

Commissioners of Public Works of the City of Charleston (d.b.a. Charleston Water System) v. Costco Wholesale Corporation, CVS Health Corporation, Kimberly-Clark Corporation, The Procter & Gamble Company, Target Corporation, Walgreen Co., and Wal-Mart, Inc.
Case No. 2:21-CV-00042

United States District Court for the District of South Carolina, Charleston Division

IF YOU ARE A SEWAGE TREATMENT SYSTEM OPERATOR IN THE UNITED STATES WHOSE SYSTEM WAS IN OPERATION BETWEEN JANUARY 6, 2018 AND NOVEMBER 21, 2023, CLASS ACTION SETTLEMENTS MAY AFFECT YOUR RIGHTS.

A federal court authorized this Notice. You are not being sued. This is not a solicitation from a lawyer.

- Proposed settlements (“Settlements”) have been reached in the above class action against the remaining Defendants in the case, Costco Wholesale Corporation (“Costco”), CVS Health Corporation (“CVS”), The Procter & Gamble Company (“P&G”), Target Corporation (“Target”), Walgreen Co. (“Walgreens”), and Walmart Inc. (“Walmart” and collectively “Defendants”). The Court has already approved a settlement with Kimberly-Clark Corporation (“Kimberly-Clark”). The action challenges the manufacturing, design, marketing and/or sale of multiple Defendants’ flushable wipes.¹ Defendants deny the allegations about their flushable wipes and there has been no finding of liability against Costco, CVS, P&G, Target, Walgreens, or Walmart. Defendants have agreed to the Settlements to avoid the uncertainties and expenses associated with continuing the case.
- You are a Settlement Class Member if you own[ed] and/or operate[d] sewage or wastewater conveyance and treatment systems in the United States between January 6, 2018 and November 21, 2023.
- If you are a Settlement Class Member, your legal rights are affected whether you act or don’t act. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
Do Nothing	If you do nothing, then you will automatically receive benefits under the Settlements in the form of Defendants’ business modifications that are further described in this Notice.
Object	Write to the Court about why you do not like something about the Settlements or Class Counsel’s requested attorneys’ fees and expenses such that it is received by the Court no later than February 14, 2024.

¹ The terms of the Settlements are in the Stipulations of Settlement, dated July 13, 2023, October 11, 2023, and October 26, 2023, and in an Addendum dated November 20, 2023 (the “Stipulations”), which can be viewed at www.charlestonwipessettlement.com. All capitalized terms not defined in this Notice have the same meanings as in the Stipulations.

**Attend a hearing on
[March 8, 2024**

Ask to speak in Court about your opinion of the Settlements and/or the requests for attorneys' fees and expenses. Requests to speak must be received by the Court **no later than February 14, 2024.**

- **There is no need to submit a claim form.** The Settlements provide benefits in the form of business practice modifications that are further detailed on pages 5 - 15 of this Notice. If you do nothing, then you will automatically receive the benefits of the Settlements.
- These rights and options – **and the Court-ordered deadlines to exercise them** – are explained in this Notice.
- The Court in charge of this litigation still has to decide whether to approve the Settlements with Costco, CVS, P&G, Target, Walgreens, and Walmart.

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BASIC INFORMATION

1. Why should I read this Notice?

The Court authorized this Notice because you have a right to know about proposed settlements of a class action lawsuit, and about all of your rights and options, before the Court decides whether to approve the Settlements.

If you own[ed] and/or operate[d] a sewage or wastewater conveyance and treatment plant, such as a municipality, authority or wastewater district in the United States whose system was in operation between January 6, 2018 and November 21, 2023, you are part of the Settlement Class.

This Notice explains the lawsuit, the Settlements with Defendants, and your rights.

The Honorable Judge Richard M. Gergel of the United States District Court for the District of South Carolina is overseeing this class action. The lawsuit is known as *Commissioners of Public Works of the City of Charleston (d.b.a. Charleston Water System) v. Costco Wholesale Corporation, CVS Health Corporation, Kimberly-Clark Corporation, The Procter & Gamble Company, Target Corporation, Walgreen Co., and Wal-Mart, Inc.*, Case No. 2:21-CV-00042.

2. What is this lawsuit about?

Charleston’s lawsuit challenges the manufacturing, design, marketing and/or sale of flushable wipes by Defendants, including Costco, CVS, P&G, Target, Walgreens, and Walmart. Defendants deny the allegations and maintain that their flushable wipes perform as advertised. There has been no finding of liability against any of the Defendants.

3. What is a class action and who is involved?

In a class action lawsuit, one or more people called “Class Representatives” (in this case, Commissioners of Public Works of the City of Charleston (d.b.a. Charleston Water System)) sue on behalf of other people who have similar claims. The people together are a “Settlement Class” or “Settlement Class Members.” The people who sue – and all the Settlement Class Members like them – are called the “Plaintiffs.” The company or companies the Plaintiffs sue (in this case, Costco, CVS, P&G, Target, Walgreens, Walmart, and Kimberly-Clark) is or are called the “Defendant” or “Defendants.” If the court certifies (or approves) the Settlement Class, then one court can resolve the issues for everyone in the Settlement Class.

4. Why are there Settlements?

The Court has not decided whether Plaintiff, Charleston Water System, or Defendants, Costco, CVS, P&G, Target, Walgreens, or Walmart, should win this case. Instead, the respective parties agreed to settle. That way the respective parties avoid the cost and risks of trial, and Costco, CVS, P&G, Target, Walgreens, and Walmart will agree to make changes to their business practices to benefit Settlement Class Members now rather than years from now, if at all, were the matter to be litigated.

More information about the Settlements and the lawsuit is available in the “Important Documents” section of the Settlements Website: www.charlestonwipessettlement.com.

WHO IS IN THE SETTLEMENT CLASS?

5. Am I part of the Settlement Class?

If you own[ed] or operate[d] a sewage or wastewater conveyance and treatment system, such as a municipality, authority or wastewater district in the United States whose system was in operation between January 6, 2018 and November 21, 2023, you are part of the Settlement Class.

THE SETTLEMENTS’ BENEFITS

6. What are the benefits of the Settlements with Defendants?

Defendants have agreed to implement certain modifications to their business practices with respect to the flushable wipes Products, including Charmin-branded flushable wipes, Kirkland Signature flushable wipes, Equate-branded flushable wipes, Great Value-branded flushable wipes, up & up™ flushable wipes, Walgreens-branded flushable wipes, Well Beginnings-branded flushable wipes, CVS™ flushable wipes, and Total Home® flushable wipes.

Costco, Target, and CVS

a. Product and Testing Criteria

(i) Defendants commit that their flushable wipes manufactured or sold in the United States do not contain plastic, as defined in Section 5.3.5 of IWSFG 2020: PAS 2.

(ii) Defendants commit to purchasing flushable wipes that meet the current International Water Services Flushability Group (“IWSFG”) Publicly Available Specification (“PAS”) 3 (Disintegration Test) (hereinafter referred to as “IWSFG 2020: PAS 3”) flushability specifications for the Products manufactured on or after April 1, 2024 (for Costco and CVS) and on or after December 1, 2024 (for Target), whereby the average percentage of the total initial dry mass of the sample (as described in IWSFG 2020: PAS 3) passing through a 25 mm sieve for the five test pieces drawn from each of the four (or, at Defendants’ election, more) packages of the Products (as further detailed below) after 30 minutes of testing shall be equal to or greater than 80% (at the temperature (20 degrees Celsius +/- 2 degrees), volume (4 liters) and RPM (18) specified in IWSFG 2020: PAS 3). If Defendants are able to attain IWSFG compliance prior to April 1, 2024 (for Costco and CVS) or December 1, 2024 (for Target), they can provide early written notice of such compliance to Plaintiff, which will initiate the monitoring period set forth in Paragraph 2.1(b)(ii) of the Settlement Agreement.

(iii) Once the Product meets the IWSFG 2020: PAS 3 specification and all other IWSFG 2020 specifications, Defendants may represent that Product is IWSFG 2020 compliant for a period of at least five years, subject to the on-going testing requirements set forth herein, irrespective of whether IWSFG adopts heightened testing specifications.

b. Testing Implementation/Monitoring

(i) If Plaintiff elects, Defendants, Nice-Pak, and/or other flushable wipes manufacturers that supply flushable wipes to Defendants, as applicable, will meet with Plaintiff (virtually if requested by Defendants) after the final Stipulation of Settlement is signed to discuss the Products' performance/certification and plan to achieve the performance criteria for wipes manufactured on or after April 1, 2024 (for Costco and CVS) and on or after December 1, 2024 (for Target).

(ii) Defendants, Nice-Pak, and/or other flushable wipes manufacturers that supply flushable wipes to Defendants as applicable, at their election, will submit to and either (1) host periodic independent testing of the Products, including funding of Reasonable Costs for a Plaintiff-selected representative to participate in the same, or (2) submit the Products at their cost to a mutually acceptable lab for independent testing (Parties agree in advance that the Integrated Paper Services ("IPS") lab and SGS are acceptable independent labs), beginning on April 1, 2024 (for Costco and CVS) and on December 1, 2024 (for Target) (or before at Defendants' election as noted above) in accordance with agreed-to IWSFG 2020: PAS 3 testing protocols. The PAS 3 testing will be conducted approximately every four months for a period of 24 months with five test pieces drawn from each of at least four (or more at Defendants' election) packages of each formula of the Products manufactured on or after April 1, 2024 (for Costco and CVS) and on or after December 1, 2024 (for Target) (or such earlier manufacture date that Defendants indicate to Plaintiff that the Products are IWSFG 2020: PAS 3 compliant) to be selected by Plaintiff. If the same formula is used for multiple Defendants at the time of testing, the tests will be performed once per formula. Plaintiff will provide Defendants with the lot number for the test pieces to confirm the manufacturer, formula, and the manufacturing date. The monitoring period will end after 24 months (assuming Defendants' products pass the test).

(iii) Defendants and/or Nice-Pak, and/or other flushable wipes manufacturer as applicable, shall have the right to observe (virtually if requested by Defendants) all testing conducted pursuant to Paragraph 2.1(b)(ii) of the Settlement Agreement. If any such tests find that any of the Products are not compliant with IWSFG 2020: PAS 3, Defendants have the right to object to the results of that testing and submit their own results or data. If the results or data submitted with Defendants' objection finds that the Products are compliant with IWSFG 2020: PAS 3 and the Parties cannot resolve inconsistent results, Defendants shall submit the Products to IPS for independent testing, in accordance with agreed to IWSFG 2020: PAS 3 testing protocols, within 30 days of receiving the conflicting results. If the Products are thereafter found non-compliant, Defendants shall have 150 days to regain compliance in their wipes manufacturing operations.

(iv) Reasonable Costs, as noted in Paragraph 2.1(b)(ii), consist of reimbursement of Plaintiff's selected representative for up to 48 hours of testing per testing cycle (i.e., three times per year) at a reasonable hourly rate agreed upon by the Parties, or a reasonable flat rate agreed upon by the Parties, along with reimbursement of flight, hotel, and incidental travel expenses for Plaintiff's selected representative.

c. Label Changes

(i) Defendants and/or Nice-Pak will add or cause to be added certain labeling changes, as described below, for its non-flushable wipes products nationwide at Costco, CVS, and Target, within 18 months from the date of the settlement agreement.

(ii) Defendants will add or cause to be added prominent language or illustration on their store-brand non-flushable wipes products identifying the non-flushable wipes products as "non-flushable" or instructing users not to flush the non-flushable wipes products (e.g., "Do Not Flush"), consistent with the provisions in Paragraph 2.1(c)(iii).

(iii) Defendants will ensure that its store-brand non-flushable wipes products labeling will meet the current “do not flush” labeling standards set forth in Chapter 590 of Assembly Bill No. 818 of California State, which took effect on July 1, 2022 (“AB818”), Section 3 of House Bill 2565 of Washington State, which took effect on March 26, 2020 (“HB2565”), and Section 1 of House Bill 2344 of Oregon State, which took effect on September 25, 2021 (“HB2344”), to the extent such products are “Covered Products” as defined in AB818, HB2565, and HB2344. Defendants agree to exceed the standards herein insofar as they will include “do not flush” symbols or warnings (or cause such warnings to be included), or disposal instructions, on not only the principal display panel, but also at least two additional panels of packaging for non-flushable baby wipes products, except for packages that only have two panels. If AB818, HB2565, or HB2344 cease to remain effective for any reason, Defendants will no longer be required to meet the labeling standards set forth in the law(s) that is no longer in effect.

(iv) Defendants have or will provide representative labeling for their store-brand baby wipes products to Plaintiff to confirm that it complies with the required labeling changes.

d. Acknowledgement and Endorsement

(i) After Nice-Pak, and/or Defendants implement the injunctive relief described herein, the Products shall be deemed “flushable,” biodegradable, safe for sewer systems, and capable of breaking down after flushing, as advertised, subject to compliance with the testing provisions in Paragraphs 2.1(a)(ii) above.

(ii) After Nice-Pak and/or Defendants implement the injunctive relief described herein, Plaintiff will take the following steps to endorse the Products: (1) provide its endorsement of compliance with IWSFG 2020 as representative of the Settlement Class; (2) solicit commitment of U.S. municipal wastewater treatment industry (including members of IWSFG, such as NACWA) to provide acknowledgment that the Products are, in fact, flushable, biodegradable, safe for sewer systems, and capable of breaking down after flushing, as advertised; and (3) provide a sample press release for approval to Nice-Pak and/or Defendants acknowledging the Products’ performance and compliance with IWSFG 2020.

e. Purchase of Wipes from Manufacturers

(i) In the event that any of the Defendants stops purchasing flushable wipes manufactured by Nice-Pak, the Settlement Agreement and Paragraphs 2.1(a)-(c) of the Stipulation of Settlement will not impose any obligations on Nice-Pak regarding the non-Nice-Pak-manufactured flushable wipes.

P&G

a. Product and Testing Criteria:

(i) P&G commits to Plaintiff, as a representative for the Rule 23(b)(2) settlement class, that P&G flushable wipes manufactured in the United States do not contain synthetic bicomponent (polyester/polyolefin) fibers.

(ii) P&G commits to meeting the current IWSFG 2020: PAS 3 flushability specifications for its Product by 18 months following the Effective Date (“Compliance Date”), whereby the average percentage of the total initial dry mass of the sample (as described in IWSFG 2020: PAS 3) passing through a 25 mm sieve for the five test pieces drawn from each of four (or, at P&G’s election,

more) packages of flushable wipes (as further detailed below) after 30 minutes of testing shall be equal to or greater than 80% (at the temperature (20 degrees celsius +/- 2 degrees), volume (4 liters) and RPM (18) specified in IWSFG 2020: PAS 3). P&G agrees that, upon request from Plaintiff to Defense Counsel, it will provide Plaintiff with an update (no more frequently than every 120 days following the Effective Date) as to its progress toward meeting the Compliance Date.

(iii) Once the Product meets the IWSFG 2020: PAS 3 specification and all other IWSFG 2020 specifications, P&G may represent that Product is IWSFG 2020 compliant for a period of at least five years, subject to the on-going testing requirements set forth herein, irrespective of whether IWSFG adopts heightened testing specifications.

(iv) Plaintiff agrees that if (1) Plaintiff reaches settlements with other manufacturers, marketers, distributors, or retailers of flushable wipes that require such companies' flushable wipes to comply with specifications more lenient than IWSFG 2020: PAS 3 specifications, or that commit such companies to more lenient testing frequency and testing expense terms, or (2) IWSFG adopts standards more lenient than IWSFG 2020: PAS 3, then P&G's Product needs to only meet those more lenient specifications and monitoring terms.

(v) The Compliance Date reflects the date upon which P&G begins manufacturing the Products. In the event exigent circumstances (such as supply chain disruptions) render the Compliance Date unworkable, P&G commits to promptly notify Plaintiff within 14 days of becoming aware that compliance may be delayed, and keep Plaintiff apprised of the expected date upon which the Products will be manufactured. Likewise, Plaintiff agrees that if such exigent circumstances make future compliance with IWSFG 2020: PAS 3 temporarily unworkable, no breach shall be deemed to occur should P&G cure the compliance defect expeditiously.

b. Testing Implementation/Monitoring:

(i) P&G and Plaintiff will co-promote the Settlement, including online and in social media, that the Product will soon meet the IWSFG 2020: PAS 3 flushability specifications. Plaintiff agrees that it will not promote any other flushable wipes as outperforming the Product upon the Compliance Date.

(ii) P&G and Plaintiff agree to engage in such co-promotion again regarding compliance with the IWSFG 2020: PAS 3 flushability specifications once P&G confirms that it meets the IWSFG 2020: PAS 3 flushability specifications.

(iii) Plaintiff agrees to cooperate with inquiries by media and other municipalities and wastewater treatment operators regarding flushability by reiterating that the Product meets the IWSFG 2020 flushability specifications.

(iv) Upon request from Plaintiff, P&G will submit at its election to either: (1) host periodic independent testing of the Product, including funding of Reasonable Costs² for Plaintiff-selected representative(s) to participate in and conduct testing, or (2) submit the Product at its cost to a mutually acceptable lab for independent testing (parties agree that Integrated Paper Services (IPS) lab is an acceptable independent lab, subject to IPS providing a reasonable cost proposal for the testing, which

² "Reasonable Costs" noted above shall consist of a flat rate of \$2,800 per testing cycle (i.e., every four months), and reimbursement of reasonable agreed-upon in advance flight, hotel, and incidental travel expenses for Plaintiff's representative.

will be approved or rejected in P&G’s discretion), beginning on the Compliance Date (or before at P&G’s election) in accordance with agreed-to IWSFG 2020: PAS 3 testing protocols. Testing may be conducted at Plaintiff’s request and conducted every four months for a period of 24 consecutive months following the Compliance Date, with five test pieces drawn from each of at least four (and more at P&G’s election) packages of the Product manufactured on or after the Compliance Date (or such earlier manufacture date that P&G indicates to Plaintiff that the Product is IWSFG 2020: PAS 3-compliant). P&G has the right to observe testing, and, if Plaintiff’s independent IWSFG: 2020 PAS 3 testing finds the Product non-compliant, to object to such result with its own data. If P&G’s data finds the Product compliant, and the parties cannot resolve inconsistent results, P&G shall submit the Product to IPS within 60 days of either party providing the other with a notice of impasse for independent testing in accordance with agreed-to IWSFG 2020: PAS 3 testing protocols. If the Product is thereafter found non-compliant, P&G shall have eight weeks to regain compliance in its wipes manufacturing operations.

c. Label Changes:

(i) Flushable wipes labeling:

1) On or after the Compliance Date, P&G will modify the packaging and websites for the Product to add language specifying the bases or sources for the “flushable” claim that appears on its labeling, including that the Product complies with IWSFG 2020 and INDA GD4 guidelines.

2) For the avoidance of doubt, P&G will not recall the Product and is permitted to sell through any product manufactured prior to the Compliance Date.

(ii) Non-flushable wipes labeling:

1) P&G agrees that non-flushable wipes product labeling nationwide will meet the “do not flush” labeling standards set forth in Chapter 590 of Assembly Bill No. 818 of California State, which took effect on July 1, 2022 (“AB818”), to the extent such products are “Covered Products” as defined in AB818.

2) Upon the Compliance Date and for a period of five years, P&G agrees to exceed the standards of AB818 insofar as it will include “do not flush” symbols or warnings on not only the principal display panel, but also at least two additional panels of packaging for “non-flushable” baby wipe products (other than promotional packages, packages distributed to hospitals, travel size packages, or other small packages where inclusion of “do not flush” symbols or warnings on the additional panels is not practicable).

3) For the avoidance of doubt, P&G will not recall and is permitted to sell through any wipes manufactured prior to the Compliance Date.

d. Product Endorsement:

(i) For as long as P&G’s flushable Product meets all IWSFG 2020 specifications, Plaintiff will provide its endorsement of the Product’s compliance with IWSFG 2020 as representative for the Rule 23(b)(2) settlement class and will solicit commitment of U.S. municipal wastewater treatment industry including principally North American-based members of IWSFG, such as NACWA, to provide acknowledgement that the Product is, in fact, flushable for municipal sewer systems according to IWSFG 2020. Plaintiff will provide P&G with sample press release acknowledging the performance of the Product, which must be reviewed and approved by P&G. Plaintiff agrees that

P&G may use such approved press release(s)/acknowledgement(s), and the content therein, in social media posts, with influencers, and on its websites. Upon compliance with IWSFG 2020: PAS 3 specification and all other IWSFG 2020 specifications, P&G, if it elects, may be permitted to state on its packaging, advertisements, and website for the Product that it is “IWSFG 2020 Compliant,” and/or if it chooses, use (with any necessary permissions), e.g., the following symbol, as long as compliance is maintained:



(ii) In addition to the above, P&G shall be entitled to state in advertising, packaging, and other marketing materials that the Product meets the 2020 IWSFG flushability specifications and is subject to regular confirmation testing.

Walgreens

a. Product and Testing Criteria

(i) Defendant commits that their flushable wipes manufactured or sold in the United States do not contain plastic, as defined in Section 5.3.5 of IWSFG 2020: PAS 2.

(ii) Defendant commits to purchasing flushable wipes that meet the current International Water Services Flushability Group (“IWSFG”) Publicly Available Specification (“PAS”) 3 (Disintegration Test) (hereinafter referred to as “IWSFG 2020: PAS 3”) flushability specifications for the Product manufactured on or after April 1, 2024, whereby the average percentage of the total initial dry mass of the sample (as described in IWSFG 2020: PAS 3) passing through a 25 mm sieve for the five test pieces drawn from each of the four (or, at Defendant’s election, more) packages of the Product (as further detailed below) after 30 minutes of testing shall be equal to or greater than 80%(at the temperature (20 degrees Celsius +/-2 degrees), volume (4 liters) and RPM (18) specified in IWSFG 2020: PAS 3). If Defendant is able to attain IWSFG compliance prior to April 1, 2024, it can provide written notice to Plaintiff, which will initiate the monitoring period set forth in Paragraph 2.1(b)(ii).

(iii) Once the Product meets the IWSFG 2020: PAS 3 specification and all other IWSFG 2020 specifications, Defendant may represent that Product is IWSFG 2020 compliant for a period of at least five years, subject to the on-going testing requirements set forth herein, irrespective of whether IWSFG adopts heightened testing specifications.

b. Testing Implementation/Monitoring

(i) If Plaintiff elects, Defendant, Nice-Pak, and/or other flushable wipes manufacturers that supply flushable wipes to Defendant, as applicable, will meet with Plaintiff (virtually if requested by Defendant) after the final Stipulation of Settlement is signed to discuss the Product’s performance/certification and plan to achieve the performance criteria for wipes manufactured on or after April 1, 2024.

(ii) Defendant, Nice-Pak, and/or other flushable wipes manufacturers that supply flushable wipes to Defendant as applicable, at their election, will submit to and either (1) host periodic independent testing of the Product, including funding of Reasonable Costs for a Plaintiff-selected representative to participate in the same, or (2) submit the Product at their cost to a mutually acceptable lab for independent testing (Parties agree in advance that the Integrated Paper Services (“IPS”) lab and SGS are acceptable independent labs), beginning on April 1, 2024 (or before at Defendant’s election) in accordance with agreed-to IWSFG 2020: PAS 3 testing protocols. The PAS 3 testing will be conducted approximately every four months for a period of 24 months with five test pieces drawn from each of at least four (or more at Defendant’s election) packages of each formula of the Product manufactured on or after April 1, 2024 (or such earlier manufacture date that Defendant indicates to Plaintiff that the Product is IWSFG 2020: PAS 3 compliant) to be selected by Plaintiff. To the extent Plaintiff enters into a similar settlement agreement with defendants Costco, CVS, and Target containing a similar PAS 3 testing compliance date, if the same formula is used for Walgreens and defendants Costco, CVS, or Target at the time of testing, the tests will be performed once per formula. Plaintiff will provide Defendant with the lot number for the test pieces to confirm the manufacturer, formula, and the manufacturing date. The monitoring period will end after 24 months.

(iii) Defendant and/or Nice-Pak, and/or other flushable wipes manufacturers as applicable, shall have the right to observe (virtually if requested by Defendant) all testing conducted pursuant to Paragraph 2.1(b)(ii). If any such tests find that the Product is not compliant with IWSFG 2020: PAS 3, Defendant has the right to object to the results of that testing and submit its own results or data. If the results or data submitted with Defendant’s objection finds that the Product is compliant with IWSFG 2020: PAS 3 and the Parties cannot resolve inconsistent results, Defendant shall submit the Product to IPS for independent testing, in accordance with agreed to IWSFG 2020: PAS 3 testing protocols, within 60 days of receiving the conflicting results. If the Product is thereafter found non-compliant, Defendant shall have 150 days to regain compliance in its wipes manufacturing operations.

(iv) Reasonable Costs, as noted in Paragraph 2.1(b)(ii), consist of reimbursement of Plaintiff’s selected representative for up to 12 hours of testing per testing cycle (i.e., three times per year) at a reasonable hourly rate agreed upon by the Parties, or a reasonable flat rate agreed upon by the Parties, along with reimbursement of flight, hotel, and incidental travel expenses for Plaintiff’s selected representative.

c. Label Changes

(i) Defendant and/or Nice-Pak will add or cause to be added certain labeling changes, as described below, for its non-flushable wipes products nationwide within 18 months from the date of the settlement agreement.

(ii) Defendant will add or cause to be added prominent language or illustration on their store-brand non-flushable wipes products identifying the non-flushable wipes products as “non-flushable” or instructing users not to flush the non-flushable wipes products (e.g., “Do Not Flush”), consistent with the provisions in Paragraph 2.1(c)(iii).

(iii) Defendant will ensure that its store-brand non-flushable wipes products labeling will meet the current “do not flush” labeling standards set forth in Chapter 590 of Assembly Bill No. 818 of California State, which took effect on July 1, 2022 (“AB818”), Section 3 of House Bill 2565 of Washington State, which took effect on March 26, 2020 (“HB2565”), and Section 1 of House Bill 2344 of Oregon State, which took effect on September 25, 2021 (“HB2344”), to the extent such products are “Covered Products” as defined in AB818, HB2565, and HB2344. Defendant agrees to

exceed the standards herein insofar as it will include “do not flush” symbols or warnings (or cause such warnings to be included), or disposal instructions, on not only the principal display panel, but also at least two additional panels of packaging for non-flushable baby wipes products, except for packages that only have two panels. If AB818, HB2565, or HB2344 cease to remain effective for any reason, Defendant will no longer be required to meet the labeling standards set forth in the law(s) that is no longer in effect.

(iv) Upon request, Defendant will provide one representative labeling for each of their store-brand baby wipes products to Plaintiff to confirm that it complies with the required labeling changes.

d. Acknowledgement and Endorsement

(i) After Defendant and/or Nice-Pak implements the injunctive relief described herein, the Product shall be deemed “flushable,” biodegradable, safe for sewer systems, and capable of breaking down after flushing, as advertised, subject to compliance with the testing provisions in Paragraphs 2.1(a)(ii) above.

(ii) After Defendant and/or Nice-Pak implements the injunctive relief described herein, Plaintiff will take the following steps to endorse the Product: (1) provide its endorsement of compliance with IWSFG 2020 as representative of the Settlement Class; (2) solicit commitment of U.S. municipal wastewater treatment industry (including members of IWSFG, such as NACWA) to provide acknowledgment that the Product are, in fact, flushable, biodegradable, safe for sewer systems, and capable of breaking down after flushing, as advertised; and (3) provide a sample press release for approval to Defendant and/or Nice-Pak acknowledging the Product’s performance and compliance with IWSFG 2020.

e. Purchase of Wipes from Manufacturers

(i) In the event Defendant stops purchasing flushable wipes manufactured by Nice-Pak, the Settlement Agreement and Paragraphs 2.1(a)-(c) of the Stipulation of Settlement will not impose any obligations on Nice-Pak regarding the non-Nice-Pak manufactured flushable wipes.

Walmart

a. Product and Testing Criteria

(i) Rockline Corporation supplies wipes products to Defendant Walmart. Rockline commits that the Products do not contain synthetic bicomponent (polyester/polyolefin) fibers.

(ii) Rockline commits that the Products meet the current International Water Services Flushability Group (“IWSFG”) Publicly Available Specification (“PAS”) 3 (Disintegration Test) (hereinafter referred to as “IWSFG 2020: PAS 3”) flushability specifications, whereby the average percentage of the total initial dry mass of the sample (as described in IWSFG 2020: PAS 3) passing through a 25 mm sieve for the five test pieces drawn from each of the four (or, at Rockline’s election, more) packages of the Products (as further detailed below) after 30 minutes of testing shall be equal to or greater than 80% (at the temperature (20 degrees Celsius +/-2 degrees), volume (4 liters) and RPM (18) specified in IWSFG 2020: PAS 3).

(iii) Plaintiff has reviewed qualified independent lab testing of the Rockline-manufactured Products dating back to 2021 showing the Rockline-manufactured Products pass and

comply with the IWSFG 2020: PAS 3 flushability specifications.

(iv) So long as the Products meet the IWSFG 2020: PAS 3 specification and all other IWSFG 2020 specifications, Defendant and Rockline may represent that the Products are IWSFG 2020 compliant for a period of at least five years, subject to the on-going testing requirements set forth herein, irrespective of whether IWSFG adopts heightened testing specifications.

b. Testing Implementation/Monitoring

(i) If Plaintiff elects, Defendant and Rockline will meet with Plaintiff (virtually if requested by Defendant) after the final Stipulation of Settlement is signed to discuss the Products' performance/certification.

(ii) Upon request from Plaintiff, Rockline, at its election, will submit to either (1) host periodic independent testing of the Products, including funding of Reasonable Costs for a single Plaintiff-selected representative to participate in the same, or (2) submit the Products at their cost to a mutually acceptable lab for independent testing (Parties agree in advance that the Integrated Paper Services ("IPS") lab and SGS are acceptable independent labs), beginning within 90 days of final approval (or before at Rockline's election) in accordance with agreed-to IWSFG 2020: PAS 3 testing protocols. Defendant commits that it has no current intention of switching to a flushable wipes supplier over the course of the monitoring period that is not in compliance with the IWSFG 2020: PAS 3 flushability specifications. The PAS 3 testing will be conducted approximately every four months for a period of 24 months with five test pieces drawn from each of at least four (or more at Rockline's election) packages of each formula of the Products to be selected by Plaintiff. Plaintiff will provide Rockline with the lot number for the test pieces to confirm the manufacturer, formula, and the manufacturing date. The monitoring period will end after 24 months.

(iii) The Settling Parties shall have the right to observe (virtually if requested by Defendant or Rockline) all testing conducted pursuant to Paragraph 2.1(b)(ii). If any such tests find that any of the Products are not compliant with IWSFG 2020: PAS 3, Defendant and/or Rockline have the right to object to the results of that testing and submit their own results or data. If the results or data submitted with Rockline's objection finds that the Products are compliant with IWSFG 2020: PAS 3 and the Parties cannot resolve inconsistent results, Rockline shall submit the Products to IPS for independent testing, in accordance with agreed to IWSFG 2020: PAS 3 testing protocols, within 60 days of receiving the conflicting results. If the Products are thereafter found non-compliant, Rockline shall have 150 days to regain compliance in their wipes manufacturing operations.

(iv) Reasonable Costs, as noted in Paragraph 2.1(b)(ii)(1), will be paid by Rockline and consist of reimbursement of Plaintiff's selected representative for up to 12 hours of testing per testing cycle (*i.e.*, three times per year) at a reasonable hourly rate agreed upon by the Parties, or a reasonable flat rate agreed upon by the Parties, along with reimbursement of reasonable flight, hotel, and incidental travel expenses for one Plaintiff selected representative.

c. Label Changes

(i) Defendant agrees to ensure that its current suppliers of the Parent's Choice non-flushable baby wipe products modify packaging to include "do not flush" symbols or text on not only the principal display panel, but also at least two additional panels of packaging for "non-flushable" baby wipe products (other than promotional packages, packages distributed to hospitals, travel size packages, or other small packages where inclusion of "do not flush" symbols or text on the panels is not practicable) and within eighteen months of the Effective Date will implement changes to the packaging

if not already in compliance.

(ii) Within 18 months of the effective date Defendant agrees that its Parent's Choice non-flushable wipes product labeling will be consistent in all states for each product label. Notwithstanding the foregoing, if additional warnings are required by Proposition 65 in California, nothing shall prevent the Defendant from complying with those requirements.

(iii) For avoidance of doubt, Defendant is permitted to sell through any current and/or ordered flushable and non-flushable wipes inventory.

(iv) Defendant has or will provide representative labeling for their Parent's Choice brand baby wipes products to Plaintiff to confirm that it complies with the required labeling changes.

(v) Notwithstanding the foregoing, should Defendant or its current suppliers become subject to future, more restrictive laws, regulations, or orders relating to the packaging of the Parent's Choice non-flushable baby wipe products, nothing in this agreement will impede Defendant or its current suppliers from complying with those laws, regulations, or orders.

(vi) Defendant commits to maintaining this labeling for 24 months after Defendant implements the labeling changes detailed in Paragraphs 2.1(c)(i)-(ii) above.

d. Acknowledgement and Endorsement

(i) So long as the Products comply with the IWSFG 2020: PAS 3 specification and all other IWSFG 2020 specifications, the Products shall be deemed "flushable," biodegradable, safe for sewer systems, and capable of breaking down after flushing, as advertised, subject to compliance with the testing provisions in Paragraphs 2.1(a)(ii) above. Defendant, if it elects, is permitted to state on its packaging, advertisements, and website for the Product that it is "IWSFG 2020 Compliant," and/or if it chooses, use (with any necessary permissions), *e.g.*, the following symbol, as long as compliance is maintained:



(ii) Upon Final Judgment of the Settlement, and if Defendant and Rockline elect and request the same of Plaintiff, Plaintiff will take the following steps to endorse the Products: (1) provide its endorsement of compliance with IWSFG 2020 as representative of the Settlement Class; (2) solicit commitment of U.S. municipal wastewater treatment industry (including members of IWSFG, such as NACWA) to provide acknowledgment that the Products are, in fact, flushable, biodegradable, safe for sewer systems, and capable of breaking down after flushing, as advertised; and (3) provide a sample press release for approval to Rockline and/or Defendant acknowledging the Products' performance and compliance with IWSFG 2020.

e. Purchase of Wipes from Manufacturers

(i) In the event that Defendant purchases Products from a manufacturer other than Rockline, Rockline will have no obligations under the Settlement Agreement, including, but not limited to Paragraphs 2.1(a)-(c) of the Stipulation of Settlement, regarding the non-Rockline-manufactured flushable wipes. For the avoidance of doubt, nothing in this Settlement Agreement shall be interpreted in a manner that makes Rockline responsible for validating the performance or testing history of Products Rockline does not supply or manufacture.

7. What am I giving up by not objecting to the Settlement Class?

As a Settlement Class Member, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or the Released Parties or Released Persons about the Plaintiff's Released Claims (as defined below) in this case. It also means that all of the Court's orders will apply to you and legally bind you. If the Settlements are approved, you will give up all claims (as defined below), including "Unknown Claims" (as defined below), against the "Released Parties" (as defined below):

- "Plaintiff's Released Claims" means any and all claims of Plaintiff and the Settlement Class Members for injunctive relief that arise from or relate to the claims and allegations in the Complaint, including Unknown Claims, and the acts, facts, omissions, or circumstances that were or could have been alleged by Plaintiff in the Action, including but not limited to all claims for injunctive relief related to any wipe products (flushable and non-flushable) currently or formerly manufactured, marketed, or sold by Defendants or any of its affiliates or licensees. For the avoidance of doubt, "Plaintiff's Released Claims" do not include claims for damages or other monetary relief, including, but not limited to, claims for monetary relief under the law of nuisance.
- "Released Parties" or "Released Persons" means the parties or persons receiving a release, including Plaintiff, Class Counsel, Defendants, Nice-Pak, Radienz, and their present, former, and future, direct and indirect, parents, subsidiaries, affiliates, assigns, divisions, predecessors, licensees, insurers, and successors, and all of their respective officers, agents, administrators, and employees, Defense Counsel, and all Settlement Class Members.
- "Unknown Claims" means Plaintiff's Released Claims that arise from or relate to the Action (and, as to Costco, CVS, Target, Walmart and Walgreens, all of Defendants' Released Claims) and that any of the Settling Parties or Settlement Class Members do not know or suspect to exist in his, her, or its favor at the time of the release, which if known by him, her, or it, might have affected his, her, or its decision not to object to these Settlements or release of the Released Parties, Plaintiff, Class Counsel, or Settlement Class Members. With respect to any and all of Plaintiff's Released Claims and Defendants' Released Claims, the Settling Parties stipulate and agree that upon the Effective Date, the Settling Parties shall, to the fullest extent permitted by law, fully, finally, and forever expressly waive and relinquish with respect to such claims, any and all provisions, rights, and benefits of Section 1542 of the California Civil Code and any and all similar provisions, rights, and benefits conferred by any law of any state or territory of the United States or principle of common law that is similar, comparable, or equivalent to Section 1542 of the California Civil Code, which provides:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT
THE CREDITOR OR RELEASING PARTY DOES NOT KNOW**

OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

YOUR RIGHTS AND OPTIONS

8. How do I object to the Settlements or to the request for attorneys' fees and expenses?

You can object to the Settlements and/or Class Counsel's request for attorneys' fees and expenses.

You can ask the Court to deny approval of the Settlements by filing an objection. You cannot ask the Court to order a different settlement or settlements; the Court can only approve or reject the Settlements. If the Court denies approval of the Settlements, no benefits in the form of modifications of Defendants' business practices will be made, and the litigation will continue. If that is what you want to happen, you must object.

Any objection to the proposed Settlements must be in writing. If you file a timely written objection, you may, but are not required to, appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney.

All written objections must contain the following:

- the name and case number of this lawsuit (*Commissioners of Public Works of the City of Charleston (d.b.a. Charleston Water System) v. Costco Wholesale Corporation, CVS Health Corporation, Kimberly-Clark Corporation, The Procter & Gamble Company, Target Corporation, Walgreen Co., and Wal-Mart, Inc.*, Case No. 2:21-CV-00042);
- your full name, mailing address, email address, and telephone number;
- an explanation of why you believe you are a Settlement Class Member, including documents sufficient to establish the basis for your standing as a Settlement Class Member;
- all reasons for your objection or comment, including all citations to legal authority and evidence supporting the objection;
- whether you intend to personally appear and/or testify at the Final Approval Hearing (either personally or through counsel), and what witnesses you will ask to speak;
- the name and contact information of any and all attorneys representing, advising, and/or assisting you, including any counsel who may be entitled to compensation for any reason related to your objection or comment, who must enter an appearance with the Court in accordance with the Local Rules;

- the name and case number of all class action settlements to which you or your counsel have objected; and
- your handwritten or electronically imaged signature (an attorney’s signature or typed signature is not sufficient).

To be considered by the Court, your objection must be received by the Court either by mailing it to the Class Action Clerk, United States District Court for the District of South Carolina, Charleston Division, J. Waties Waring Judicial Center, 83 Meeting Street, Charleston, South Carolina 29401, or by filing it in person at any location of the United States District Court for the District of South Carolina.

To be considered, your objection must be received on or before the February 14, 2024.

THE LAWYERS REPRESENTING YOU

9. Do I have a lawyer in this case?

The Court decided that the law firms of Robbins Geller Rudman & Dowd LLP (“Robbins Geller”) and AquaLaw PLC are qualified to represent you and all Settlement Class Members. These firms are called “Class Counsel” and are experienced in handling similar class action cases. More information about Robbins Geller and AquaLaw is available at www.rgrdlaw.com and www.aqualaw.com, respectively.

Class Counsel believe, after investigating and litigating the case for several years, that the Stipulations are fair, reasonable, and in the best interests of the Settlement Class. You will not be separately charged for these lawyers. If you want to be represented by your own lawyer in this case, you may hire one at your expense.

10. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. But if you want your own lawyer, you will have to pay for that lawyer. For example, you can ask him or her to appear in court for you if you want someone other than Class Counsel to speak for you.

11. How will the lawyers be paid?

Class Counsel’s attorneys’ fees and expenses will be paid in an amount to be determined and awarded by the Court. Defendants have also agreed to pay reasonable attorneys’ fees and expenses in the amounts set forth in the Stipulations.

Class Counsel will ask the Court to approve attorneys’ fees and expenses from Defendants of no more than \$1,900,000.

The final amount of attorneys’ fees and expenses will be determined by the Court.

Class Counsel’s application for an award of attorneys’ fees and expenses will be made available on the “Important Documents” page of the Settlements Website at www.charlestonwipessettlement.com on the date it is filed or as quickly thereafter as possible.

THE COURT’S FINAL APPROVAL HEARING

12. When and where will the Court decide whether to approve the Settlements with Defendants?

The Court is scheduled to hold the Final Approval Hearing on March 8, 2024 at 10:00 a.m. in Courtroom 1 of the United States District Court for the District of South Carolina, Charleston Division, J. Waties Waring Judicial Center, 83 Meeting Street, Charleston, South Carolina 29401. The hearing may be rescheduled to a different date, time, or location without another notice to Settlement Class Members. Especially given the national health emergency, the date, time, or location of the hearing may be subject to change, as will the manner in which Settlement Class Members might appear at the hearing. Please review the Settlements Website for any updated information regarding the hearing.

At the Final Approval Hearing, the Court will consider whether the Settlements with Defendants are fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court may listen to people who appear at the hearing and who have provided notice of their intent to appear at the hearing. The Court may also consider Class Counsel’s application for attorneys’ fees and expenses.

13. Do I have to come to the Final Approval Hearing?

No. Class Counsel will answer any questions the Court may have. You may attend at your own expense if you wish. If you submit a written objection, you do not have to come to the Court to talk about it. As long as you submit your written objection on time, and follow the requirements above, the Court will consider it. You may also pay your own attorney to attend, but it is not required.

14. May I speak at the Final Approval Hearing?

Yes. You may ask the Court for permission to speak at the Final Approval Hearing. At the hearing, the Court, in its discretion, will hear any objections and arguments concerning the fairness of the Settlements and/or Class Counsel’s request for attorneys’ fees and expenses.

To do so, you must include in your objection or comment a statement saying that it is your Notice of Intent to Appear in *Commissioners of Public Works of the City of Charleston (d.b.a. Charleston Water System) v. Costco Wholesale Corporation, CVS Health Corporation, Kimberly-Clark Corporation, The Procter & Gamble Company, Target Corporation, Walgreen Co., and Wal-Mart, Inc.*, Case No. 2:21-CV-00042 (D.S.C.). It must include your name, address, email, telephone number, and signature as well as the name and address of your lawyer, if one is appearing for you. Your submission and Notice of Intent to Appear must be filed with the Court and be received **no later than** February 14, 2024.

GETTING MORE INFORMATION

15. How do I get more information?

This Notice summarizes the proposed Settlements. For precise terms and conditions of the Settlements, please see the Stipulations available at www.charlestonwipessettlement.com, by contacting Class Counsel, Paul Calamita at (804) 716-9021, ext. 201, by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.scd.uscourts.gov/cgi-bin/login.pl>, or by visiting the office of the Clerk of Court for the United States District Court for the District of South Carolina, Charleston Division, J. Waties Waring Judicial Center, 83 Meeting Street, Charleston, South Carolina 29401, between 9:00 a.m. to 4:00 p.m., Monday through Friday, excluding holidays.

PLEASE DO NOT TELEPHONE OR WRITE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THE SETTLEMENTS.

All questions regarding the Class Settlements should be directed to Class Counsel.

DATED: November 21, 2023

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE DISTRICT OF
SOUTH CAROLINA

THE HONORABLE RICHARD M. GERGEL
UNITED STATES DISTRICT JUDGE