

Improving the Company's Chemical Footprint

Whereas,

The Company currently discloses information on its management of certain sustainability issues according to selected standards from the Sustainability Accounting Standards Board (SASB). One of those standards under which the company reports relates to management of hazardous chemicals in products.

The SASB standard requires disclosure regarding third-party branded products and private label products offered for sale by the entity¹. Yet the Company's disclosures and activities principally relate to its private label products and thus the disclosures demonstrate a significant gap in the company's chemical management policy.

The company has disclosed that for the 2019 fiscal year it had a restricted substances list with eight substances on it and is requiring the elimination of those substances by December 2022 in certain private label formulated products. In contrast, the company is "encouraging" their elimination in nationally branded products, but without articulated reduction goals for those third-party products which may comprise as much as 75% of the company's inventory and sales.

In contrast, the company's peers are improving product safety and reducing liabilities by eliminating many other chemicals in brand-name as well as privately labeled products.

For instance, Target's chemicals policy addresses the company's "entire value chain, operations and every product" it sells, including both private label and brand name products². Target utilizes restricted substances lists to minimize and eliminate prioritized chemicals from their products and processes. Thus far, the company has focused the implementation of the policy on household cleaning, textiles, beauty, baby care, and personal care products.

Walmart has a comprehensive program intended to reduce its chemical footprint of consumables by 10 percent by 2022 for both private label and independently-branded products³. The company set goals to reduce harmful chemicals in the manufacturing of apparel, footwear, soft home textiles and packaging⁴.

¹ [https://www.sasb.org/wp-content/uploads/2018/11/Multiline and Specialty Retailers Distributors Standard 2018.pdf](https://www.sasb.org/wp-content/uploads/2018/11/Multiline_and_Specialty_Retailers_Distributors_Standard_2018.pdf)

² https://corporate.target.com/_media/TargetCorp/csr/pdf/Target-Chemicals-Policy.pdf

³ <https://corporate.walmart.com/esgreport/esg-issues/safer-healthier-food-other-products>

⁴ <https://www.walmartsustainabilityhub.com/sustainable-chemistry/implementation-guide/appendices>

Dollar Tree excluded 17 chemicals of concern in 2020 from privately labelled formulated products and has plans to reduce polyvinyl chloride from children's products, and per-and polyfluoroalkyl substances (PFAS) and phthalates from packaging of food and beverage products⁵.

Target, Walmart and Dollar Tree participate in the Chemical Footprint Project (CFP) Survey, which benchmarks corporate reduction of the use of chemicals of high concern. The CFP has demonstrated that current chemicals management policies are only touching the surface of the need to protect public health. The CFP identified over 2,200 chemicals defined by authoritative bodies known to be harmful to human health and environment, drawing from lists including EPA's carcinogens and persistent bioaccumulative toxins lists and the National Institutes of Health Reproductive and Developmental toxins list.

Resolved: Shareholders request that the company reduce its chemical footprint by adopting new policies including:

- Expanding its chemical restrictions to include appropriate categories of third-party branded products;

- Accelerating the timetable to expand the number of chemicals addressed in the company's Restricted Substance List using authoritative lists.

⁵ https://www.dollartree.com/file/general/Corporate_Sustainability_Report.pdf