

## **PVC Products & Packaging Report**

**WHEREAS:** Numerous products sold in our stores contain materials which are controversial because of their potential health and environmental impacts, such as polyvinyl chloride (PVC) and perfluorooctanoic acid (PFOA). In addition, our company through its XXX division, retails beauty products, many of which may contain chemicals known to cause cancer, developmental harm to children, and other health concerns.

PVC Issues: Additives mixed with PVC resins can leach or volatilize from a PVC product during its useful life and contribute to the development of respiratory problems in children. When produced or burned PVC plastic forms dioxins, a highly carcinogenic group of chemicals that build up in the food chain.

The use of PVC faces increasing restrictions. Many cities, including New York, Boston, Seattle and San Francisco, have enacted policies to avoid purchase of materials such as PVC that lead to persistent pollution. Safer, cost-effective alternatives exist.

PFOA Issues: Perfluorooctanoic acid is used to produce stain and grease resistant coatings for carpets, cookware and food packaging. In June 2006, the majority of EPA's Science Advisory Board identified PFOA as a likely carcinogen. Canadian, Australian, and European regulators are contemplating restrictions due to PFOA's potential role in birth defects, cancers and other concerns.

The 3M Company, a former manufacturer of PFOA, tested children across the United States and found PFOA in the blood of 96% of 598 children studied. The company subsequently eliminated PFOA production.

Retailers including Wal-Mart and McDonald's have announced their intent to study or use alternatives to PFOA-based products or packaging. A class action lawsuit seeking \$5 billion in damages against DuPont alleges failure to disclose health risks, including alleged emissions of PFOA, from Teflon products. Even the lack of PFOA in a product is not dispositive; many products such as carpets are coated with materials known as "fluorotelomers" which have been evidenced to decompose to PFOA during use, ingestion or disposal.

Cosmetics Safety Issues: Cosmetic products have come under scrutiny due to common ingredients in U.S. products including phthalates--which have been linked to liver and kidney damage, asthma, and malformed or underdeveloped reproductive organs in males—and the carcinogen formaldehyde, found in shampoos, mouthwash and nail hardeners. Legislation recently enacted in California is requiring increasing ingredient disclosure and media stories have prompted growing consumer attention.

**RESOLVED:** Shareholders request that the Board publish a report to shareholders on XXX policies on product safety, at reasonable expense and omitting proprietary information, by December XXXX. This report should summarize which, if any, product lines or categories sold in XXX stores may be affected by the new product safety concerns described above, and options for new initiatives that management can or will take to respond to this public policy challenge (beyond those initiatives or actions already required by law).

### **Supporting Statement:**

The proponents believe the potential new initiatives that might be contained in the report include new research, communications, guidelines, consumer education or changes in policies.