



## Target Sustainable Product Index

Building on Target's commitment to expand its selection of sustainable product choices that effectively balance price, performance and convenience, Target uses its Sustainable Product Index to assess products and rate them on different dimensions of sustainability that are important to our guests: Ingredients, Transparency, Packaging and Stewardship. Target uses two UL software platforms to operate the SPI: [UL WERCSmart](#) is used to collect information from our vendors and [UL PurView](#) is used to evaluate products against the SPI. Products receive a score from 0 to 100 (100 being the top score). The more sustainable products identified by our index are rewarded with program incentives.

This is Version 3.0 of the Target Sustainable Product Index (SPI). In response to stakeholder comments, we have expanded the set of regulatory lists that we use to identify chemicals of concern, refined how we evaluate ingredient disclosure practices and addressed emerging issues of consumer concern, like palm oil sourcing. In 2016, the SPI will be applied to the personal care, cosmetics, household cleaning, and baby care product categories. We are aiming to add other product categories in the near future.

<b>Core SPI Score</b> A product has been developed with human health, the environment and the community in mind		
<b>Issue</b>	<b>Points</b>	<b>Scoring Procedure</b>
<b>Ingredients</b> -- A product should contain no ingredients deemed to be high priority or of concern as determined by Target's classification of ingredients into these categories using authoritative regulatory and scientific lists. <sup>1</sup>	35	A product receives all 35 points if it has no ingredients on the priority or concern lists. A product will receive zero points if it has one or more ingredients on Target's high priority list. A product can score 25 points if it contains three or less ingredients on Target's concern lists, or 20 points if it contains more than three ingredients on Target's concern lists.
<b>Transparency</b> -- A product's complete ingredient list should be publicly available and disclosed in a way that allows each chemical's health and environmental impacts to be assessed.	35	A product will receive a maximum of 35 points if its label discloses every ingredient in it, including the specific constituents of fragrances or other proprietary components. 10-30 points are available for other disclosure best practices, based on the extent to which they support complete and open assessments of a product.

<sup>1</sup> **High Priority** ingredients are found on the following authoritative regulatory lists:

- **Proposition 65.** California Environmental Protection Agency, Proposition 65 List of Chemicals Known to the State of California to Cause Cancer, Developmental or Reproductive Toxicity
- **Substance of Very High Concern.** European Chemicals Agency, Candidate List of Substances of Very High Concern for Authorization
- **Persistent Bioaccumulative Toxic Chemical.** US Environmental Protection Agency, TRI Persistent Bioaccumulative Toxic Chemicals
- **Chemical of High Concern to Children.** Washington Department of Ecology, Reporting List of Chemicals of High Concern to Children
- **Triclosan Prohibition.** Minnesota State Legislature, SF 2192 – Section 8: Certain Sales of Cleaning Products Prohibited
- **Prohibited in Cosmetics.** Health Canada, Cosmetic Ingredient Hotlist
- **Prohibited in Cosmetic Products.** European Commission, Cosmetics Regulation Annex II

**Concern** ingredients are found on the following authoritative regulatory lists:

- **Established Contact Allergens in Humans.** European Union Scientific Committee on Consumer Safety, Fragrance Allergens

<b>Packaging</b> -- A product's packaging should be made with recycled or sustainable content, and itself be fully recyclable. A product's labeling should inform guests about how to recycle packaging and close the loop.	15	A product will receive a maximum of 15 points if its primary packaging has a high percentage of post-consumer recycled content or sustainably-sourced renewable content, is itself recyclable and it exhibits other sustainable attributes.
<b>Stewardship</b> -- A product should exhibit a variety of best practices reflecting good product stewardship by its manufacturer	See Below	A maximum of 15 points is awarded to a product that scores high on Water Quality, Animal Testing, Nanomaterials Disclosure, Palm Oil Sourcing and Certifications.
<b>Water Quality</b> -- A product should contain no ingredients that are on Target's aquatic hazard list.	2	A product will receive 2 points if it has no ingredients on Target's aquatic hazard list**.
<b>Animal Testing</b> -- A product should not be tested on animals during its development or production.	2	A product will receive 2 points if the company responsible for it prohibits animal testing in the development and production of its products and this has been certified by a third party.
<b>Nanomaterials Disclosure</b> -- The manufacturer of a product discloses if it contains nanomaterials.	1	A product will receive 1 point if the company responsible for it discloses to consumers whether its products contain nanomaterials.
<b>Palm Oil Sourcing</b> -- The manufacturer sources palm oil, palm kernel oil and its associated chemically derived ingredients from sustainable suppliers.	3	A product will receive up to 3 points if a company publicly reports on the percentage of its palm oil that is sourced from sources that are certified sustainable.
<b>Product Certifications</b> -- A product has been certified by either EPA Design for the Environment or Cradle2Cradle.	5	A product will receive 5 points if it has been certified by either EPA Design for the Environment or Cradle2Cradle (Bronze, Silver or Gold).
<b>Feedstock Material Certifications</b> -- Material inputs to a product have been certified as having environmental or social benefits by a third-party.	2	A product will receive 3 points if one or more feedstock materials have been certified as USDA organic or bio preferred, non-GMO, fair trade or sustainably produced.

\*\*Chemicals labeled as hazardous to the aquatic environments are found in the following authoritative regulatory list: **European Chemicals Agency**, List of chemicals classified under the Globally Harmonized System of Classification and Labeling of Chemicals as exhibiting acute (short term) aquatic toxicity (Categories 1 & 2) and/or chronic (long term) aquatic toxicity (Categories 1 & 2)

<b>Category-Specific Scores: Household Cleaning</b>		
A product has been improved within the last three years to reduce significant impacts associated with its category		
<b>Issue</b>	<b>Points</b>	<b>Scoring Procedure</b>
<b>Safer Formulation</b> -- A product contains a significant percentage of ingredients that are on the Safer Chemical Ingredients List (SCIL), developed by US EPA's Design for the Environment Program.	10	A product will receive 3 points if up to 25% of its ingredients are on the SCIL, 5 points if 25% - 50% of its ingredients are on the SCIL, and 10 points if 100% of its ingredients are on the SCIL.

<p><b>Laundry Detergents</b>-- A product has been improved to reduce energy consumption during product use or use more sustainable materials.</p>	<p>10</p>	<p>A product will receive up to 10 points if it exhibits multiple improvements, such as being reformulated to work in cold water, or if it incorporates sustainably derived palm oil.</p>
<p><b>Surface Cleaners</b>-- A product has been improved to reduce indoor and outdoor air pollution impacts, or use more sustainable materials or suppliers.</p>	<p>10</p>	<p>A product will receive up to 10 points if it exhibits multiple improvements, such as reducing the use of volatile organic chemicals, or using raw materials that readily biodegrade.</p>
<p><b>Category-Specific Scores: Personal Care</b> A product is in compliance with health-protective regulatory restrictions</p>		
<p><b>Product Stewardship</b>-- A product containing ingredients subject to restrictions adopted by Health Canada (via its Restricted in Cosmetics list) or the European Union (via its Annex III - List of Substances Restricted in Cosmetic Products) should be compliant with those regulations.</p>	<p>10</p>	<p>A product will receive 10 points if it complies with all applicable Health Canada and EU restrictions, and 0 points if it does not.</p>



## The Importance of Ingredient Transparency

Target is committed to providing its guests with information that assists them in evaluating and make purchasing decisions that reflect their preferences. In formulated product categories like personal care, cosmetics, and household cleaning, our guests are concerned about whether products contain chemicals that may be hazardous. Unfortunately, most products labels do not provide a complete list of all of the chemicals in a product. With personal care products, it is standard practice for manufacturers to withhold the specific constituents of the fragrances they add to products, with labels listing only the generic term “fragrance” or “parfum.” With household cleaning products, manufacturers withhold the constituents of generic components and are permitted to list only a few active ingredients on product labels.

To create an incentive for manufacturers to adopt labeling practices that meet consumer demand for complete ingredient disclosure, Target allocates a significant percentage of the points available in its Sustainable Product Index (SPI) to evaluations of ingredient disclosure practices. In Version 3.0 of the SPI, 35% of the total points available to a product are awarded based on its disclosure practices. Working with our partner UL, we have identified the range of disclosure practices currently observed in the marketplace and adopted a scoring system that rewards those practices that allows each chemical's impacts to be assessed.

DISCLOSURE PRACTICE	POINTS AWARDED	TARGET COMMENT
<u>Incomplete Disclosure:</u> This product’s label or webpage does not disclose every ingredient in this product and includes some generic terms (e.g., fragrance). We do not provide any additional information about the specific chemicals that comprise that generic term.	0	This represents the status quo in the U.S. market, where most brands practice incomplete ingredient disclosure, which does not allow consumers to review all of the chemicals in a product.
<u>Brand-Level Palette Disclosure:</u> This product’s label or webpage does not disclose every ingredient in this product and includes some generic terms (e.g., fragrance). We provide the public with a “palette list” of the specific constituents of generic components of our formulations to support third-party assessments of our products.	10	Palette disclosure is an important step towards full ingredient disclosure. While it does not provide information about all specific ingredients in a product, it does support evaluations of a brand’s fragrance palette, allowing consumers to determine if undesirable chemicals might be present in a product.
<u>Allergen Disclosure:</u> This product’s label or webpage does not disclose every ingredient in this product and includes some generic terms (e.g., fragrance). If any part of our formulation includes established human allergens, we provide the public with a list on our product label that meets EU regulations.	15	Allergen disclosure is a valuable ingredient disclosure practice for consumers who are sensitive to specific chemicals. While it does not result in complete product ingredient lists, it provides consumers with actionable information that they can use to avoid exposure to potentially problematic products.
<u>3<sup>rd</sup>-Party Palette Screening:</u> This product’s label or webpage does not disclose every ingredient in this product and includes some generic terms (e.g., fragrance). We have provided a third-party (UL) with a “palette list” of the specific constituents in our fragrances AND the palette has passed a screen verifying it contains no Target SPI High Priority or Concern chemicals.	20	3 <sup>rd</sup> -party palette screening is an emerging best practice that can provide Target and consumers with valuable information even though it does not result in complete product ingredient lists. Consumers can have confidence that a brand’s products will not contain Target SPI High Priority or Concern chemicals if its palette passes the screen.
<u>Confidential Product-Level Disclosure:</u> This product’s label or webpage does not disclose every ingredient in this product and includes some generic terms (e.g., fragrance). We provide the full ingredient list for this product on a confidential basis to a third-party (UL or a DFE or C2C Certifier) so that its complete formulation can be evaluated.	30	Confidential product-level disclosure allows Target and consumers to be confident that specific products do not contain Target SPI High Priority or Concern chemicals. While a full ingredient list is not made public (in order to protect confidential business information), the product composition has been evaluated against Target’s standard.

<p><u>Full Product-Level Disclosure:</u> This product's label or webpage discloses every ingredient in this product, including the specific constituents of fragrances or other proprietary components.</p>	<p>35</p>	<p>Full product-level disclosure constitutes the "gold standard" for transparency. It provides all the information Target needs to score a product on Ingredient Health, plus it allows consumers to make their own determination about the acceptability of a product formulation.</p>
---	-----------	---

**Note:**

The SPI scoring system has been revised to clarify and improve our treatment of transparency. In 2015, Target addressed transparency in two related components of its scoring system: Ingredients (up to 50 points available) and Transparency (up to 20 points available). Ingredients scores were capped at 25 if a product's ingredient list included a generic term, because the presence of such terms precluded screening all ingredients against Target's lists of chemicals of concern. Because of the prevalence of generic ingredients like fragrances, many products received identical scores on Ingredients, limiting the resolution of our scoring system. In 2016, we have separated ingredient screening from disclosure practices. Ingredients scores are based on screening the disclosed ingredients in a product. Transparency scores are based on a more refined assessment of how much information a manufacturer provides consumers to support their desire to evaluate a product's complete ingredient list.