
Analysis of Waste Stream from a Reverse Distribution Facility in California for First Quarter in 2014

One example of one facility

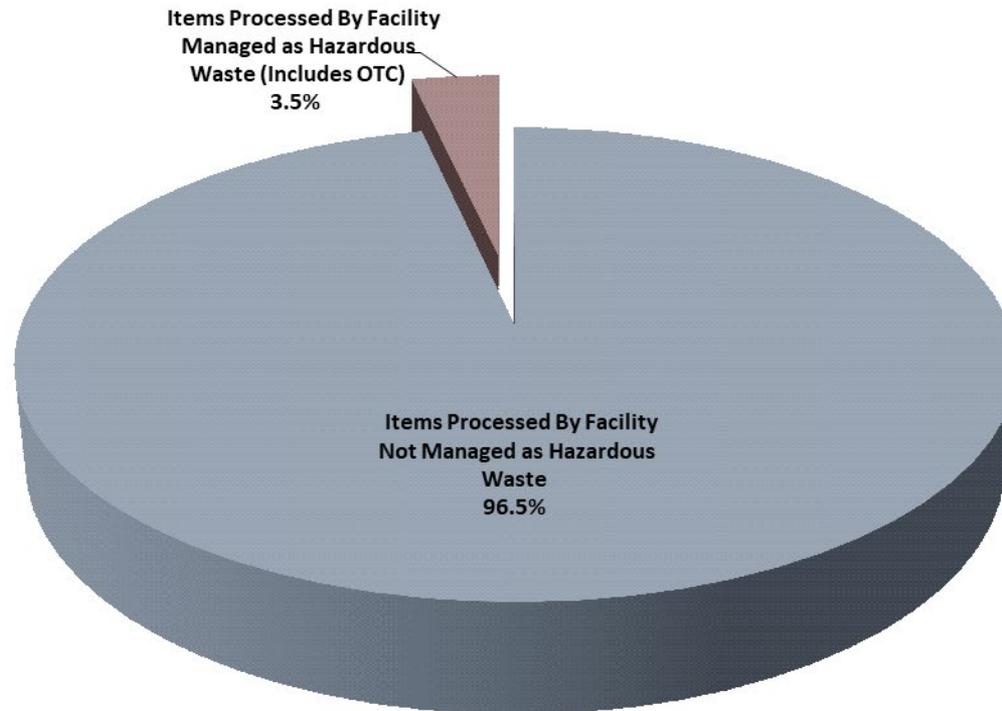
Basics

- Facility served only retailers (not manufacturers or others)
- 1,580,000* items processed during the Q1 2014
- 55,000 items were managed as hazardous waste (17,000 pounds)
- Thus, of the total number of items processed, 3.5% were managed as hazardous waste
- Some of this waste was generated at the reverse logistics center, e.g., products that became unsellable while awaiting a determination of potential use
- Some of this waste was not actually hazardous, but was managed as such out of an abundance of caution;
- Note that facility was already under investigation by District Attorneys, so was taking a very conservative approach to management of waste
 - For example, supplements were handled as medical waste, which is not actually required by law

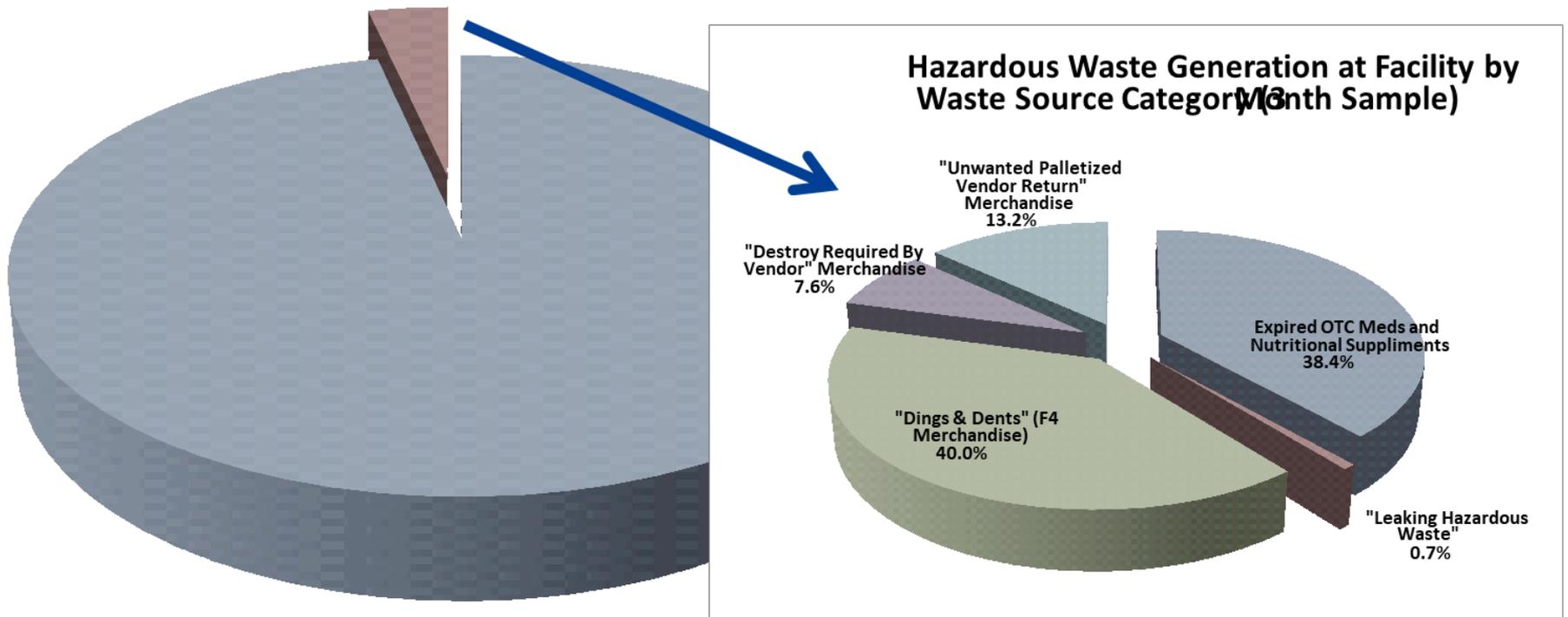
* Figures are rounded

Hazardous Waste Analysis

Quantity of Items Processed by Facility Managed as Hazardous Waste as a Percentage of Total Items Processed (3 - Mo. Sample)

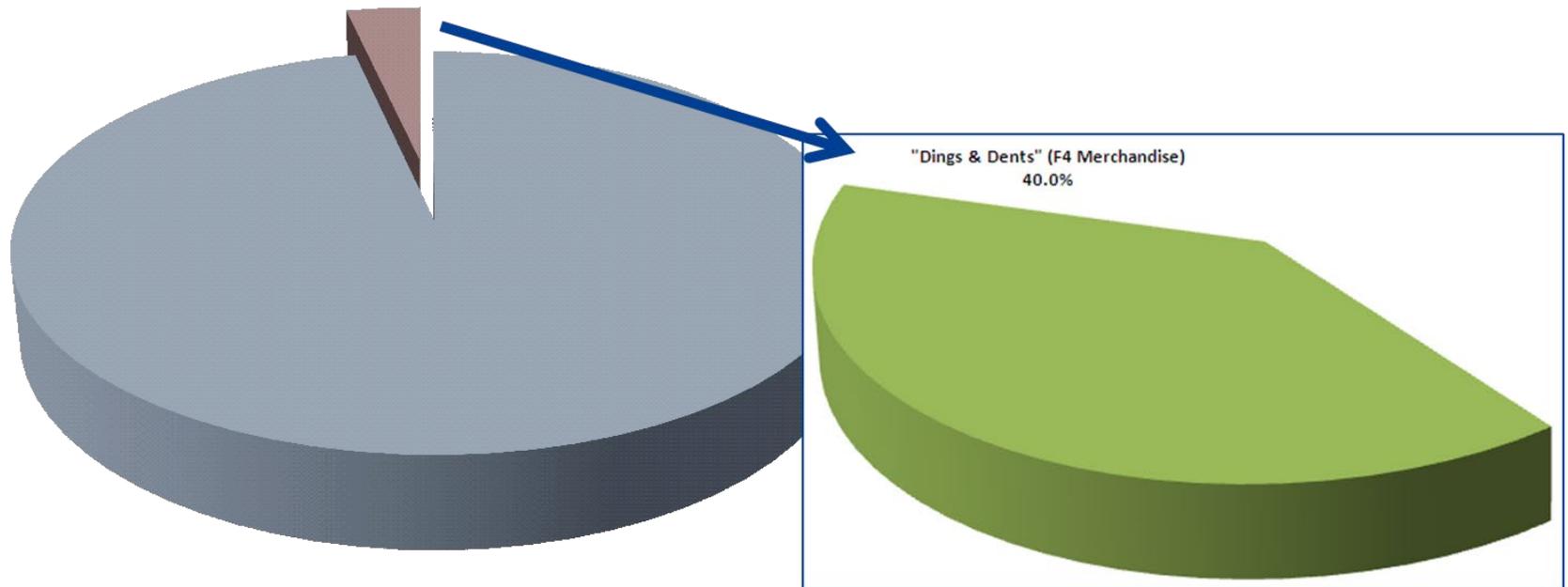


Breakout of the 3.5%



Description of Subcategories

3.5% of all products processed ends up as hazardous waste, of which 40% is waste due to dings and dents; this is 1.4% of the total volume of products handled

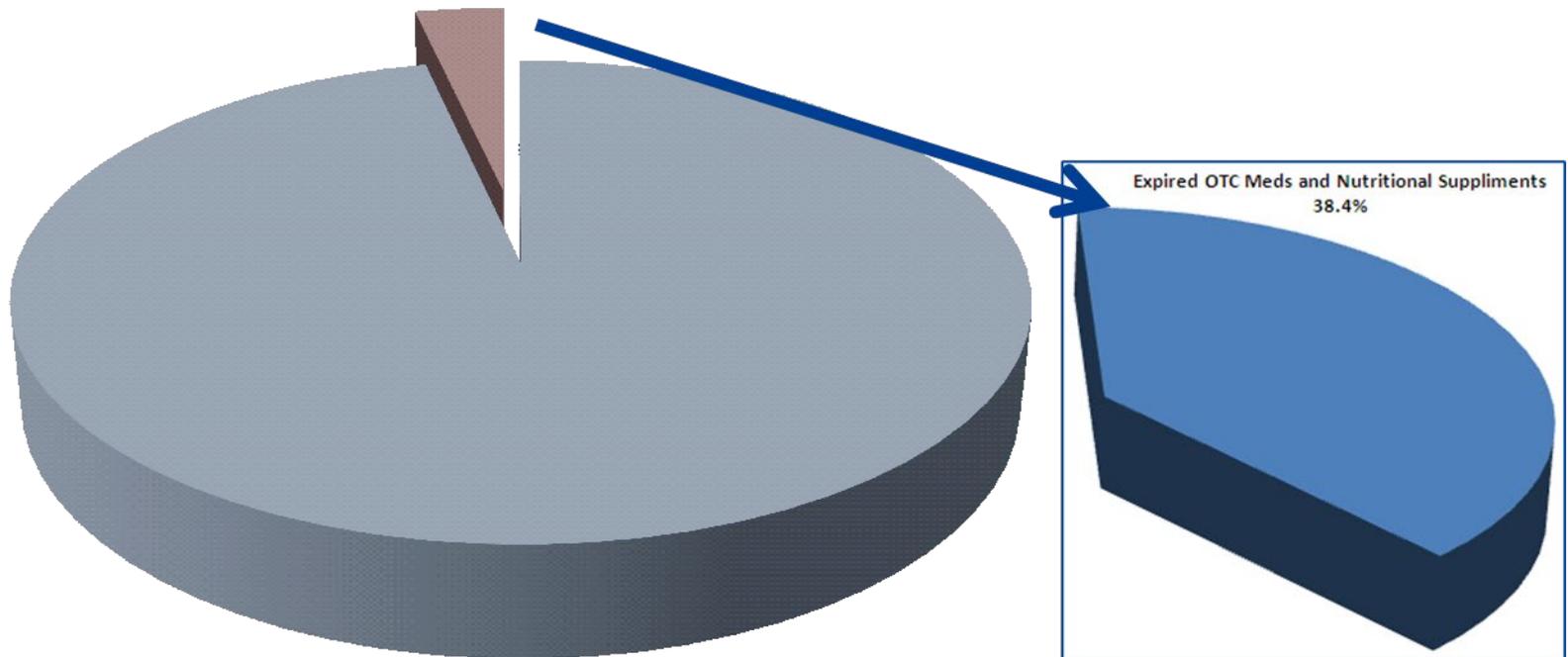


Dings and Dents



Expired/Expiring OTCs

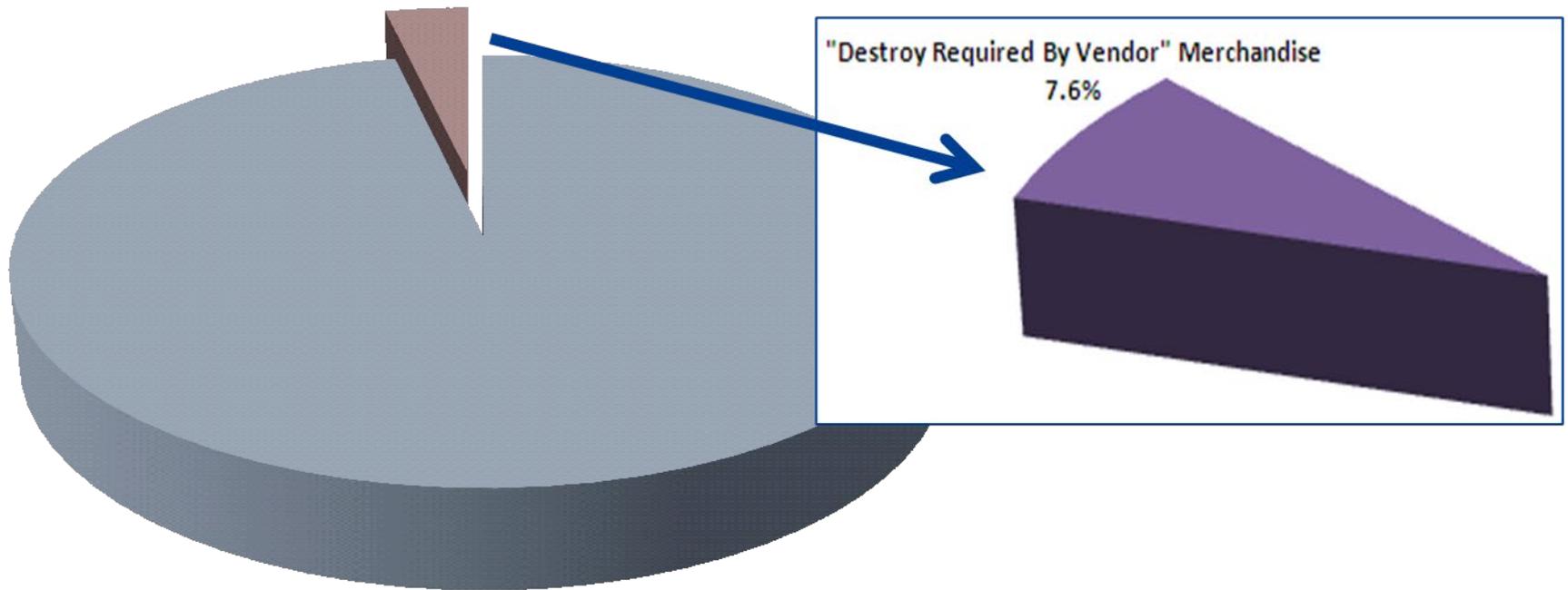
3.5% of all products processed ends up as hazardous waste; of which 38.4% is waste due to expiration; this is 1.3% of the total volume of products handled



Expiring or expired over-the-counter (OTC) medications and nutritional supplements are verified for credit prior to disposal as medical waste. Note that the management of supplements as medical waste was done due to uncertainties about the DA's position, and is no longer deemed necessary.

Destroy Disposition

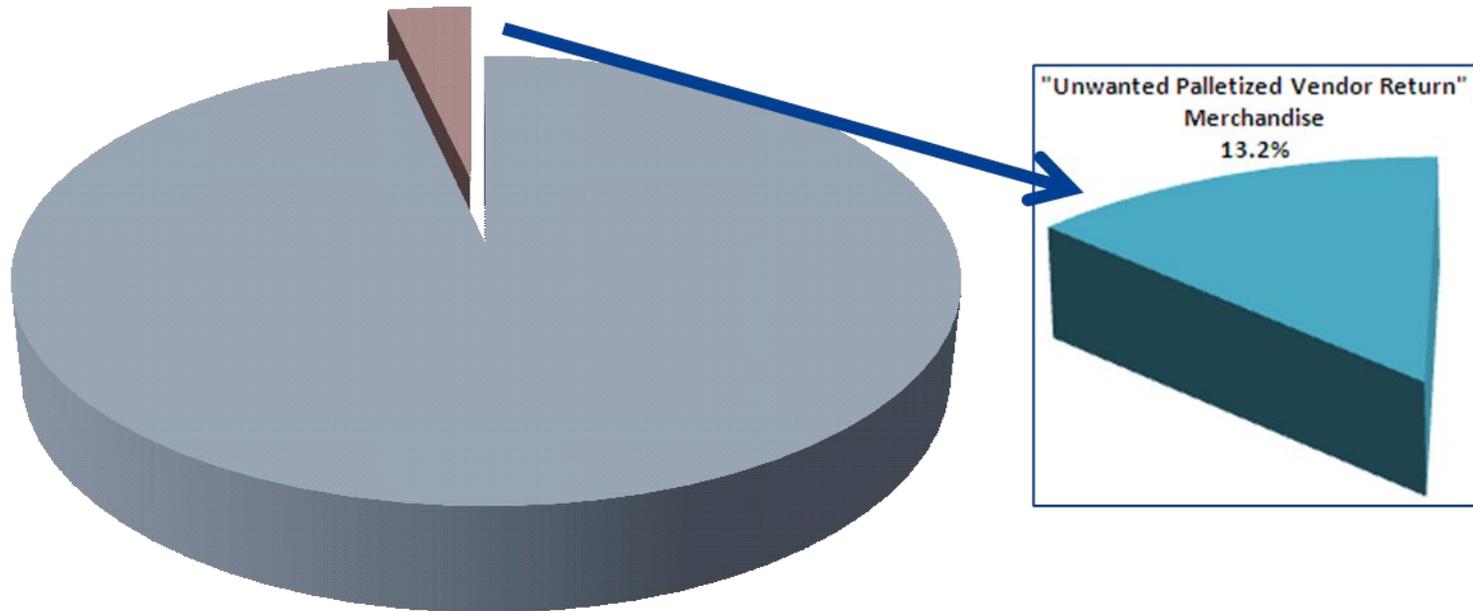
3.5% of all products processed ends up as hazardous waste; of which 7.6% is waste due to vendor agreements; this is 0.26% of the total volume of products handled



These items are shipped to Facility for third-party verification of product quantities before the issuance of vendor credit.

Vendor Returns

3.5% of all products processed ends up as hazardous waste; of which 13.2% is waste due to vendor returns; this is 0.46% of the total volume of products handled



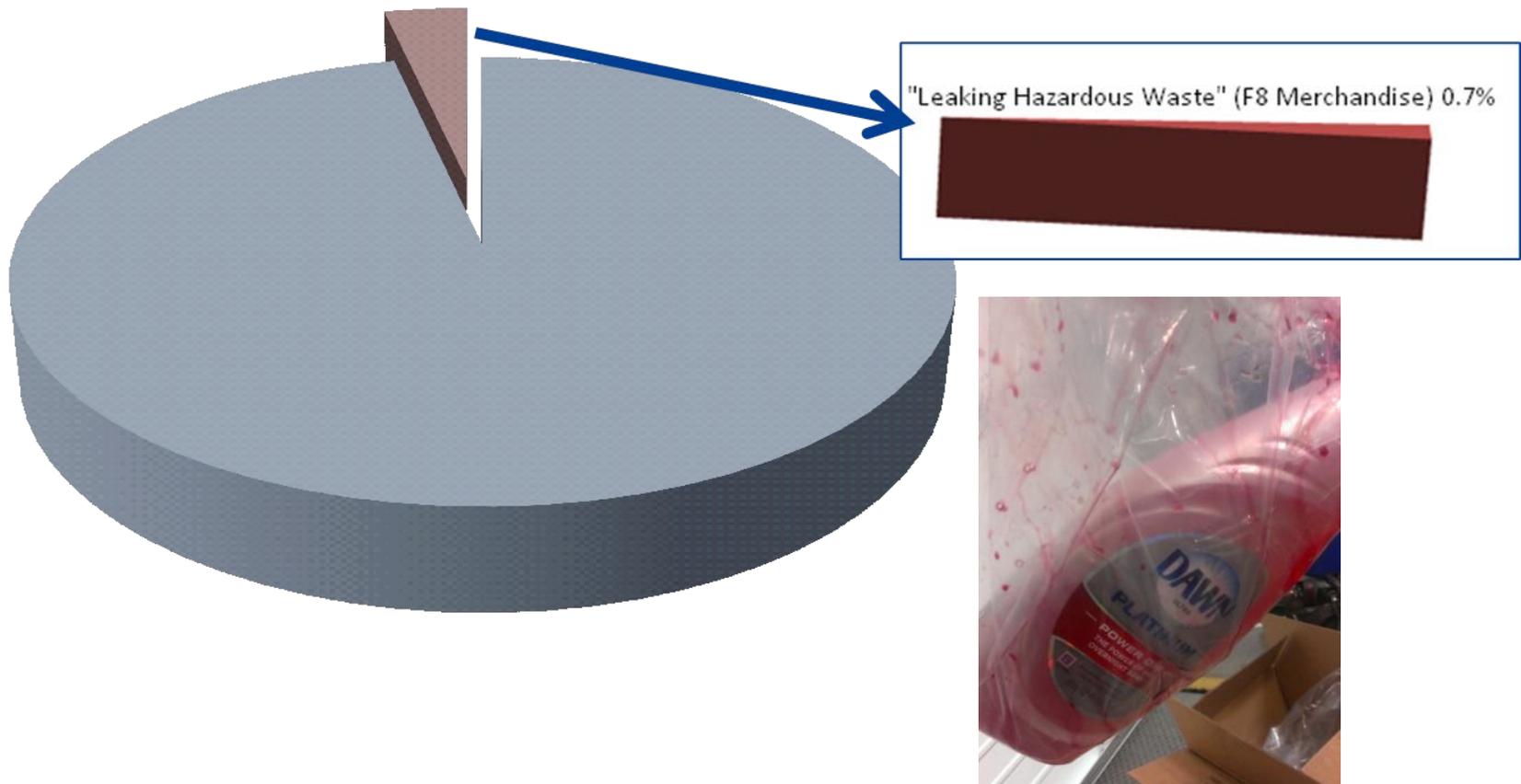
Merchandise originally prepared for shipment back to the product vendor is sometimes managed as hazardous waste when that vendor has a “change of heart” and no longer wants the product back and there is no alternative outlet for the product such as donation.

Example of Pallet Staged for Disposal



Broken/Leaking Hazardous Waste

3.5% of all products processed ends up as hazardous waste; of which 0.7% is waste due to dings and dents; this is 0.24% of the total volume of products handled



The End