

# Development of a "best in class" chemical management strategy for Target

# Client's objectives

Target wanted to develop a progressive chemicals policy that would differentiate the company as a leader amongst their peers and with their customers, and to define a strategy for current and future business practice. Target's focus was to drive supply chain transparency across all of their products, value chain and operations, and go beyond a chemicals management strategy which focused entirely on chemical hazards, to one which was more nuanced, taking into consideration use, exposure and other mitigating factors.

By utilizing a balance of hazard and risk considerations and incorporating innovation to promote safer alternatives to chemicals of concern, a robust approach was created.

# The project

Anthesis assisted Target with the development of a comprehensive retail chemical strategy that includes not only the products on store shelves, but goes beyond to address the entire value chain and operations. The policy drives transparency, proactive chemical management and innovation across all of Target's owned and national brand consumer products, supply chain manufacturing processes and within its in-store operations. We also worked with Target to develop category specific, time bound and measurable goals.

To support Target's strategy and goals, Anthesis provided a Business Requirements Definition (BRD) to define business practices related to transparency and chemical management, and hosted a pilot data collection program which included Business Process Outsourcing (BPO) for their hard goods supply chain. These activities provided initial insight into their supply chain transparency, and the presence of chemicals of concern in Target products.

To identify chemicals which could potentially represent a concern for Target's supply chain, Anthesis developed a comprehensive chemicals list comprised of 23 NGO, industry, and regulatory restricted lists representative of Target's product mix. We provided an initial screening of chemicals based on the pilot data collection program. We also provided data analytics and visualization to assist Target to identify "hot spots" and focus their initial goals.

In addition to the chemicals policy strategy, Anthesis also provided support with the development of an internal and external facing communication strategy, messaging framework, and communications plan.







# Key services delivered

- Stakeholder engagement to determine the "Current State" baseline, to define and capture current chemicals management activities across 5 broad-based product category levels.
- Benchmarking against retail competitors, brands, NGOs, and industry associations to identify best-in-class strategies for chemicals management.
- A horizon scanning exercise to identify current and future regulatory requirements relating to all of Target's products.
- Strategy development of Target's overall philosophy around chemicals management.
- Collaboration with key stakeholders to define key policy components, and to align with corporate sustainability goals and existing initiatives with Target.
- Implementation of a pilot business process outsourced (BPO) service to support supply chain engagement, data collection and analysis. This enabled us to evaluate supply chain transparency, and the presence/prevalence of hazardous chemicals in category specific supply chain product categories to support full policy implementation.
- Development of data visualization tools and dashboards to manage the supplier and product data pilot BPO, and analyze the presence of chemicals of concern in products.
- Project management support throughout the 12-month long engagement to the Target CSR and cross-functional teams.

### Key project outputs

- Product category specific mini-briefs which summarized the "current state" of Target chemicals management, as well as benchmarking and resulting analytics related to individual product categories.
- A written report detailing the results of horizon scanning/analysis, detailing short-term compliance vulnerabilities, and strategies to address any issues.
- Development of a "Chemicals Philosophy" statement.
- A proposal for a chemicals management process detailing integration points with internal processes.
- Stakeholder engagement via workshops related to the finalization of the policy components and internal/external communication strategy and roll out.

- · A communications and implementation strategy and roadmap.
- Development of a "Comprehensive list of Chemicals of Concern" pulled from relevant regulatory, industry and NGO lists to provide insight on chemicals regulated and/or restricted in specific product categories, as well as a matrix which links material types (substrates) to potential Chemicals of Concern.
- Outsourced data collection gathering of full material disclosure data, as well as management of vendor training and responses.
- · Analytics dashboard for data visualization.

# **Project impacts**

Anthesis is currently partnered with Target on the implementation phase of the chemical policy. This work has allowed us to expand our partnership with Target to provide assistance with other projects scopes, including climate risk supply chain analysis, the development of a sustainable cotton policy and governance work.

## What industry experts said

"This announcement is a huge win for consumer transparency and we're thrilled that Target is taking this step. It's a forward-thinking policy like this that will drive industry change, ensuring that the health of our planet and its people are never compromised for profit,"

 Jonathan Replogle, CEO Seventh Generation

"By working with suppliers to remove toxic chemicals like phthalates, perfluorinated chemicals and flame retardants from products, Target will bring safer products into the shopping carts of millions of consumers. A growing body of scientific evidence has linked even low levels of exposure to these chemicals to chronic diseases on the rise,"

 Mike Schade, Campaign Director Mind The Store

### Target:

"Our chemical strategy will be one of the most comprehensive in the U.S. retail industry, including all Target-owned and national brand products and operations, not just formulated products,"

