

Target Chemical Policy Implementation

Formulated Products in Cleaning, Baby, Beauty, & Personal Care

Vendor Guidance

BACKGROUND

Target is committed to driving transparency, proactive chemical management and innovation across all of our owned and national brand consumer products, and operations. When we launched our chemical policy in 2017, we set aspirational goals towards achieving transparency to all ingredients as well as improving product formulations by formulating without Unwanted Chemicals such as phthalates, prop-parabens, butyl-parabens, formaldehyde, formaldehyde-donors and NPEs by 2020.

We understand that our vendors and supply chain partners are critical to achieving our goals and we are committed to continued collaboration. Where Confidential Business Information (CBI) concerns need to be recognized (i.e. fragrances), Target seeks to build trust and consensus on how to best maximize transparency by 2020 while balancing the realities of CBI across all formulated product categories.

The chemical policy work is an integral part of our sustainability commitments and overarching [responsible sourcing aspirations](#). With that said, the chemical policy expectations outlined herein are in addition to, not in place of, the ongoing requirements of vendors in all regulatory or compliance functions. Our chemical policy work has and will continue to build on existing efforts.

FORMULATED PRODUCT CATEGORIES IN SCOPE

Formulated products are those which are the result of a variety of chemicals combined to make a finished product such as dish soap, shampoo, lotion and mascara. All formulated product categories listed below are subject to the chemical policy expectations outlined herein.

| Department | Classes |
|--------------------------|---|
| 3 – Household cleaning | 2, 4, 5, 6, 7, 8, 9 |
| 7 – Baby | 7, 8 |
| 37 – Personal care | 2, 3, 5, 8, 11, 12, 13, 14 |
| 49 – Personal care | 0, 1, 4, 6, 8, 9, 50 |
| 52 – Cosmetics | 0, 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 16, 17, 18 |
| 63 – Beauty | 0, 1, 2, 3, 5 |
| 245 – OTC, Personal care | 3, 7, 9 |

FORMULATION EXPECTATIONS

Target's goal is to improve in-scope beauty, baby care, personal care and household cleaning product categories by formulating without chemicals that are on our Formulated Unwanted Chemicals List by 2020.

This goal relates to intentionally added ingredients, and does not include substances which may migrate from packaging or other unknown sources of contamination.

TRANSPARENCY EXPECTATIONS

Target's goal is to achieve transparency to all intentionally added ingredients, including generics such as fragrance, in beauty, baby care, personal care and household cleaning formulated products by 2020.

All vendors must select Data Use Tiers 2.1 and 2.2 for Target within WERCSmart by Dec 31st, 2018.

Tier 2 is comprised of 2 separate consents that authorize the use of supplier data to provide information in support of Target's chemicals policy.

In summary, consent for **Tier 2.1** involves Unwanted Chemicals List screening and aggregate chemical usage reports.

- Target will require Tier 2.1 consent to identify the presence of chemicals listed on our Unwanted Chemicals List and provide a pass/fail status
- Target will require Tier 2.1 consent to identify the presence of generic ingredients like fragrance
- Target will require Tier 2.1 consent to view aggregate usage reports which summarize the prevalence and/or volume of all publicly disclosed¹ ingredients in Target's product portfolio

In summary, consent for **Tier 2.2** provides the chemical identities of publicly disclosed¹ ingredients and product transparency ratios.

- Target will require Tier 2.2 consent which will include the standard chemical name and chemical abstract numbers (CAS#) for each ingredient on a products publicly disclosed ingredient list
- Target will require Tier 2.2 consent to track progress on our chemical transparency goal

All vendors must take appropriate steps to ensure products can be screened in accordance with the above expectations as well as the following:

- Ensure all intentionally added ingredients are in WERCSmart and up-to-date with appropriate CAS#s and chemical names.
 - Where products within scope contain a generic ingredient such as fragrance, it is expected that the generic component ingredients be disclosed when present at concentrations $\geq 100\text{ppm}$ (0.01%) in the total product.
 - Where vendors have this generic component information, vendors can input the ingredient information directly into their WERCSmart formulation.
 - Vendors also have the option to have their 3rd party component suppliers utilize the WERCSmart 3rd party component registration option.
- Select all intentionally added ingredients, and any generic ingredients $\geq 100\text{ppm}$ in the total product, as 'publicly disclosed' ingredients.

We see this as a first step towards greater transparency and aligns with the collaboration and meaningful work already performed by many of our vendors, trade associations, NGOs, industry, and regulators in advancing fragrance transparency. We are actively working with our vendors, software providers, and other supply chain partners to find improved solutions towards meeting our 2020 transparency goals across all formulated product categories.

¹ The term 'publicly disclosed' is a WERCSmart term referring to disclosure to Target. Permissions to disclose to wider audiences are covered by additional Data Use Tier Consents which are not part of the current requirement

TARGET WILL NOT:

- Have access to confidential business information, including product formulations or ingredients not marked as publicly disclosed within WERCSmart or on product labels
- Be provided with search access to full formulation datasets
- Publish product-level details (unless granted via additional Data Use Tiers)
- Use or highlight lack of chemical policy adherence except for in direct vendor conversations with the sole intent of collaboration to find solutions which help advance our chemical policy goals

TARGET WILL:

- Receive reports from UL which indicate whether any Unwanted Chemicals are present in a product
- Receive reports from UL on aggregate chemical usage of all publicly disclosed ingredients
- Receive reports from UL which indicate the extent to which the above transparency expectations have been met (WERCs Ingredient Transparency Score)
- Collate questions and provide updates and FAQs as needed
- Work with vendors to create action plans which will help achieve Target's goals

ADDITIONAL RESOURCES AVAILABLE ON PARTNERS ON-LINE (POL)

- [FAQ](#)
- [WERCSmart Step-by-step Vendor Guidance](#)

CONTACT FOR ADDITIONAL QUESTIONS

- CorporateResponsibility@target.com