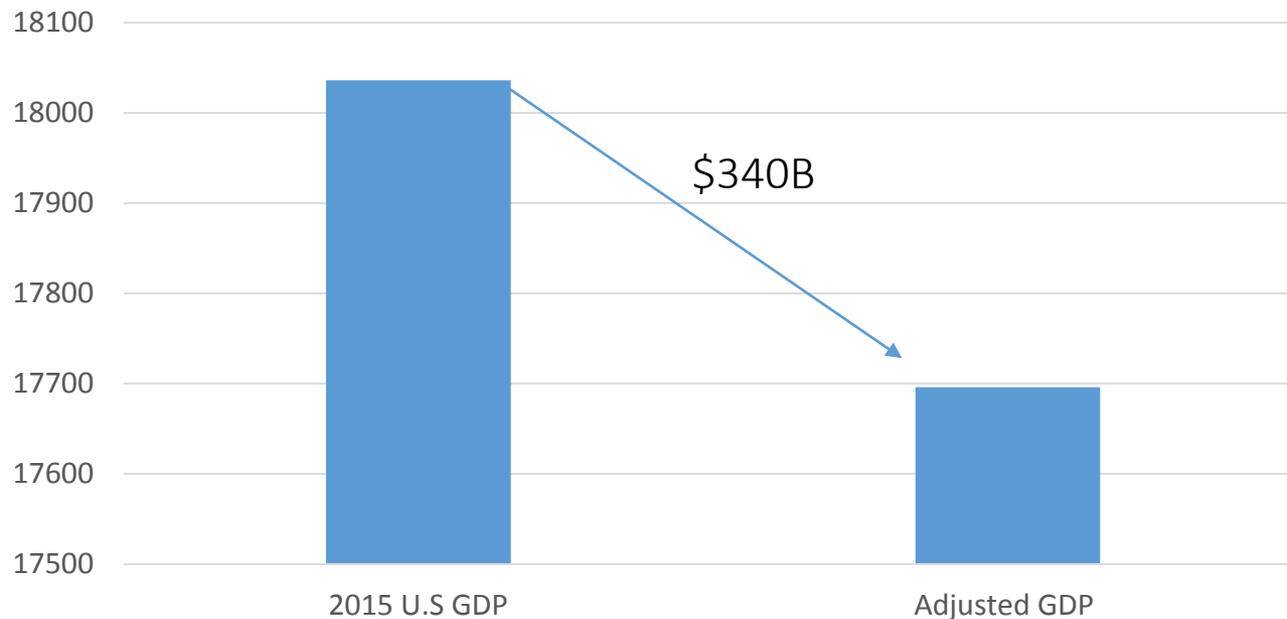


- \$340B/year (> 2% of GDP)
in U.S. health care costs and lost wages from exposure
to chemicals in toys, pesticides, food packaging,
detergents

The Lancet Diabetes and Endocrinology Journal report

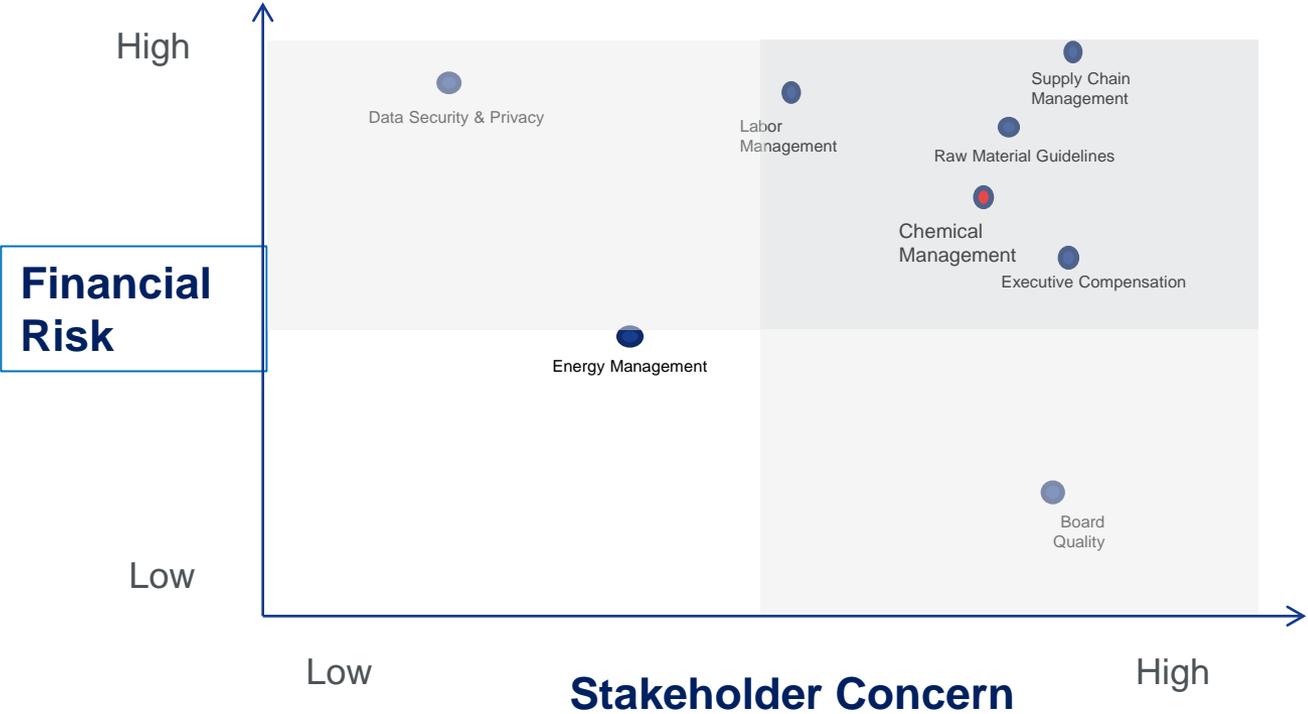
THE BUSINESS CASE FOR KNOWING CHEMICALS IN SUPPLY CHAINS- UNIVERSAL OWNER EFFECT

health care costs and lost wages from exposure to chemicals

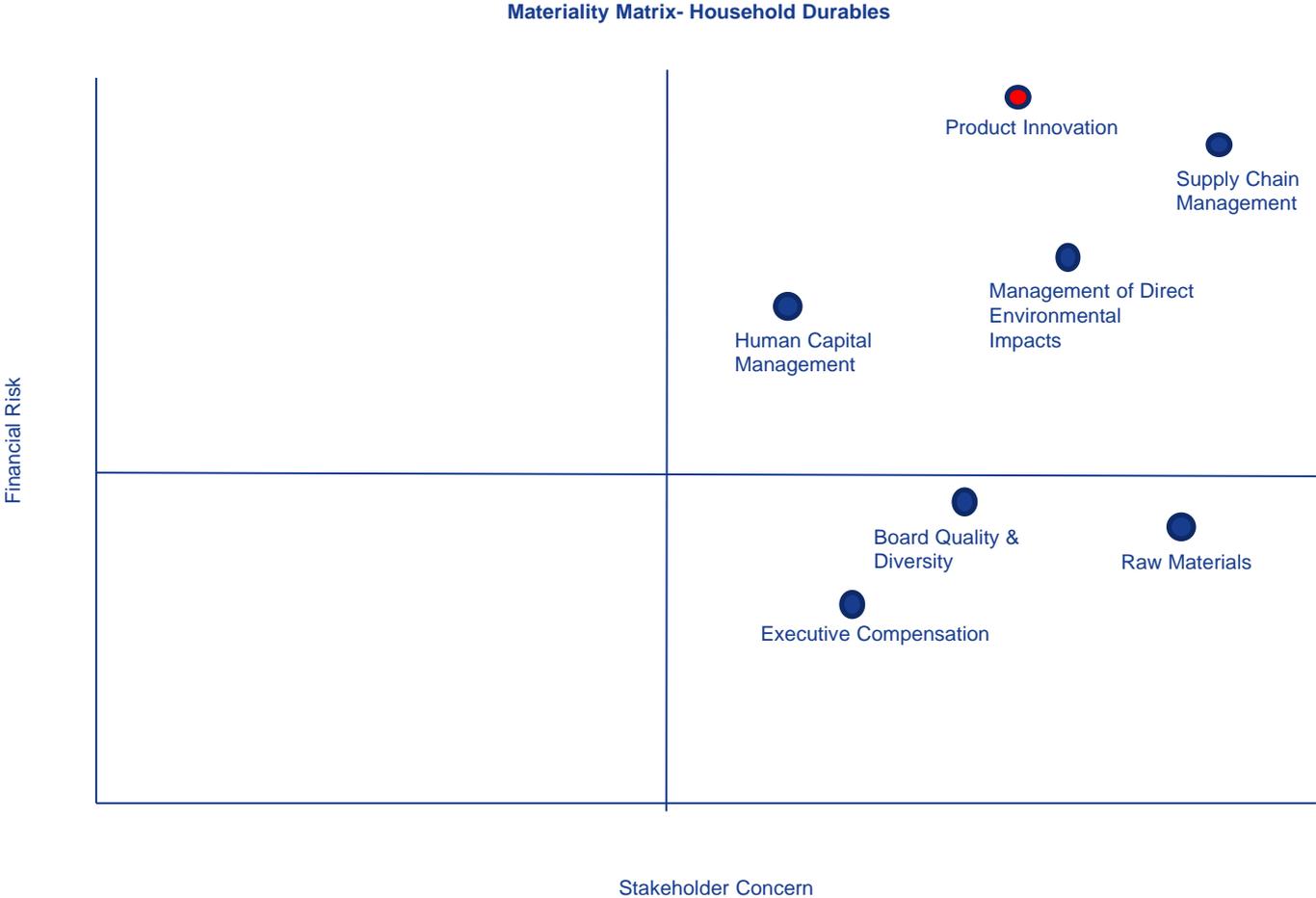


The Lancet Diabetes and Endocrinology Journal report

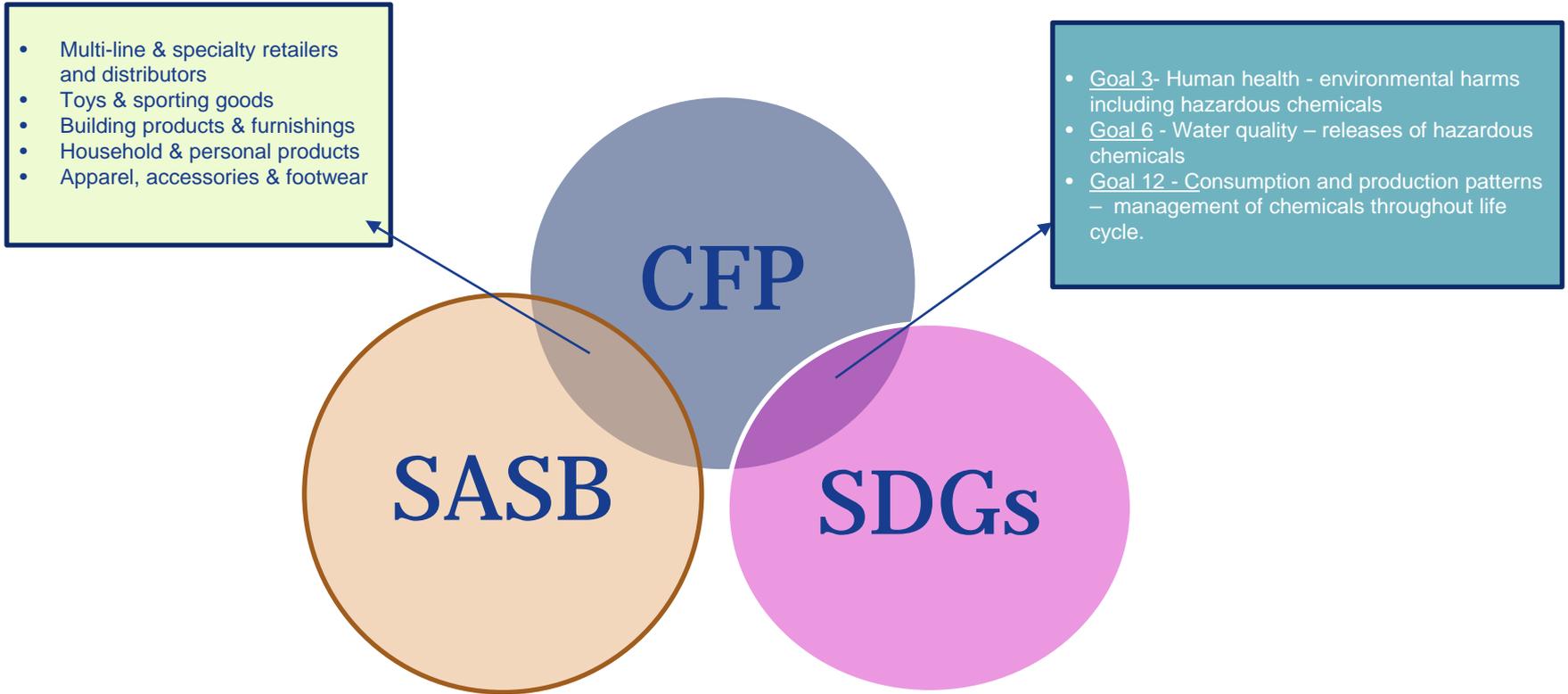
MATERIALITY MATRIX - RETAIL



MATERIALITY MATRIX – HOUSEHOLD DURABLES



VALUE TO INVESTORS



VALUE TO INVESTORS

“...grasping financial risks or investing in progressive leaders is far from easy, despite the growing need for a clear understanding of companies’ chemical footprint.”

G. Krepper Sustainable investment analyst, Bank J. Safra Sarasin, Global Business Briefing, Sept. 2016

“...Trillium encourages investors to demand and companies to provide consistent, transparent, data on their use of hazardous chemicals. Integrating this information into our investment processes will help identify leaders and reduce company specific risk in our portfolios.”

M. Patsky, CEO and Portfolio Manager, Trillium Asset Management, Chemical Footprint Project First Annual Report, May 2016

CFP --- VALUE TO INVESTORS...



Questions?

Timeline – Join Us ...

2017

- November 1: Survey opens
- December 7: In-person workshop (Boston)

2018

- January 31: Survey closes
- June: Release 3rd Annual Report

www.chemicalfootprint.org

