



## 2018 Target Corporate Responsibility Report



We have changed the naming convention of this report to reflect the year of publishing (2018) as opposed to our previous reports, which reflected the year the data represented. As such, there will be no report titled the 2017 Corporate Responsibility Report (CR), as this 2018 Corporate Responsibility Report represents the fiscal year 2017 data.

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# A Message to Our Stakeholders

Long before we opened our first Target store in suburban Minneapolis, our company was founded with a deeply held belief that the enduring success of our business relies on the strength and vitality of the communities we serve.

Fifty-six years later, not only do we still believe in that essential connection between business and community, we have broadened our philosophy on corporate responsibility.

Today, our team – almost 350,000 strong – is rallied around a single, unifying aspiration: to help all families discover joy in everyday life.

Inspired by that purpose, we are building on our legacy of philanthropy and volunteerism. We see opportunity to use every dimension of our business to make a positive impact. That means leveraging our size, scale and core strengths to create value for our teams, our guests, our communities and investors, and the planet we share.

This work is about more than doing what is right by our stakeholders. It is about using our purpose to guide every choice and every critical business decision we make. And it represents a significant step change in the way we are prioritizing our investments and deploying our resources. We have organized our corporate responsibility strategy around four key themes: empowering our teams, serving our guests, fostering our communities and designing for our future.

Throughout this report, you will see many examples of this work coming to life all across our company – from how we are challenging our teams and vendors to develop cleaner, healthier products to the ways we are building and operating some of the most sustainable buildings in retail.

We will share how we are championing diversity and inclusion across our workforce and throughout our business, positioning our stores as hubs for community and creating new spaces to bring kids and families together.

You will see new policy positions on chemicals and water use, as well as how we are finding new ways to support a more circular economy.

And, finally, you will see where we think we can drive immediate impact by investing in our team.

Last fall, we took a leadership position on wage – moving to \$11 an hour for a starting wage and committing to \$15 by 2020. We raised our starting wage again this spring, to \$12. And we are investing in new training opportunities, at every level of the company, so that our team members can develop new skills and deeper expertise, become better leaders and ultimately build rewarding careers at Target and beyond.

But paying more is only part of the equation. Pay must also be equitable. We have a long-standing practice of paying our team members equitably regardless of gender, race or ethnicity. And we regularly audit to ensure we uphold that commitment, because treating all team members fairly is a non-negotiable.

While our corporate responsibility ambitions are global in scale and cut across multiple sectors and constituencies, we are approaching this work with a great sense of humility. Driving meaningful results and change takes time, focus, patience and partnership.

Said another way, this work is a journey. And while we have a long way to go, I am proud of our progress. Every action we take that strengthens the health and vitality of the communities where we live is a step forward in building a better, brighter future for Target and the people we serve.



**Brian Cornell**

Chairman & CEO, Target

# Q&A With Our Vice President of Corporate Responsibility

**Q: Target has taken a journey when it comes to corporate responsibility. How has it evolved?**

**A:** We learned a great deal in 2017 from the journey of creating our new corporate responsibility strategy. This strategy marks a pivot in the role that corporate responsibility plays in Target's business. It is evolving from primarily philanthropy to linking business and societal value; from a singular issue to driving multi-faceted positive impact; from being stand-alone to being woven into all we do; and from pockets of action to enterprise-wide engagement. It has allowed us to ensure that corporate responsibility is truly delivering on Target's purpose and is poised to ensure we have a thriving business now and into the future.

**Q: What was the case for change?**

**A:** Our operating environment has radically shifted, and we needed to evolve and adapt. Guest expectations of all retailers, including Target, are rising, and their purchasing decisions are increasingly being motivated by concerns like whether a retailer has committed to sustainable business practices or taken a stand on an issue that matters to them. We had a huge opportunity to better serve this guest need.

We had to build foundational elements into our strategy in terms of issues that could pose risk for a business of our size. There also was an opportunity for us to better use corporate responsibility to drive competitive advantage by doing things in a way that leverages Target's unique assets and strengths as a business. And most of all, we could also see untapped business opportunity; we look at businesses driving significant revenue via their corporate responsibility strategies and aim to maximize our ability to capture this opportunity for Target.

**Q: What corporate responsibility achievements are you most proud of in 2017?**

**A:** One of the achievements I am most proud of is our continued dedication to delivering on guests' rapidly

changing needs and preferences. In response to our guests' desire for clean, transparent products, we recently began rolling out a common framework for what is considered nutritious, clean, transparent and responsibly sourced. Starting in January of this year, we began in-store and online implementation of our Wellness Product Standards. Through iconography depicting key attributes, such as organic or cruelty-free, we hope to make it easier for guests to access and understand our carefully curated selection of products that are better for you, your family or the planet.

And beyond the shelf, we are working to ensure our products are made using natural resources responsibly. We have made progress already by establishing cotton, forest products and packaging policies and commitments, and are working on issuing a deforestation statement as well. These are just a few ways we are delivering on our promise to improve our products to align with guest preferences and values and help make a positive impact.

**Q: Many corporate responsibility initiatives that improve the bottom line in the long term do not pay off initially. How do you bring along stakeholders in that early stage when there will not be an immediate payoff?**

**A:** Our leadership is intentional about creating the right incentives and motivations to get stakeholders onboard with initiatives that do not immediately contribute to our bottom line. For instance, we knew our goal to add solar rooftop panels to 500 of our stores and distribution centers by 2020 would require having a long-term vision. In 2017, we added more than 65 megawatts of solar across 86 new solar projects – more than any other U.S. retailer, and are well on our way to reaching our goal. This would not have been possible without the support, insights and engagement of our stakeholders who understand that to make a significant impact, we must think beyond the short term.

**Q: What excites you the most about this new strategic direction for corporate responsibility at Target?**

**A:** The four pillars of the strategy each contain a big idea. When it comes to our team, we are hard at work thinking about how to make our jobs among the most rewarding in retail, and I am so proud of our initial commitment to get team members to \$15 an hour by 2020 – and that is just the beginning. For our guests, I am excited to bring the core Target competency in eliminating tradeoffs to bear on the choices guests too often have to make between affordability, efficacy and sustainability. I am also thrilled that the growth of our joyful new private-label brands will be powered by helping our guests meet their need for value and values. When it comes to our community pillar, we are essentially reimagining the role a retailer plays in a community so our presence helps power the prosperity and well-being of whole communities. As a company, we are reasserting the case for bricks and mortar, while not slowing down as we innovate to become a best in class digital retailer. And it is a privilege to bring the power of Target's design prowess to the exciting challenge of how we make the circular economy a mainstream part of our products and of our guests' shopping and consumption behaviors. It feels like a blueprint for retail 2.0, and a way for us to truly stand behind our purpose to help all families discover the joy of everyday life.



**Jennifer Silberman**

Vice President, Corporate Responsibility

# 2017 Year in Review

## Notable Highlights

## No. 31 Barron's Most Sustainable Companies

🕒 [Learn More](#)



### Empower Teams

- Raised minimum wage to \$11, and then \$12 in the beginning of 2018, as part of our commitment to pay our team members at least \$15 by the end of 2020
- Team members volunteered more than 1 million hours in local communities, exceeding our annual goal
- Named by AnitaB.org as one of the 2017 Top Companies for Women Technologists
- More than 7,000 Target headquarters team members participated in bias training
- Launched a pilot program with [Laborlink](#) to prevent human trafficking in Northern India



### Serve Guests

- Expanded our design agenda to include growing our assortment of adaptive, sensory-friendly and inclusive-sizing apparel, in addition to making added investment in multicultural food, toys and beauty
- Hosted our first Target Takeoff mini accelerator retail program focused on the theme of “better-for-you” products
- Offered a 10 percent military discount in November in all our stores and online for veterans, active military and their family members
- Introduced our Wellness icons, as a way to simplify our guests’ ability to make informed purchasing decisions



### Foster Communities

- Donated more than \$104 million in cash to community programs and more than \$112 million in-kind donations, including more than \$108 million to organizations that support underrepresented communities of color and more than \$3.3 million in disaster relief and recovery efforts
- Donated more than 76 million pounds of food, equating to 64 million meals
- Made a [\\$14 million commitment to youth soccer](#), including a [local soccer grant program](#) and a partnership with the U.S. Soccer Foundation, with a goal of building 100 new soccer play spaces by 2020



### Design Tomorrow

- Announced a new climate policy and goals, including Scope 1 and Scope 2 goals that meet the level of ambition for the Science-Based Targets initiative
- Announced new policies and/or goals for [cotton](#), [forest products](#) and [packaging](#)
- Committed to source 100 percent renewable energy across our U.S. operations
- Installed an additional 86 new solar projects, for a total of 436 projects, and increasing our total solar capacity to over 204 Megawatts (MW)
- Launched a nationwide Car Seat Trade-in program, with 170,000 car seats recycled into new products and 2.6 million pounds of material diverted from landfills



## **Our Corporate Responsibility Strategy**



# Our Corporate Responsibility Strategy

We call our corporate responsibility strategy Future at Heart, and it encapsulates our ambition to put the needs of people, communities and the planet at the heart of how we work today, to help create a better tomorrow.

While it builds on our heritage as a responsible business, Future at Heart represents an exciting step in our corporate responsibility ambitions. Aligned with Target's broader business transformation and guided by Target's purpose, Future at Heart is designed to leverage our core strengths and lean into our competitive advantage to create value for the people, communities and planet that we serve – today and tomorrow.

Future at Heart is the result of a process to re-imagine our corporate responsibility vision and better connect it to our purpose and strategic priorities. In partnership with teams across the business, we asked ourselves some provocative questions: *How can our owned-brand products and brands evolve so guests do not have to choose between value and values? How can we ensure a job at Target enables*

*team members to care for themselves and their families? How can we elevate the well-being of the people in our manufacturing supply chain communities? How can our stores accelerate economic prosperity in our communities, especially traditionally underserved communities? How can we use philanthropy to drive transformative change on the issues impacting our business and society today and tomorrow? And how can our world-class designers embrace a circular mindset to envision a business that leaves the world better for future families?*

Future at Heart is our response to these questions – and to changing social and environmental realities. We have set four strategic ambitions – Empower Teams, Serve Guests, Foster Communities and Design Tomorrow.

It has wide-ranging implications for our business – on how we design and develop our products and brands, thinking about both beginning and end-of-life and the natural resources we need; on where we locate new stores and

how we partner with local communities; on how we design work for our team members to make it rewarding and joyful; and on how guests experience our products and stores every time they go on a Target run or shop online.

This is just the beginning. As one of the largest employers in the United States, with stores in more than 1,800 communities and more than 30 million guest visits every week, we have a significant opportunity to drive change at scale and deliver joy to all families today and tomorrow. If we are successful, Future at Heart will help us create an even stronger workforce, empower guests to make healthy and responsible choices and contribute to thriving communities and a healthy environment. It should also help us attract and retain the best team in retail, earn us guest love and loyalty, make Target a welcome neighbor in every community and be responsive to shifting environmental realities, building a successful business for the long term.

**That is what Future at Heart is all about.**

## future at heart Help all families discover the joy of everyday life



### Empower Teams

**Ensure team members and manufacturing supply chain workers thrive**

We invest in team members and support manufacturing supply chain workers so they can take care of themselves, each other and their families

#### Priority Areas:

- Economic Attainment & Well-being
- Meaningful Work & Opportunity
- Global Livelihoods



### Serve Guests

**Deliver value with values**

We offer products, services and experiences that meet all families' needs for value and values

#### Priority Areas:

- Better Products
- Purposeful Brands
- Inclusive Products & Experiences



### Foster Communities

**Accelerate economic development**

We increase economic prosperity wherever we operate

#### Priority Areas:

- Economic Vitality
- Welcoming Places
- Community Opportunity



### Design Tomorrow

**Embrace future forward design**

We take the circular economy mainstream

#### Priority Areas:

- Responsible Resource Use
- Circular Behavior & Innovation
- Sustainable Operations



## Definitions

**Team Member:** As of February 3, 2018, we employed nearly 350,000 full time, part time and seasonal employees, referred to as “team members.” Team members include store employees.

**Manufacturing Supply Chain Workers:**

All vendors, suppliers, manufacturers, contractors, subcontractors and their agents.

# Empower Teams

## We Strive to Ensure Target Team Members & Manufacturing Supply Chain Workers Thrive

Our team members are what the Target brand is all about. As we look toward the future, we are continuing to invest in our nearly 350,000 team members and create good jobs that allow them to thrive. We believe an investment in them is an investment in the future of our business, and should also deliver joy to all families by first including the families of our team members.

The world of work today is changing, and what team members need from a job at Target is changing as well. There is no one-size-fits-all. So, we are evolving our approach by being responsive to team members' needs and giving them opportunities to develop skills for their future. We believe in fostering a diverse workforce and an inclusive workplace that provides equitable opportunities for our team members.

We also desire to improve the livelihoods of workers throughout our global manufacturing supply chain, striving to elevate worker well-being, enhance worker safety and work to eliminate forced labor, if discovered.

## To Empower Teams, we are focusing on three key areas:

### Economic Attainment & Well-being

We provide competitive compensation and benefits that enable Target team members to meet their needs.

### Meaningful Work & Opportunity

We foster a diverse and inclusive workplace that provides experiences to learn, grow and make a difference for our guests and their communities.

### Global Livelihoods

We strive to enhance worker safety, well-being and economic opportunity throughout our manufacturing supply chain.

[Read more about our goals in this area](#)





# Target Team

As one of the largest employers in the United States, we understand the value of the people that serve our guests every day. Our team is an important part of what sets Target's shopping experience apart. We believe that, in return for putting their best foot forward every day at Target, we have a responsibility to provide our team members with the resources and experiences they need to grow and thrive.

## Economic Attainment & Well-being

Target has a long history of investing in our team by giving them opportunities to grow professionally, take care of themselves, each other and their families and make a difference for our guests and their communities. We believe that taking care means investing in one's whole self, both at and outside of work.

### Competitive Pay & Benefits

We recognize the impact increased wages have on our team members' ability to sustain financial stability and look after themselves and the people they love. That is why we have committed to pay all team members a minimum hourly wage of at least \$15 by the end of 2020. [We moved to an \\$11 minimum hourly wage](#) in 2017. And, we took the next step by moving to a \$12 minimum hourly wage earlier this year, starting with our existing team members.

This represents a major investment in our team, which should enable us to continue recruiting and retaining strong team members, ultimately delivering on an elevated experience for our guests and for the communities we serve.

Empowering our team members is about more than just pay. We have also expanded upon the training and support for them to build skills, develop professionally and continue to offer expertise and industry-leading service to our guests.

We offer health and wellness programs for eligible team members, including health care benefits, paid parental leave, paid short-term disability and optional long-term disability.

From their first day on the job, we provide eligible team members with a large portfolio of [benefits](#), discounts and perks. On top of a 10 percent team member discount, a few of the additional benefits that set us apart include:

- **Wellness Savings:** Wellness products are not just for our guests to enjoy. We offer team members an additional 20 percent wellness discount on fresh fruits and vegetables, Simply Balanced products and C9 Champion athletic merchandise at Target and Target.com. In the first two years of the offering, team members and their families have saved over \$22 million.
- **Team Member LifeResources:** We believe taking care of our team means investing in their whole selves, both at and outside of the workplace, and we seek to enhance the well-being of our team and their families. Our Team Member LifeResources (TMLR) offering exceeds the average employee assistance program. All team members and their entire household have free, 24/7 access to trained clinicians who offer guidance and support in various facets of personal well-being. This includes up to five free counseling sessions, per issue, per year, for team members and their entire household. We also have in-store counselors in over 160 stores to support our team members.

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**As we look toward the future and all of the investments we are making in our business – from our reimagined stores to our supply chain – our team is at the center of bringing it all to life. So, we are investing more than ever in pay, hours, development and training opportunities for our team.**

- Stephanie Lundquist,  
Chief Human Resources Officer, Target

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By the end of 2020, we have committed to pay all team members a minimum hourly wage of at least \$15.

This represents a major investment in our team. And it is helping strengthen our business and better serve our guests, by allowing more team members to think about building a long-term future with Target.

- **Financial Resources:** We have supported our team's continued education by offering tuition reimbursement for more than 20 years, including investing more than \$46 million over the past five years to support team members pursuing their GED, undergraduate and graduate degrees. We also offer access to the Target Credit Union and budgeting tools, as well as a dollar-for-dollar 401(k) match for eligible team members, up to five percent of eligible pay.
- **Flexible Scheduling:** We know our team appreciates the opportunity to work a variety of schedules at Target. In fact, 40 percent of our workforce are student or retiree age and are looking to build schedules around their availability. With input from our team members, we post store schedules no later than 10 days in advance, allow store team members to trade and pick up shifts at their store location and do not do on-call or snap scheduling. We also know that, while some team members have limited availability, others would like to take on additional hours. So in the past year and a half, we have introduced more specialty positions and added millions of payroll hours.

## Pay Equity

Target cares deeply about and values the team that comes together, every day, to serve our guests. We try to provide

meaningful and interesting work, as well as career growth and development opportunities for the nearly 350,000 team members who work at Target. We also understand the importance of providing equitable pay to all team members based on their experience, expertise and position. And this is not just our goal or policy – it is living out our company values of treating team members fairly.

Our latest pay audit of U.S. team members confirmed that. Taking into account relevant factors such as position, tenure and location, Target pays team members equitably, regardless of gender, race or ethnicity. We are proud of this and know that maintaining equity requires an ongoing, dedicated focus and commitment.

To get to this point, we engage in several meaningful routines with our team. We provide training and tools to those responsible for hiring and compensation decisions to reduce the threat of bias, whether conscious or unconscious, affecting decision making. We removed questions about prior salary from most hiring situations so we are less likely to perpetuate previous pay gaps for qualified job candidates. And, we regularly conduct pay audits to ensure pay is fair and equitable across the team.

However, we recognize this important work will require ongoing effort. We will continue to conduct regular pay audits and address any issues we may find. A diverse and

inclusive team is a better team, which results in a better experience for all our guests. We believe that when we build our teams through equitable treatment, including equitable pay, we ultimately build a better Target.

## Crisis & Disaster Support

We want to be there for our team members when they need it most, especially before, during and after a crisis or disaster. In 2017, as team members across the country were impacted by Hurricane Harvey, Hurricane Irma and devastating wildfires, Target's Disaster Assistance Program helped nearly 2,500 team members with more than \$1 million immediately after the natural disasters.

On top of that, team members raised an additional \$550,000 by donating to a fund that Target matched, dollar-for-dollar, to support nearly 600 fellow team members impacted by the hurricanes.

We also offer closure pay to eligible team members if their stores are temporarily closed and look to transfer team members to another store in their area if their store will be closed longer than a week.

Most recently, we created a Team Member Giving Fund, which allows team members to donate through a third-party to help fellow team members in times of hardship, such as house fires or serious illness.





## Meaningful Work & Opportunities

We strive to support team members with the chance to learn, as well as earn, and want to empower them to do their best work. And we support them on their career journey, finding new growth opportunities and experiences.

### Education & Skills

As we continue to design and evolve jobs for the changing retail environment, we are doing so with the goal of preparing our team members for success, at Target and beyond. Our team members engage with over 30 million guests each week. We believe that an investment in our team members' development is an investment in the experience they create for our guests every day.

### Training & Development

We have initiated several programs that provide eligible team members with paid training and education on retail business management, guest service and product assortment. The training is fully paid and helps our team gain skills while better serving our guests.

We expect to continue to invest hundreds of thousands of paid training hours to develop a sales force of experts across the business by building our team members' product knowledge, developing service skills and implementing continuous learning programs. For our store teams, we have invested significant payroll hours in onboarding for new team members, as well as certification programs and training in specialty areas of the store, like beauty, apparel and electronics. In 2017, team members participated in 325,000 hours of these specialty training opportunities. We have brought on-demand learning to our team's fingertips through mobile device-led training that allows them to learn on the sales floor and engage real-time with guests on the latest trends and information.

We have also engaged our vendors to visit stores and help train our team members on new products, so they

can better represent them for our guests. And, we have brought in service and sales training experts to help our team members learn more about creating a welcoming, inspiring and rewarding guest experience. Training developed for our store leaders will help them build critical leadership skills to effectively coach their teams and reinforce positive behaviors.

### Skills-based Volunteerism

Our teams engage in skills-based volunteerism as a way to share their unique skills and talents by using them to address unmet needs within the broader community.

As an example, in 2017, more than half of the lawyers, paralegals and administrators on Target's Legal Affairs team lent their time and legal know-how to pro-bono work in the Minneapolis/St. Paul area and beyond. From helping people apply for DACA status to creating wills free of charge for local first responders, the Legal Affairs team spent hundreds of hours sharing their expertise in service to their local communities. This marks the sixth consecutive year this team has exceeded the national benchmark for pro-bono service among corporate legal departments.

We also put our design chops to good use in our hometown of Minneapolis, when our in-house design team [designed the official Super Bowl LII volunteer uniforms](#) pro-bono for the more than 10,000 volunteers who supported festivities surrounding the big game.

### Supporting Our Communities

Coming together as one team extends beyond our Target family to every community we serve. Building on our long history of supporting communities where we operate, each year we work toward a goal to volunteer 1 million hours and encourage our team members to participate in our annual Team Member Giving Campaign. In 2017, our team members exceeded our goal, volunteering nearly 1.1 million hours of their time. Additionally, our team members donated approximately \$9.3 million to nonprofit organizations across the country as part of the campaign.



## Diverse Workforce & Inclusive Workplace

We aim to champion a more inclusive society and to deliver inclusive guest experiences by embracing diversity and giving everyone access to the same opportunities. Hiring and retaining diverse talent, increasing diverse representation at all levels and every member of our team having equitable experiences are critical to delivering on our aspiration. An intentional focus on a workforce that represents the spectrum of guest perspectives, and a workplace that supports and enables those perspectives to exist within our business objectives, is what will help us deliver on behalf of our guests. We are proud of where we are, but will continue to evolve our approach in alignment with Target's purpose and strategy.

### The Bullseye, Your Brain and its Bias

Investing in the inclusion acumen of our team through immersive experiences, fueling individual curiosity and topical trainings were main focuses in 2017 and will also continue to be in 2018.

In order for our team to feel safe being authentic individually and co-exist with other team members' authenticity, it was important to help our team understand how to manage their bias. We launched bias training to provide our team with tools to recognize and manage bias and to understand how our similarities and differences can enhance our team and our business.

We are taking a thoughtful approach to how we roll it out to our full organization. We started with taking 7,000 of our headquarters team members through a three-hour bias training session that equated to 21,000 hours of training.

In addition, we are embedding bias training for our team members into regular training that they have throughout the year, as well as for new team members joining Target. The format of the training will vary depending on the team member and their position, but includes a variety of online training modules, classroom training and team conversations.

## Workforce Diversity<sup>†</sup>

Gender Diversity	Female	Male
Total Workforce (U.S.)	57%	43%
Total Workforce (Global, excluding the U.S.)	39%	61%
Target Manager Workforce	52%	48%
Target Leadership Team	36%	64%
Target Board of Directors	36%	64%

Racial/Ethnic Diversity	Diverse	Non-Diverse
Total Workforce (U.S.)	47%	53%
Target Manager Workforce	33%	67%
Target Leadership Team	36%	64%
Target Board of Directors	45%	55%

<sup>†</sup> Data is for the fiscal year ended Feb. 3, 2018

## Living Our Inclusivity Value

### In Safe Hands

In 2017, the Muslim Network hosted a "What is Ramadan?" event to help our team understand more about the experiences of our team members of Muslim faith. Two team members who attended the event also ended up becoming the mentor and manager for an intern of Muslim faith. Because of what they learned during the event, they were able to prepare the existing team with information that helped them welcome the intern, as well as have resources available for her to exercise her faith. As a result, the onboarding experience created a sense of belonging that made the intern feel safe at Target.

🕒 [Learn more about this story](#)

### More than a Badge

As we continue to service a broader spectrum of guests, it is crucial to our business to have differing perspectives present. So, when a first generation Arab-American began working as a team member in one of our California stores, the store leader recognized that he was bilingual in Arabic and English. He proactively requested that the team member's Target name badge be in both languages, so guests would be aware and able to engage with him in a different language. The team member also expressed how this simple gesture made him feel proud of his heritage and like he belonged at Target.

### Leadership of the Future

Gender and racial/ethnic diversity in the supply chain industry is something Target has been focused on in our own operations. Knowing this, our global supply chain team created the Target Arrows Camp. It was a two-day experience we hosted for MBA students dedicated to developing logistics talent for the future. It offered a chance for the students to build practical skills through networking, competition and mentorship with experts and other leaders. It also provided a window into the [Target Arrows Leadership Development Program](#), a three-year program designed to develop future leaders who will solve complex problems and design new and innovative solutions to transform Target's global supply chain and logistics.

# Manufacturing Supply Chain



## Global Livelihoods

We believe that improving worker well-being is about enriching and protecting the people who help create our products, the families they support and the communities where they live and work. We focus our global livelihood efforts on engaging with manufacturing supply chain workers to elevate their well-being.

We work with strategic partners to help us reach our goal of elevating the lives of at least three million people in the factories and communities where our goods are produced.

We support the livelihoods of workers around the world who help make our products through innovative programs and partnerships.

- **Nest Standards for Homes and Small**

**Workshops:** Since 2016, we have partnered with [Nest](#), a nonprofit focused on developing the global artisan and handcraft industry to improve the livelihoods of artisans and home-based workers. In 2017, we joined Nest and other retailers to draft more than 130 compliance standards for home-based workshops that encompass worker rights and business transparency, child advocacy and protection, fair compensation and benefits, worker well-being, health and safety and environmental sustainability.

- **CARE Dignified Work Initiative:** In 2017, we began our partnership with [CARE](#), an international NGO that addresses economic inclusion and marginalization of women and their communities, to empower female workers in our supply chain located in Bangladesh, Indonesia and Vietnam. In 2018, we are expanding upon this work to provide female workers with the enhanced capacity to identify, articulate and advocate for themselves on issues that affect their well-being.
- **Fair Trade Certification:** We were among the first U.S. retailers to source decorative home goods that were Fair Trade certified through our partnership with [Fair Trade USA](#). In 2017, the first factory that Target nominated for Fair Trade USA certification became certified.



## Helping Migrant Workers Communicate with Their Families

Communication between migrant workers and their families is a persistent challenge that is not unique to our supply chain, as over 60 million children in China are left behind when one or more of their parents leaves to find work. In 2018, we engaged with Collective Responsibility, a China-based strategic advisory firm and innovated with five Chinese universities to create a technology solution to help bridge the communication gap between migrant workers and their children. Three smart phone app ideas were tested at six Chinese factories where Target's owned-brand products are made. School and home visits in Sichuan Province validated the potential impact of the apps on migrant worker families. As a result, a smart phone app is planned for development in 2018, which will eventually be made available to workers and their families within our supply chain in China.



## Enhance Worker Safety

Providing occupational safety for workers within our manufacturing supply chain is a key component of our efforts to improve global livelihoods. Our [Standards of Vendor Engagement](#) require that our suppliers provide a safe and healthy working environment that complies with local laws and minimizes occupational hazards.

Target was a founding member of the [Alliance for Bangladesh Worker's Safety](#) in 2013 and continues to engage with the Alliance to elevate safety conditions for garment factory workers across Bangladesh. We use our seat on the Alliance's Board of Directors to drive industry-wide change and provide on-the-ground support for factories as they continue to complete the remediation process to adopt the Alliance's strict safety standards.

## Eliminate Forced Labor

We believe we have a responsibility to protect the people who help create our products and make every effort to deliver products to our guests that are made ethically and responsibly. In 2017, we continued to deepen our commitment to identify, and if discovered, work to prevent forced labor in our supply chains, by working to break down the factors that enable forced labor to exist around the world.

### Addressing Forced Labor Risks

We are working alongside our suppliers, global sourcing experts and other key partners to [help prevent forced labor](#) in global supply chains. We are utilizing new technologies, community engagement programs, prevention efforts and more robust standards related to abuses that occur outside the four walls of a factory.

- **The Consumer Goods Forum:** Our CEO Brian Cornell sits on the [Board of Directors of The Consumer Goods Forum](#), and we have adopted the organization's Resolution on Forced Labor. The resolution is the first industry commitment of its kind and includes the adoption of three key principles: that

every worker should have freedom of movement, no worker should pay for a job and no worker should be indebted or coerced to work.

- **Verité:** We have enlisted [Verité](#) to develop policies for our suppliers to protect foreign contract workers in our supply chain – seeking to set clear expectations for suppliers and laying out procedures, standards and verification mechanisms that will help support our adoption of the [Employer Pays Principle](#).
- **Responsible Business Alliance (RBA):** Target joined the RBA's [Responsible Labor Initiative's](#) Steering Committee in 2017 to continue to develop cross-industry approaches to advancing labor practices, specifically related to responsible recruitment and protections for foreign migrant workers.
- **LaborLink:** In 2017, we launched a pilot program with [Laborlink](#) to aim to prevent human trafficking in Northern India. Workers from eight factories and 10 communities participated in a survey that informed both digital informational messaging and local non-profit partners' educational programs. By conducting awareness programming prior to migration, we hope this will help address the needs of community members and may reduce the possibility of trafficking.
- **GoodWeave:** All handwoven rugs produced for Target in India are certified by [GoodWeave](#) as child labor free. In 2017, we continued partnering with GoodWeave to further develop a technology platform that should enable end-to-end supply chain mapping and monitoring for child labor risks in our supply chain in North India.
- **International Justice Mission (IJM):** In 2017, we entered into a partnership with the [International Justice Mission](#) to implement the group's Safe Migration Program and Grassroots Prevention Campaign in India. These programs seek to prevent labor trafficking and support trafficking survivors by engaging with vulnerable communities and local authorities.

*Photo by: U. Roberto Romano*



## Transparency

When it comes to manufacturing supply chain mapping, we are proud that we were the first major retailer to go public with a list of tier 1 factories in 2014 and the first U.S. retailer to publish our apparel tier 2 wet processing

### Endorsing the WEST Principles

We were early endorsers of the [Worker Engagement Supported by Technology \(WEST\) Principles](#) and use emerging technology to engage workers in our global manufacturing supply chains to help mitigate the risks of abuse and exploitation. By signing on, we join other brands, manufacturers and nonprofits in a commitment to the following eight principles:

- Starting with integrity and purpose
- Using worker-centric and inclusive design
- Building trust with workers
- Facilitating uptake and ownership
- Managing security and risk
- Analyzing engagement and impact
- Informing decisions and system changes
- Collaborating and sharing learnings

facilities (these include fabric dyeing, printing and finishing mills as well as garment laundries) in 2016.

As part of our efforts to improve transparency and visibility into our supply chain, we continue to engage and collaborate with external stakeholders and benchmarking initiatives.

In 2017, we were included in the first-ever [Corporate Human Rights Benchmark](#) (CHRB), which assessed 98 of the largest publicly-traded companies in the world on 100 human rights indicators. We received a 30 percent score, slightly above average. We are leveraging this data to evolve our human rights work and intend to use the results of the 2018 CHRB that is scheduled for release in November to attempt to improve upon our human rights performance moving forward. Read more on our current labor and human rights policies [here](#).

Target also participates in the [Fashion Transparency Index](#) (FTI), a project of nonprofit Fashion Revolution, which reviews and ranks 150 of the largest global fashion and apparel brands and retailers in the categories of Policies & Commitments; Governance; Traceability; Know, Show & Fix; and Spotlight Issues. FTI assesses how transparent organizations are about suppliers, supply chain policies and practices, as well as social and environmental impact.

*Photo by: U. Roberto Romano*





# Serve Guests

## We Deliver Value with Values

Our guests' expectations are changing. They want to do business with brands that match their values. And they do not want to accept tradeoffs – between what is affordable and what is best for their family, or between performance and the planet. At Target, we have a history of eliminating tradeoffs for our guests. It is at the heart of our brand promise to Expect More. Pay Less.

Now we are bringing that same thinking to help deliver better products and services that meet our guests' need for both value and values. This starts with raising the bar for what guests can expect from products they buy at Target. For example, it means removing the complexity and guesswork for guests who have told us they find it is extremely confusing to decode which products are better-for-you and/or better-for-the-planet.

Our owned brands are a key differentiator for Target. We are working across our portfolio of owned brands to improve the environmental performance and social impact of each brand. For example, we are identifying opportunities to reduce packaging, eliminate unwanted chemicals, source more sustainable raw materials and leverage the voice of our brands to bring attention to important societal issues such as supporting children with different abilities.

We also want all families to find products that reflect their needs at Target. That means trying to make our assortment as inclusive as possible. Our design and procurement teams help us bring new, innovative products and brands into our stores that meet the unique needs and preferences of our guests. We have been especially focused on growing our assortment of multicultural toys, beauty and food, as well as inclusive apparel to make our guests feel confident and empowered to be their most authentic selves.

## To Serve Guests, we are focusing on three key areas:

### Better Products

We offer better-for-you and sustainable products, services and experiences without compromising convenience, cost or efficacy.

### Purposeful Brands

We aim to build positive environmental and/or social impact into the way we make and market our owned brands.

### Inclusive Products & Experiences

We offer products, services and experiences that bring joy to all families by meeting diverse needs.

[Read more about our goals in this area](#)

# Better Products, Services & Experiences

We know our guests care a lot about what is in our products, how they are made and where ingredients come from. They trust us to provide them with better products that are responsibly made. We use our size, scale and expertise to create new, better-for-you product choices – like our [Simply Balanced](#) grocery brand – and have high standards for product quality and safety.

## Better Products

### Our Chemicals Strategy & Policy

Our guests want to know about the chemicals used in their favorite products, and they look to Target for better options for their families. In 2017, to build on our work of offering cleaner, better-for-you product options, we created our chemicals strategy and policy that addresses our entire value chain, operations and every product we sell – a first in the retail industry. We believe that by supporting our vendors in being more transparent about the ingredients in products, we can spur innovation across all our product categories and operations and help reduce unwanted chemicals in the homes and lives of millions of guests.

Our chemicals strategy is an integral part of our sustainability commitments and our overarching [responsible sourcing aspirations](#). When our [Sustainable Product Index \(SPI\)](#) was created in 2013, it helped us assess products for healthier living, environmental impact, packaging and sourcing practices. Now, we use our chemicals strategy as the foundation for formulated essentials. We expect other initiatives, like our Wellness icons, to build on it.

Target is working to drive transparency, proactive chemicals management and innovation across all of our owned- and national-brand consumer products, and operations:

- **Transparency:** We will strive for full visibility to chemicals contained in or used to make the products we sell and use in our operations.
- **Chemicals Management:** We will work with business partners to implement policies, practices and tools that facilitate the management of chemicals throughout our supply chain and across our operations.
- **Innovation:** We recognize that safer alternatives may not exist today for some chemicals, therefore we will actively pursue and promote new approaches to chemicals development and the commercialization of safer alternatives.

To implement this strategy, we have teamed up with vendors, supply chain partners, nonprofits and other key industry stakeholders to identify unwanted substances in our products and operations, understand how they impact health and the environment and work to develop safer alternatives. Our hope is to bring stakeholders together to champion a consistent, industry-wide approach to greener chemistry.

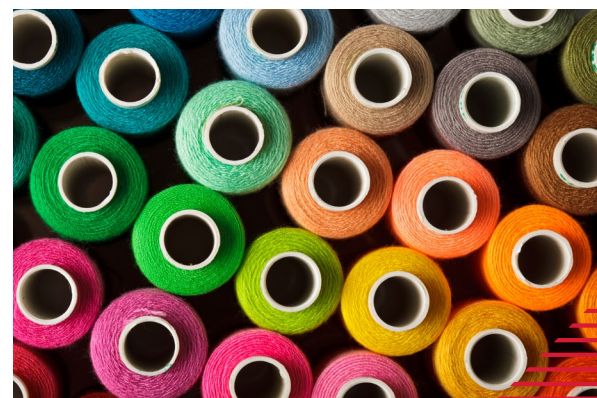
Alongside the policy, we have made great strides against [our first set of chemicals goals](#) aimed at addressing unwanted chemicals with the biggest potential health impacts, factoring in their prevalence within our products.

In our first year of executing our new chemicals strategy, we have made progress in the following key areas:

- **Textiles Chemicals Management:** We have developed a Restricted Substance List (RSL) to remove unwanted chemicals from products and a Manufacturing Restricted Substance List (MRSL) aimed at removing unwanted chemicals from our manufacturing processes. For our MRSL, we adopted the list from [Zero Discharge of Hazardous Chemicals](#) (ZDHC), an organization we have also joined.

- **Formulated Chemicals Transparency:** We track our progress on formulated essentials through a system that helps us handle, store and transport environmentally sensitive items in accordance with local and federal laws. The requirements for suppliers are expanding within this system so that we can leverage existing data to better understand our progress toward our chemicals goals in these categories.
- **Alternative Preservatives:** We funded and co-sponsored the [Green Chemistry & Commerce Council's \(GC3\)](#) Preservatives Challenge to drive innovation in the preservatives category. This project is one of the ways in which we are using our investments to help advance greener chemistry in beauty and personal care products and meet our goal to invest up to \$5 million in green chemistry innovation by 2022.

We recognize that we are on a journey toward greener chemistry that will sometimes require us to develop new tools along the way. Because the retail landscape is always changing, we will continue to iterate, update and set new chemicals goals as needed, expanding the categories we cover and chemicals addressed.





## Wellness Icons

We believe it is important to offer products that help our guests support their health and well-being. In 2018, we introduced our [Wellness icons](#) as a way to enhance our guests' ability to make informed purchasing decisions. We have carefully curated our wellness products to try to make them better for our guests, their families and the planet through the minimum requirements of our Wellness Product Standards. If a product meets minimum requirements, the

### A Sampling of the Essentials & Beauty Icons:



Cruelty Free



Non-Toxic



Phthalate Free



Non-GMO



Vegan



Sulfate-Free



Organic



Gluten Free



Plant-Based

item is eligible to receive icons that highlight information we know is important to our guests, so they can more easily find the type of item they are searching for in our stores and on Target.com.

To receive an icon, a product must meet its category's **minimum requirements, which are as follows:**

- **Essentials & Beauty:** Product is formulated without the following unwanted chemicals: propyl-paraben, butyl-paraben, phthalates, formaldehyde, formaldehyde-donors or nonylphenol ethoxylates (NPEs). To understand the formulation and the chemicals therein, we also expect full ingredient transparency from our vendors of these products for screening purposes. This means that generic ingredients, like fragrance, must either be natural or have sub-ingredients listed.
- **Food & Beverages:** Product is made without synthetic flavors, colors, preservatives, sweeteners, high-fructose corn syrup or added trans-fat.
- **Supplements & Nutrition:** Product is made without synthetic flavors, colors, sweeteners, high-fructose corn syrup or hydrogenated oils.

### Commitment to Better-For-You Products

We understand that our guests want to feel good about the products they buy and support products that help them live better lives. In addition to our owned-brand product innovations, we are always on the hunt for new better-for-you and better-for-the-planet products that will increase the choices available to our guests.

## Supporting Innovation for Emerging Brands & Creators

Innovation is an important part of our growth. We believe in opening our doors to new ideas and concepts, and encourage innovation that might help us improve our guests' shopping experience at Target. That is why we have invested in developing a powerful retail accelerator capability that includes three programs:

- **Target Takeoff:** In May 2017, we hosted our first [Target Takeoff](#) – a mini accelerator retail program centered around supporting emerging businesses that are solving problems in areas where we hope to grow our business. We launched Takeoff with the brand theme “better-for-you,” resulting in the launch of food and personal care products at Target, including [Salty Girl Seafood](#), a sustainable seafood brand and woman-owned business.
- **Target + Techstars:** For the past two years, we have partnered with [Techstars Retail](#) to implement a three-month intensive startup accelerator focused on bringing new technology, experiences, products and solutions to retail. We are actively working with 12 past participant startups, including [Inspectorio](#) and [Local Crate](#).
- **India-based Accelerator:** Launched in 2014, our Bangalore-based accelerator program focuses on startups that we hope can bring in transformative ideas across five key areas: search, content, data, social and mobile.



## Our Chemicals Policy in Action

In 2017, we launched our exclusive baby brand, [Cloud Island](#), which includes nearly 500 items for expecting families to choose from. Many products in the line, including bedding, changing pads and play mats, are [Standard 100 by OEKO-TEX certified](#), meaning they are tested for and do not contain more than 300 potentially harmful substances.



## Inclusive Products & Experiences

We strive to design products that serve a variety of guests – regardless of size, body type, skin tone or abilities. Our intention is to offer products and experiences that reflect the diverse makeup of our guests.

### Inclusive Apparel

Our design agenda includes creating an assortment of [adaptive](#), [sensory-friendly](#) and inclusive-sizing apparel. The goal is to make guests feel comfortable and confident when wearing our apparel brands.

- **Adaptive:** We offer guests more choice in clothing to meet their needs. Our [Cat & Jack adaptive apparel line](#) is made especially for kids and toddlers living with disabilities to make it easier for families to dress their kids in the morning. Our internal design team created 40 different items that have unique features such as side and back snap and zip closures and hidden openings for abdominal access. The line is also made with extra-soft, comfortable and durable cotton knits.
- **Sensory-Friendly:** For kids with sensory processing sensitivities, getting dressed can present a challenge for

the whole family. Our design team came up with a limited selection of sensory-friendly pieces for our Cat & Jack children's clothing brand. The pieces include heat-transferred labels instead of tags, flat seams and one-dimensional graphic tees that aim to minimize discomfort when in contact with skin.

- **Inclusive-Sizing:** We introduced an exclusive women's lifestyle brand, [Universal Thread](#), which includes an assortment with multiple fits, silhouettes, lengths, rises and sizes. We developed this brand based on interviews with nearly 1,000 women from around the United States who told us they dreaded shopping for new clothes and that oftentimes, what they wanted was not offered for their body type. Universal Thread offers sizes 00-26W, the most expansive range of sizes ever offered at Target.

### Inclusive, Multicultural & Natural Beauty

We offer guests more than 1,000 beauty products that provide something for different skin tones, skincare needs and hair types. We have been seeing increased interest from our guests in inclusive, multicultural and natural beauty products. That is why in 2018, the theme for our second annual Target Takeoff program is "beauty," with a focus on startups that emphasize these features in their products.



## Showing Our Appreciation for Veterans

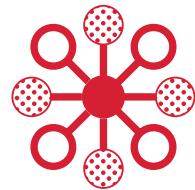
At Target, we want to meet the needs of all our guests, including [veterans, active military and their family members](#). To show our deep appreciation for the men and women in uniform, this past Veterans Day, we offered a 10 percent military discount from November 7-11 in all our stores and online.

- **Inclusive and Multicultural:** In 2017, we expanded our shade range by adding [eight new cosmetic brands](#) to our growing beauty assortment. Designed by a diverse group of women, the more than 150 new products are designed for medium-to-dark skin tones.
- **Natural:** Our guests are asking for more beauty products that are made with natural ingredients and fewer unwanted chemicals. In 2017, we began offering [FATCO](#), a natural skincare line made with grass-fed tallow. This is in addition to brands we already carry, like [Burt's Bees](#), [Yes To](#), [Pacifica](#) and [SW Basics](#).

### Valuing Supplier Diversity

Developing relationships with and expanding opportunities for diverse suppliers not only makes good business sense, but also is central to our support for diversity and inclusion across the enterprise. Partnering with underrepresented businesses helps to improve the shopping experience for our guests by providing them with a broader selection of products. In 2017, we worked with over 650 diverse suppliers<sup>†</sup> and increased our spending with diverse suppliers by 46 percent over 2016. One of those suppliers includes [Bennett Packaging](#). Based in Missouri, it is a certified woman-owned company that we have selected to package our [Cat & Jack Baby Outfit Box subscription boxes](#).

<sup>†</sup> To be considered a diverse-owned company at Target, a supplier must be headquartered in the United States and 51 percent owned, operated and controlled by one of the following: an ethnic minority, woman, veteran or LGBT individual.



# Foster Communities

## We Accelerate Economic Development

We have always been deeply connected to the communities we are lucky enough to call home. By investing in the places where we live and work, we create more sustainable communities for future generations of guests and team members.

Now we want to go further, becoming intentional about how our business can accelerate economic development and bring communities together.

As we look to bring the Target brand to neighborhoods where our presence and investment can foster economic vitality – and, of course, joy – this priority is already influencing how we design and locate our stores and distribution centers. We are finding, for instance, that when we tailor our stores to serve local needs, our business performs better.

This new approach means looking at communities that are new for Target, especially in traditionally underserved areas, and thinking about the role our business and philanthropic support can play. We also want to send an important message to our nonprofit and community partners that we are open to testing and learning how we can best adapt ourselves to their needs and become good neighbors to them.

We are just at the beginning, but we are committed that by 2025, we will have made a transformative economic impact in priority underserved communities.

## To Foster Communities, we are focusing on three key areas:

### Economic Vitality

We bring Target to communities where our presence and investment can foster economic vitality.

### Welcoming Places

We invite communities into spaces designed with their unique needs in mind.

### Community Opportunity

We enable community members to access economic opportunity through financial security and empowerment.

[Read more about our goals in this area](#)





# Resilient and Vibrant Communities

Our business depends on the strength, resiliency and vibrancy of the communities where we operate. We engage our team members, guests and communities in our efforts to accelerate economic development, create spaces that meet our communities' expectations and enable our positive impact to be felt far beyond the walls of our stores.

## Local Engagement

### Engaging our Teams

Every year since 2014, Target volunteers have contributed more than 1 million hours of volunteer service in the communities where we do business. In 2017, we surpassed our annual volunteer commitment with over 1 million volunteer hours. Our team members tracked nearly 6,000 environmentally focused hours just during Earth

Month, on projects to keep their communities vibrant and more resilient. Our team members also frequently jump in during disaster recovery to complement the other efforts we support.

### Engaging our Guests

In April 2018, we started piloting Target Red, a free loyalty program that allows guests to earn exclusive benefits, with our first test market in the Dallas-Fort Worth area. A unique benefit of the Target Red program is that guests accrue votes they can cast to help direct Target's local community donation efforts. Target supports local and nationally recognized nonprofit organizations, giving guests a choice among various causes. Target then makes charitable donations to eligible nonprofit organizations based on votes submitted by Target Red users.

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When developing Target Red, we went straight to our guests to better understand what would be most meaningful to them in a loyalty program. That's what they'll see reflected in this test – a free and easy way to be rewarded simply for shopping at Target. On top of the shopping benefits, the program also aims to create a more personalized experience for our guests, like giving them a chance to help direct our community giving in their own backyard.

- Rick Gomez,  
Executive Vice President and Chief  
Marketing Officer, Target

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## Engaging our Communities

- **Our Hometown:** We believe one of our greatest opportunities to foster communities is by rethinking the role our business can play in igniting economic opportunity for all.

As one of the largest employers in the Twin Cities of Minneapolis/St. Paul, we believe we have an obligation to support the local community because a healthy business depends on healthy communities. Today we support our hometown in a number of ways, including investing in organizations that grow the creative economy, drive economic and workforce development and provide basic needs. One area of emphasis is in North Minneapolis, where we are working with local partners to maximize opportunities for the community and increase racial equity in areas such as housing, education and wealth.

- In 2017, we established a new partnership with [Twin Cities RISE](#) (TCR), a nonprofit dedicated to transforming lives out of poverty through stable employment. Offering work skills training, internship opportunities, job search assistance and employment placement services, TCR coaches provide one-on-one support and partners with participants for a year after they have landed employment. As part of our commitment to hire North Minneapolis residents into Target jobs, our Talent Acquisition and Learning & Development teams have piloted a program focused on training and hiring TCR participants into Target Service Center roles.
- Based in North Minneapolis, [Northside Economic Opportunity Network](#) (NEON) is an organization focused on expanding economic opportunities and building wealth for local, low-to-moderate income entrepreneurs through educational programming and marketplace opportunities. Target has invested in NEON to expand the organization's operating hours and through pro-bono and volunteer support, including a redesign of their co-working space and pro-bono legal services for NEON clients.

- **Heroes & Helpers:** Our annual Heroes & Helpers events promote positive interactions between kids and public safety officials who work in their neighborhoods by pairing them together for holiday shopping sprees in many of our stores. In 2017, we worked with agencies to host over 275 events in our stores across the United States, impacting more than 15,000 underserved kids and their families.



## Welcoming Spaces & Community Opportunity

When we are identifying new store locations, feedback and relationship building matters. We conduct guest research and proactively seek out community input to look for ways to co-create with the neighborhood.

The Bensonhurst neighborhood of Brooklyn is a high-density, urban community home to young, diverse families. As we prepared to open the doors of our Target small-format store in Bensonhurst in October 2017, we saw a big opportunity to use our space to welcome and engage community members. We looked to several local organizations, businesses and elected officials to help us understand the unique needs of the neighborhood. With their partnership and guidance, we took several steps to support a successful opening and sustained success in the Bensonhurst community:

- We restored parts of the historical theater that was once located at our new address, repairing its ornamental ceiling, chandeliers, balcony and seating area and delighting residents who remembered the space in its former use.
- We piloted a community space for guests and their families to use for informal gatherings and in-store experiences.

This approach, and the positive community reception, is already informing where we locate new stores and how we create welcoming and more joyful experiences for our team members and guests.







## Disaster Support

When disasters occur, we look to partner with local organizations to help those in need and protect our team members and guests. We take care of our impacted team members and their families by helping them get needed resources and providing financial support to help our communities get back on their feet.

In response to Hurricane Harvey's impact on the Gulf Coast, Target pledged up to \$3.5 million to help impacted team members and local and national

disaster relief organizations in relief and recovery efforts. The donation benefitted the American Red Cross and The Salvation Army, to help enable them to provide shelter, food and bulk supplies of essentials to the community. We donated four trailers of food from our food distribution center in Denton, Texas, to Feeding America and The Salvation Army to support the Houston and Dallas Food Banks. And our teams pitched in to care for their communities in a big way – from volunteering in the rescue efforts to working around-the-clock to reopen closed stores and keep much-needed supplies on our shelves. Team members from across Texas even bussed into Houston to pitch in and cover shifts. At our headquarters, we packed 6,000 meals that we shipped directly to Houston and distributed to hurricane victims.

And as communities across Florida and the southeastern United States began to pick up the pieces after Hurricane Irma's devastating impact, Target committed up to \$1 million in cash and in-kind donations to help with relief and recovery efforts, including 16 trailers of goods. Funds were directed to local and national disaster relief organizations, including the American Red Cross, The Salvation Army and Habitat for Humanity to help rebuild homes across the southeast and \$50,000 in local store GiftCard support to local nonprofits to supply multiple shelter operations with baby supplies, water, batteries, personal care products, blankets and more.

Here's a snapshot of our additional efforts:

- **California Wildfires (October 2017):** We donated \$150,000 in cash and in-kind support to aid response and recovery efforts, including GiftCards for our stores to distribute to local community organizations, food donations and additional cash and product donations to local organizations.
- **Hurricane Maria (September 2017):** We donated \$100,000 in cash and products to aid residents of Puerto Rico impacted by Hurricane Maria. The support included cash grants and in-kind product donations to local and national nonprofit partners including Save The Children to aid recovery efforts. We also worked to get products such as food, water, baby supplies, toiletries, cleaning supplies and more to impacted residents.
- **Helping Communities Respond to Crises:** Following mass shootings in Las Vegas and Parkland, Florida, our local stores provided in-kind support in the form of snacks and beverages to various grieving centers and locations holding blood drives. In Parkland, we also provided over 100 backpacks with supplies to replace those that were taken as part of the shooting investigation.

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**To me, volunteering means giving of myself in order to make a change in a community or in someone's life. Seeing the impact of the volunteering that Target has done in various communities gives me a sense of pride in the company I work for.**

- Team member Stuart Ransom, T-1785 in San Antonio. Stuart, who celebrates 10 years at Target in 2018, helped organize a massive relief effort and collect much-needed supplies for struggling families following Hurricane Harvey. The full-time college student also devoted hours to clean-up efforts in communities ravaged by the storm.

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# Design Tomorrow



## We Embrace Future Forward Design

We believe operating a sustainable business and using resources responsibly will allow us to serve our guests for many generations to come. Recognizing that we all have a role to play in combating the impacts of [climate change](#), we have developed science-based climate goals that should help us build a resilient business and contribute to a thriving environment.

Our aspiration to develop a comprehensive circular strategy builds on extensive work to date to address the environmental impacts of our business, including our efforts to reduce waste, invest in renewable energy and pursue sustainable water management. We will continue to deliver progress on our greenhouse gas (GHG), water and waste goals and see our work in circular as closely aligned with these current and future ambitions.

The circular economy is one of the biggest opportunities we have to design a sustainable future. As a brand with a heritage in democratizing design, we are working to become the retailer that takes circular mainstream. We want to be the mass retailer that offers the greatest number of products, services and experiences that are circular by design, incorporating this concept into our owned brands and working with recycled and sustainably sourced materials.

We are also working to design an experience that is better for our guests today and enables us to partner with them to leave the world better for future families. Over the long term, we want to make circular behaviors easy, fun and aspirational for our guests. It starts with taking back products guests no longer need – and do not quite know how to dispose of – such as used car seats and plastic bags.

Beyond circular, designing tomorrow also means ensuring our operations are sustainable – from packaging considerations to store design.

## To Design Tomorrow, we are focusing on three key areas:

### Responsible Resource Use

We aim to source and influence our suppliers to manufacture environmentally and socially responsible products.

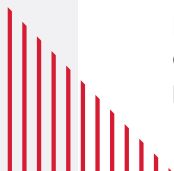
### Circular Behavior & Innovation

We seek to establish a culture and mindset around circular design and zero waste lifestyles.

### Sustainable Operations

We aspire to design and operate the most sustainable buildings in the retail industry.

🕒 Read more about our goals in this area



## Climate and Energy

To combat the impacts of climate change and run our business more sustainably, we are aiming to reduce our GHG emissions and increase the energy efficiency of our operations.

### Climate Policy

In 2017, we introduced a new [climate policy](#) and goals to guide our progress, based on the latest climate science. We have set goals to reduce our greenhouse gas footprint, and continue to work with our industry partners, policymakers and other stakeholders to accelerate the transition to a low-carbon economy.

While we are implementing projects in our owned-brand manufacturing facilities that will result in the avoidance of Scope 3 emissions, within the year, we aim to develop an additional Scope 3 goal that, coupled with our Scope 1 and 2 goals, will fulfill our commitment to the [Science-Based Targets initiative](#). This initiative provides guidance for and champions science-based target setting as a powerful way of boosting companies' competitive advantage in the transition to the low-carbon economy. These new goals build on our [2020 commitments](#) to improve energy efficiency, drive investments in renewable energy and lower our overall hydrofluorocarbon (HFC) impact.



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**Target has long been committed to making our business more sustainable, which leads to a stronger, cleaner supply chain and operations and a healthier environment for our team members and guests. That is why we set goals to reduce our greenhouse gas footprint and are working with industry partners, policymakers and other stakeholders to accelerate the transition to a low-carbon economy.**

- Brian Cornell,  
Chairman and CEO, Target

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## Recognition for Our Work

- Environmental Protection Agency (EPA) ENERGY STAR Partner of the Year Award (3<sup>rd</sup> consecutive year)
- No. 1 Corporate Solar Installer in the United States by Solar Energy Industries Association (SEIA) (2<sup>nd</sup> consecutive year)
- Innovation in Sustainability Award, Professional Retail Store Maintenance (PRSM) Association
- Lighting Award - Highest Portfolio-wide Savings, Interior Lighting Campaign
- GreenChill Award for Superior Goal Achievement for Target's refrigerant emissions reduction goal
- Advanced RTU Campaign Award, DOE Better Buildings Alliance

## What are Scopes?

**Scope 1:** Emissions that come directly from Target facilities

**Scope 2:** Emissions from energy we purchase to power Target facilities

**Scope 3:** Emissions generated through the manufacturing and distribution of products, business travel, guests using our products and other indirect sources



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At Target, we are designing for tomorrow and putting solutions in place across our business to leave our homes better for future families. And we are proud of the progress our team has made over the past year toward Target’s goal to install rooftop solar panels on 500 buildings by 2020. As we continue our commitment to supporting our local communities, it is an incredible honor to be recognized by [SEIA](#) (Solar Energy Industries Association) for the second year in a row.

- John Leisen, Vice President,  
Property Management, Target

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## Sustainable Operations

We aim to build and remodel intentional spaces that are designed with our long-term impact on the environment in mind.

### Resource Efficient Buildings

- **ENERGY STAR:** We continue to pursue ENERGY STAR certification of our U.S. buildings and met our goal of achieving this designation in 80 percent of our buildings by 2020. In 2017, we received ENERGY STAR certifications for an additional 106 stores and two headquarters buildings, bringing our total certifications to 1,509 stores, four headquarters buildings and two data centers.
- **Electric Vehicles Program:** We are making advances in our electric vehicle infrastructure with the help of industry experts [Tesla](#), [ChargePoint](#) and [Electrify America](#). Our current electric vehicle program spans 18 sites in five states, and we plan to [expand our electric vehicle program](#) over the next two years to more than 600 parking spaces at over 100 sites across more than 20 states with charging stations.
- **Natural Refrigerants:** Another way we are eliminating GHG emissions and saving energy is through the use of HFC-free refrigerants in our food distribution centers and stand-alone refrigerated display cases. All five of our Food Distribution Centers use HFC-free refrigerants for cold storage areas, and more than a thousand stores have HFC-free refrigerants in stand-alone cases. We continue to be an active member of the [GreenChill](#) Partnership,

a partnership with the EPA to help reduce refrigerant emissions.

- **Smart Building Innovation Lab:** In 2017, we opened our Smart Building Innovation Lab to drive sustainable value for our guests and team members through networked, controlled and intelligent assets. The lab focuses on smart building innovation with various mock systems for training, testing and discussion on creating smarter building controls, electrical, plumbing and lighting systems.

### Renewable Energy

We are working toward sourcing 100 percent renewable energy in our domestic operations, as well as increasing the use of renewables in communities where our facilities and distribution centers are located and in our supply chain. As a member of the [Renewable Energy Buyers Alliance](#) (REBA), Target and other organizations help promote and develop new renewable energy opportunities.

- **Offsite & Utility Efforts:** In pursuit of our commitment to source 100 percent renewable and to expand investment in offsite renewable energy to complement onsite renewables, we signed a Virtual Power Purchase agreement in 2016 with [Stephen’s Ranch Wind Farm](#) in Texas. The farm provides us 40 MW, which is capable of generating clean energy for approximately 60 stores on an annual basis. In 2017, Target signed a new 100 MW wind deal in Kansas that will have the potential to offset additional usage once construction is complete in 2019.

Target also recently announced its participation in green tariffs with two utilities, [Puget Sound Energy](#) and [Georgia Power](#). The Georgia Power tariff is a [new initiative](#) Target joined, along with several other Fortune 50 companies, which will leverage a total of 177 MW of new solar power to help meet corporate customers’ energy needs.

- **Onsite Solar:** Growing our solar program is a big priority for us. In 2017, we added more than 40 MW of solar, increasing our total solar capacity to over 204 MW. In some cases, Target may generate the solar energy in support of utility and state clean energy programs and policies. In those instances, we do not retain the renewable energy credits. Onsite, we are well on our way toward our goal of 500 buildings with rooftop solar panels by 2020, with more than 436 projects completed at the end of fiscal year 2017.





## Deforestation

As a retailer with a wide variety of products, we understand the responsibility we have to protect forests around the world. We are committed to aiding in the global effort to end deforestation and forest degradation, and focus our efforts in the places we can have the most positive impact today—specifically palm oil and wood-based materials.

We are committed to sustainably sourcing palm, wood, paper and wood-based fibers in our priority owned brands, and wood-based fibers in packaging. We will build on our existing priority raw material commitments by evaluating high-risk commodities—including soy, leather and rubber—and their material significance to Target. Where necessary, we will address salient issues with relevant time-bound and measurable goals.

Furthermore, Target recognizes that forests are not the only ecosystem under threat from commodity production. We are currently undertaking efforts to identify how and where conversion of other types of natural habitat, like grasslands and savannahs, touches our supply chain, such as our domestic beef supply chain. We have joined the [U.S. Roundtable for Sustainable Beef](#) as a way to advance sustainability efforts in the domestic supply chain.

Read more about our work to end deforestation within our supply chain on our [Corporate Site](#).

## Forests

We support responsibly managed forests, and to that end, introduced our new [Responsible Sourcing Policy on Forest Products](#) in 2017. This policy helps us toward our long-term intention that all wood, paper, paper-based packaging and wood-based fiber used in the products we purchase and sell is sourced from well-managed forests that have been credibly certified and/or are from post-consumer recycled materials.

We are starting with products containing wood or paper-based materials, like tissues and paper towels, wrapping paper, furniture and rayon used in apparel, which comes from wood pulp. Then we plan to work on sourcing our owned-brands' packaging from sustainably managed forests.

By the end of fiscal year 2018, we expect that our party supplies brand, [Spritz](#), will be our first owned brand to be fully compliant with our forest products policy. In 2017, the Spritz team started introducing [Forest Stewardship Council \(FSC\) Chain-of-Custody certification](#) and is on track to meet this goal. We have also committed to making our [up&up](#), [Pillowfort](#) and [Cat & Jack](#) brands fully compliant with our forest products policy by 2020, and [Threshold](#) and [Smith & Hawken](#) fully compliant by 2022.

## Palm Oil

We continue to work closely with our owned-brand vendor base to emphasize that in 2018, all palm oil in our owned-brand food ([Market Pantry](#), [Archer Farms](#), [Simply Balanced](#)), [personal care](#) (up&up) and [household cleaning products](#) (up&up) is required to be fully traceable and sustainably sourced. In 2017, 37.4 percent of palm oil in products covered by our commitment was certified sustainable via physical certification (Mass Balance or Segregated) or covered by PalmTrace credits.

Target continues to engage its vendors on the implementation of Target's responsible palm oil sourcing commitment through a biannual survey to determine the volume of palm oil and palm kernel oil used in the owned-brand products covered by its commitment, including the percentage that is certified as sustainable, classified across PalmTrace Credits, Mass Balance and Segregated. Our commitment covers palm volumes purchased directly by our vendors for use in products, vendors that source palm oil indirectly through finished product components and vendors that source palm oil and kernel derivatives in household and personal care products.



In 2017, Target:

- Continued collecting and validating volume and traceability data from all vendors, including supplier engagement and active follow-up, with our partner, [Proforest](#);
- Engaged with key importers into the U.S. market on traceability;
- Engaged critical vendors regarding their path toward Target policy compliance;
- Supported vendors/suppliers on process to deliver certified products;
- Shared tools, training materials and guidance documents to aid commitment implementation; and
- Joined the [Roundtable on Sustainable Palm Oil's North American Sustainable Palm Oil Network](#), designed to facilitate cross-sector work in a pre-competitive space on the sourcing of [Certified Sustainable Palm Oil](#) (CSPO) in North America, foster collaboration and impact programs in producing nations and share best practices.

## Raw Materials

From the moment natural resources are sourced, to how they are transformed into the products our guests love, we strive for transparency, quality and safety. As part of that commitment, we aim to do our part to source raw materials in a way that helps protect the planet and supports the communities that source them. In addition to our existing policies for sourcing sustainable palm oil, paper-based packaging and forest products, we also have a [policy for cotton](#).

### Cotton

Cotton (both virgin and recycled) is vital to our business as a staple raw material found in many of our owned-brand products and the brands that we carry in our stores. Cotton farming is critical to the economic well-being of many of our sourcing communities around the world, and growing it can be resource intensive. We are focused on leveraging our scale to drive positive change within the cotton industry by championing responsibly grown and harvested cotton used in our owned-brand products.

Target is committed to sourcing 100 percent sustainable cotton for our owned-brand and exclusive national brand products by 2022. We are using a combination of programs that promote, measure and provide education around sustainable cotton production that best suit the varied geographies, supply chains and practices that Target relies upon.

For example, in 2017 Target became a member of the Better Cotton Initiative (BCI). To date, we have sourced the equivalent of nearly 7.4 million pairs of jeans of Better Cotton. We also continue to work internally and with our vendors to incorporate sustainably sourced cotton. Read more about our long-term cotton transparency aspiration, continuous improvement efforts and our definition of sustainable cotton on our [Corporate Site](#).

### Recycled Raw Materials

As part of our focus on circular design, we are always looking for new and innovative ways to use recycled raw materials in our owned-brand products and do so as often as possible.

We established a new goal in 2016 to replace all conventional polyester with polyester made from recycled plastic in Target owned-brand apparel, accessories and home products. For instance, [Cat & Jack](#) uses [Repreve](#) recycled polyester in its swimwear, graphic tees, newborn body-suits, basic tees and tanks and more. In 2017, our recycled polyester programs in Apparel and Accessories, Home and Hardlines products used more than 36 million pounds of recycled polyester.

### Animal Welfare

We believe that every animal deserves to be free from hunger and thirst, discomfort, pain, injury or disease, fear and distress, and is free to express normal behavior throughout an animal's entire lifetime. We do not support the

use of routine, non-therapeutic antimicrobials – including all antibiotics – to promote growth. We expect our suppliers and the producers they work with to phase out this practice and only use antimicrobials when medically necessary.

Our [Food Animal Welfare & Antibiotics Policies](#) outline the standards and principles that we expect our Meat, Dairy and Deli vendors to follow when sourcing and producing products for sale at Target.

### Sustainable Seafood

In 2017, we achieved 100 percent sustainable fresh and frozen seafood at Target and released an updated [Sustainable Seafood Policy](#), committing to more traceability and sustainable shelf-stable tuna, as well as sushi.



## Supplier Transparency: Environmental Focus

We source Target-brand products from more than 2,700 registered manufacturing facilities in more than 49 countries, all of which we require to uphold our [Standards of Vendor Engagement](#) (SOVE). These standards outline how we expect our vendors to be good environmental stewards. Our SOVE include six foundations of environmental oversight for vendors and their manufacturing supply chains: environmental management and monitoring systems; water stewardship; waste reduction and disposal; energy management; emissions to air; and environmental licenses and permitting. Target has No Tolerance standards for wastewater and environmental permits.

Increasing transparency within our supply chain helps us monitor whether our business partners are conducting their production practices in an environmentally sustainable way. Target is committed to increased supply chain transparency. View our global factory list [here](#).



## Improving Water Efficiency in our Owned-Brand Manufacturing Facilities

Since 2016, we have partnered with [International Finance Corporation](#) (IFC) to create the [Vietnam Improvement Program](#) (VIP), which aims to promote a green, environmentally-efficient manufacturing supply chain in Vietnam, focused on footwear and apparel garment factories, as well as tier 2 wet processing factories. In 2017, 10 of our vendors' factories realized over 1 million cubic meters of water savings and 130 million kWh of energy savings per year. Investments to achieve these savings pay for themselves in less than five months.

*Photo credit to Water.org*

## Water

We believe clean, drinkable water and sanitation are human rights and should be accessible for all. Healthy ecosystems and sustainable water management are essential in the delivery of these basic rights.

Target recently joined the [Zero Discharge of Hazardous Chemicals](#) (ZDHC) organization, and plans to use its [wastewater guidelines](#) for our 2025 manufacturing goal for water. The guidelines were designed to help companies reduce unwanted chemicals in manufacturing and prevent them from being discharged in wastewater and impacting surrounding communities.

We will continue water conservation work that is already in progress too, like our recent efforts with [Conserva Irrigation](#) to optimize the outdoor irrigation systems at our stores. This has already saved more than 36 million gallons of water and should be in place at more than 300 stores by the end of 2018.

In 2017, we collaborated with [World Wildlife Fund](#) (WWF) on a water risk assessment of our water reduction efforts across our supply chain, stores and distribution centers. As a result, in early 2018 we announced a holistic approach to [freshwater stewardship](#) that acknowledges water as part of a bigger global system linked to other megatrends such as climate change, rapid urbanization and population growth. Our actions are intended to contribute to improved water quality, quantity and access through a focus on:

- **Raw Materials:** We know that our water footprint starts with growing the raw materials needed to produce our products, and we are working to better understand our basin-level impacts to prioritize our responses.
- **Manufacturing:** Working in our areas of greatest impact, we plan to do more with less water – especially where local conditions demand. Looking across our product supply chains, we want wastewater leaving our vendor's facilities to be of quality that could be safely used as drinking water. Since 2012, we have partnered with the [Natural Resources Defense Council](#)

(NRDC) to implement [Clean by Design](#), a program to reduce the environmental footprint of textile mills. To date, we have improved water efficiency with our suppliers by over 3 billion liters of water. In 2017, we became a strategic partner of the Apparel Impact Institute, a collaboration of brands, manufacturers and industry associations that have come together to select, fund and scale projects such as Clean by Design more quickly.

When it comes to our owned brands, our [Universal Thread jeggings](#) are finished using [Kitotex](#), a technology that uses Chitosan in the dyeing process to help reduce water, chemicals and energy consumption.

- **Direct Operations:** Across our stores, distribution centers and headquarters locations we are taking action to reduce water scarcity, support water quality compliance and address storm water flows. Having accomplished our 10 percent per square foot water reduction goal in stores four years early, we announced a new goal for 2025 to reduce our annual water consumption by over 500 million gallons. Our new water usage goal is a 15 percent absolute reduction from our 2010 baseline usage in stores, distribution centers and headquarters locations. Our absolute water use reduction goal encompasses all areas of our direct operations. The change in the goal boundaries and metrics reflects the continuing importance of water conservation initiatives in our direct operations, throughout the entire business and in the communities we serve. We have already seen a 9.9 percent absolute reduction in water usage in fiscal year 2017, which included 53 weeks instead of the typical 52 weeks in a year. In 2017, irrigation smart controllers and optimized irrigation systems at 170 stores located in markets with the greatest water risks saved over 36 million gallons in water. We plan to scale this irrigation efficiency program to more than 300 stores in 2018. In addition, over the next 24 months, we will seek to understand our position on water quality within our U.S. building operations.





Photo credit to Water.org

- **Beyond the Fence-line:** We feel it is important to improve the wellness and resiliency of the communities and watersheds where our guests, team members and manufacturing supply chain workers live and work.
  - We continue to collaborate with NGOs, including [WWF](#), to further our water stewardship efforts. We are beginning to test the ability to scale local supply chain efforts through joint work on textiles in China's Taihu basin.
  - We will also participate in the [Ceres Connect the Drops campaign](#) to show our commitment to advancing water solutions that sustainably manage California's stressed water supplies.

- For millions around the world, access to funds stands between them and safe water in their homes. In 2017, we made an initial \$1 million investment in [Water.org](#), as part of a collaborative effort to remove barriers to accessing affordable financing for water and sanitation in the communities where our goods are produced.
- In 2017, Target volunteers dedicated over 1,000 hours to clean up waterways, beaches and watershed areas, diverting thousands of pounds of trash from our water sources and planting native material that helps to further protect these waterways.

## Waste

At Target, we are working to develop a holistic approach to circularity across our business and value chain. That means designing our products and supply chain in ways that recycle materials in a waste-free loop, and helping our guests live that way too. We have invested in initiatives to help us test, learn and move forward to establish a culture and mindset of zero-waste living and circular design.



### Circular Behavior & Innovation

We are aiming to make the circular economy the norm for our industry and incorporating circular design discipline in our product innovation. For instance, our [Universal Thread](#)

brand has incorporated sustainable materials and circular design into a number of product elements, including the use of recycled cotton in select styles and [Repreve](#) polyester made from recycled plastic bottles in a portion of the jeans.

As fashion trends come and go, the average American throws an estimated 70 pounds of unwanted clothing into landfills each year. The country's leading fashion players, including Target, are teaming up to tackle this important issue. In 2017, we became a strategic partner to the [Global Fashion Agenda](#) (GFA), supporting efforts to change the way fashion is produced and consumed. As part of our work with GFA, we have also committed to the following:

- **Textile innovation:** By 2020, we will invest US \$1 million in textile recycling technologies, with the goal of accelerating the transition to a circular apparel industry.
- **Durability:** By 2020, all Target owned-brand apparel will be designed for functional durability to last the life cycle<sup>†</sup> of the product.

We also have joined [Fashion for Good](#) (FFG), a global initiative with a mission to support needed systemic changes in the fashion industry by fostering impactful innovations and acting as a convener for change.

<sup>†</sup>As part of our commitment to quality, all our owned-brand general merchandise has a [one-year return policy](#) – a promise to guests that we do not compromise quality to sell products at a value.



**20,000 pounds of plastic film from our operations will be recycled into furniture to enhance the play spaces being built with the U.S. Soccer Foundation in 2018.**

## Sustainable Packaging

We strive for continuous improvement of the sustainability of our packaging. In 2017, we updated our sustainable packaging goals to reflect our guests' expectations for environmentally responsible packaging, support our business priorities, address industry-wide challenges and focus in areas where we can drive the most change:

- We are working closely with our suppliers and other partners to eliminate expanded polystyrene, foam packaging that is difficult to recycle.
- We are working with our vendors to understand the origin of raw materials that go into our paper-based packaging to source from sustainably managed forests, starting with our owned-brand products.
- As part of our work with the [Sustainable Packaging Coalition](#), we are continuing to look for ways to add the How2Recycle label to our owned-brand product packages. The label is an industry standard that lets consumers know exactly how to recycle a particular piece of packaging, and we are already compliant, where space allows, with more than 3,800 owned-brand product food packages.
- As the first retailer to join [The Recycling Partnership](#), we are investing to increase access to curbside recycling in communities.

- We have joined industry efforts to create more demand for recycled packaging. This includes the [Materials Recovery for the Future Collaborative](#), a project working toward a vision that all flexible packaging can be recycled.

We are especially concerned with the limited availability of recycling options for expanded polystyrene for our guests and distribution centers. As a contributor to plastic pollution on land and in waterways, we understand the challenges foam creates as a common plastic pollutant; yet as an inexpensive, effective and broadly available packaging material, finding acceptable replacements to expanded polystyrene is a challenge that will take time.

Currently, we are identifying the presence of foam packaging used across the enterprise and developing solutions to shift away from it by testing alternatives with the hope of making the best decision for both guests and Target. We are also partnering with vendors and industry peers to find acceptable, more environmentally sustainable replacements that do not create unacceptable cost or performance trade-offs.

We continue to engage with industry organizations like the [New Plastics Economy](#) and our peers to address common challenges and achieve a zero-waste world. As an [Association of Plastic Recyclers](#) (APR) [Recycling Demand Champion](#), we are working to play a prominent role in expanding the market for mixed residential plastics, driving investment, increasing demand and producing more high-quality post-consumer recycled plastic.

## Recycling and Trade-in Programs

We believe if we can make it easier for our guests to recycle, we can collectively scale our impact. In 2017, we built on the success of existing programs and began development of new ones. Here are just a few examples of ways we are innovating to bring more recycling options to our guests:

- **Recycling Used Car Seats:** Our guests often tell us they are looking for sustainable ways to dispose of their old, outgrown car seats. Unfortunately, there are some big obstacles preventing car seats from being easily recycled, including safety concerns and lack of eligibility for most curbside recycling programs. In 2016, we invited guests to bring used seats to their local Target store and get a great deal on a new one. Since then, we have collected more than 170,000 car seats and our vendor partner, TerraCycle, recycled them into new products, diverting 2.6 million pounds of materials from landfills.
- **Denim Trade-in:** Textiles are another hard-to-recycle item that we are exploring. A new trade-in program we tested in March 2018 allowed guests to conveniently drop off used denim. We teamed up with [I:CO](#) (I:Collect), an organization that gathers and recycles or reuses unwanted clothing, to implement this program. More than 180 stores across the Pacific Northwest, Mountain and Gulf Coast regions participated in the initial test. The denim collected will likely be used secondhand or recycled into products like cleaning cloths, carpet padding or yarn for new clothing.



In 2017, our electronics recycling program recycled more than 4.2 million pounds of electronics.



## Reducing Plastic Hangers

We use approximately 500 million plastic clothing hangers in our stores every year. To reduce waste, we have had a sustainable closed-loop hanger reuse program in operation since 1994. This program reused enough hangers in 2017 to circle the globe 4.6 times and saves us \$17.5 million each year versus buying new ones.



In 2017, we launched an organics recycling program at 66 Target store locations. Building upon the learnings from those locations, in 2018, we plan to expand the program to 209 additional stores (including four distribution centers and one food distribution center), totaling 307 Target locations.

In addition, we compost organic waste at our corporate headquarters. In 2017, we composted 582,000 pounds of organic waste.



We adopted The Consumer Goods Forum's Food Waste Resolution, committing to halve Target's food waste within our operations by 2025.

## Operational Resource Recovery

In 2017, we diverted 74 percent of our retail waste from landfills through salvage, donations, organics, reuse or recycling, surpassing our goal of 70 percent diversion by 2020. Now we have our sights set on 75 percent diversion by 2018. Our progress is a result of the Salvage and Waste teams' efforts in managing the salvage, donation, organics, recycling and trash programs for U.S. headquarters, distribution centers and Target stores.

- **Food Waste:** Managing food waste is an important part of our overall waste diversion strategy. In the United States, 40 percent of food produced goes uneaten, and reducing food waste by 15 percent could feed 25 million people every year. In 2017, as part of our food waste prevention strategy, we donated more than 76 million pounds of food (64 million meals) through our partnership with [Feeding America](#), with stores donating fresh and packaged foods to local food banks and other organizations.

In August, we committed \$1.3 million to support the establishment of seven Feeding America Regional Produce Cooperatives to increase the amount of produce available for distribution, while also reducing wasted food. In 2018, we are continuing to deliver donations reporting at the store level to drive stronger participation, and look to expand the scope of donatable items.

In 2017, we performed waste stream audits to understand what is being sent to landfills. Stores were selected based on store type, volume, geography and trash volumes to obtain a representative sample of our full supply chain. Waste audits consisted of 14 stores, two regional distribution centers and one food distribution center. We plan to audit locations on an ongoing basis to measure progress in line with our waste minimization goals. We will use the data from these audits, along with other data points, to enhance reporting to drive execution of our programs.

Tracking trash, donations, recycling and organics programs at the store level continues to be a focus for us in driving execution for waste minimization. In 2017, we launched new reporting to deliver store-level data for donations which provided more visibility. This reporting increased the data received by our donations partners and drove increased participation rates at stores, which led to a 15 million pound increase compared to 2016 donations.

In 2017, the results of the waste audits showed us the value of conducting audits and the need to establish a consistent waste audit approach. We will take these learnings to drive future strategies and execution. Based on the significant opportunities found in the waste audits, the need for store-level data is a top priority. With a desire to strive for a zero-waste mindset, program execution, data and analytics, innovations to capture donations, organics recycling and other waste programs will need to become more robust through execution, program awareness, resources and property-level tracking.

As a member of [The Consumer Goods Forum](#), we adopted its [Food Waste Resolution](#), committing to halve Target's food waste within our operations by 2025. We also expect to continually engage experts and consultants in food waste at key moments as we develop our strategy, and seek new partners and programs to reduce food waste going to the landfill.

- **Zero-Waste Certification:** Target's Waste Minimization team recently became zero-waste certified as [TRUE Advisors](#) by the [U.S. Green Building Council](#). As part of our efforts, we recently launched composting and began tracking waste at our Highland Park Target store in St. Paul, Minnesota starting in May 2018. We also hope to certify this project location by achieving an average of 90 percent or greater overall diversion from landfill, incineration and the environment for solid, non-hazardous wastes over a 12-month timeframe.





# Materiality

## Our Approach

We are intentional about taking action on the societal issues that matter most to our business and our stakeholders. Conducting a corporate responsibility materiality assessment helps us to more effectively adapt our strategy, focus our resources and customize our reporting to meet our stakeholders' expectations. Reporting on our material issues helps us be "in accordance" with the Global Reporting Initiative (GRI) Standards.

It is important to understand the definition of materiality used for our materiality assessment in this report is different than that used for filings with the Securities and Exchange Commission (SEC). Issues deemed material for purposes of this report may not be considered material for SEC reporting purposes.

## Materiality Process

Our approach to materiality is not a static process, and we are continually working to refine the process to make it more useful. In 2016, we leveraged external research and an internal analysis of the impact of social and environmental issues to our business and the degree of impact/influence we have on those issues.

In 2017, we shared those findings with stakeholders to hear their feedback and expectations on the issues that matter most, and how we can most effectively work to address those issues.

- **Internal Stakeholders:** We worked closely with internal working groups to realign and prioritize the environmental and social topics of concern and our approach to those topics.

- **External Stakeholders:** We engaged [Business for Social Responsibility](#) (BSR) to administer a stakeholder survey to gauge how we are doing on these issues. Overall, most of our external stakeholders believe that we are focused on the right issues and have recognized Target's current leadership, and our plan to take a future leadership role, on a wide range of issues.

The feedback and validation garnered from internal and external stakeholders directly informed the priority areas that guide our strategy and this report: Empower Teams, Serve Guests, Foster Communities and Design Tomorrow. We plan to update our formal materiality analysis again in 2019.



# CR Material Issues

The following visual illustrates how our current materiality framework is prioritized within our corporate responsibility strategy. We grouped them in our four areas of focus to illustrate how we determined our priority areas. The issues should not be viewed in isolation or silos. In most cases they are interconnected, and action and improvements in one can lead to improvements in another.



## Empower Teams

We invest in team members and support manufacturing supply chain workers, so they can take care of themselves, each other and their families.

### Priority Areas:

- Economic Attainment & Well-being
- Meaningful Work & Opportunity
- Global Livelihoods

### Material Issues:

- Team Members:
  - Diversity & Inclusion
  - Education, Training & Advancement
  - Fair Jobs
  - Wages & Benefits
  - Well-being
- Manufacturing Supply Chain Workers:
  - Fair Jobs
  - Forced Labor
  - Human Rights
  - Well-being
  - Women's Empowerment



## Serve Guests

We offer products, services and experiences that meet all families' needs for value and values.

### Priority Areas:

- Better Products
- Purposeful Brands
- Inclusive Products & Experiences

### Material Issues:

- Better Products, Services & Experiences (transparent, clean, affordable)
- Chemicals & Ingredients Management
- Inclusive Products, Services & Experiences
- Packaging
- Product Formulation
- Product Safety
- Product Standards
- Responsible Marketing & Brand Voice/Influence
- Transparency/Traceability (raw materials, ingredients, labeling)



## Foster Communities

We increase economic prosperity wherever we operate.

### Priority Areas:

- Economic Vitality
- Welcoming Places
- Community Opportunity

### Material Issues:

- Community Development
- Community Resilience
- Community Service
- Disaster Support
- Economic Impact
- Economic Inclusion
- Food Security



## Design Tomorrow

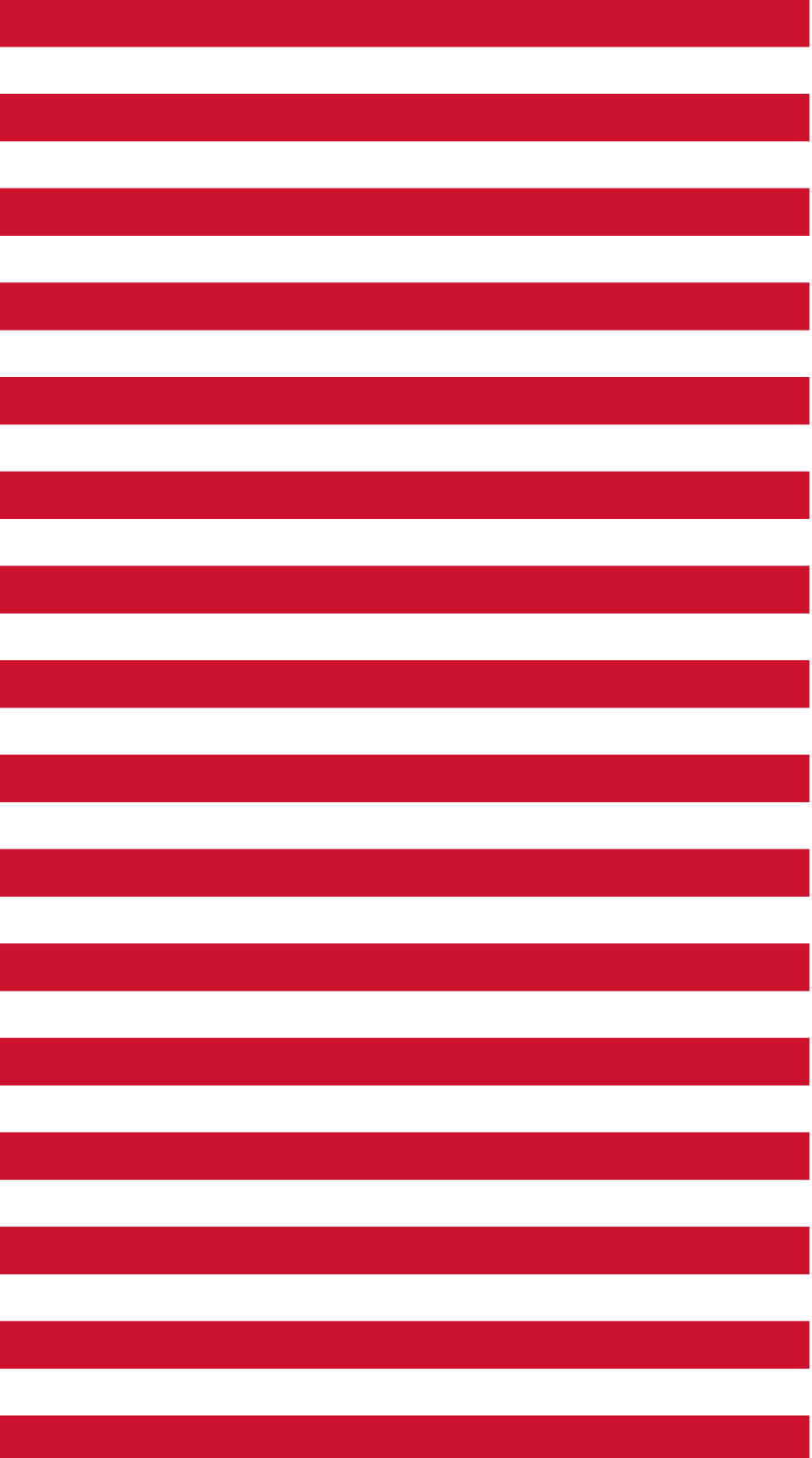
We take the circular economy mainstream.

### Priority Areas:

- Responsible Resource Use
- Circular Behavior & Innovation
- Sustainable Operations

### Material Issues:

- Animal Welfare
- Circularity
- Climate Change/Greenhouse Gas (GHG) Emissions
- Energy Management & Renewables
- Natural Resources Stewardship (deforestation)
- Product Collections/Trade-in Programs
- Recycled & Sustainably-sourced Raw Materials
- Waste Management (effluents, reduce/reuse/recycle)
- Water Stewardship & Management



# Stakeholder Engagement

## Our Approach

We value the voices of our internal and external stakeholders. Keeping our finger on the pulse of their concerns helps our business address the right issues today and tomorrow in a timely, effective and targeted way. We have expanded our stakeholder engagement process to allow our material issues to reflect ongoing stakeholder dialogue throughout the year. For example, we work with investor groups on a regular basis to address their questions and feedback on material topics. On the pages ahead, we explain how we engage stakeholders and respond to their concerns and feedback.



# Stakeholder Engagement

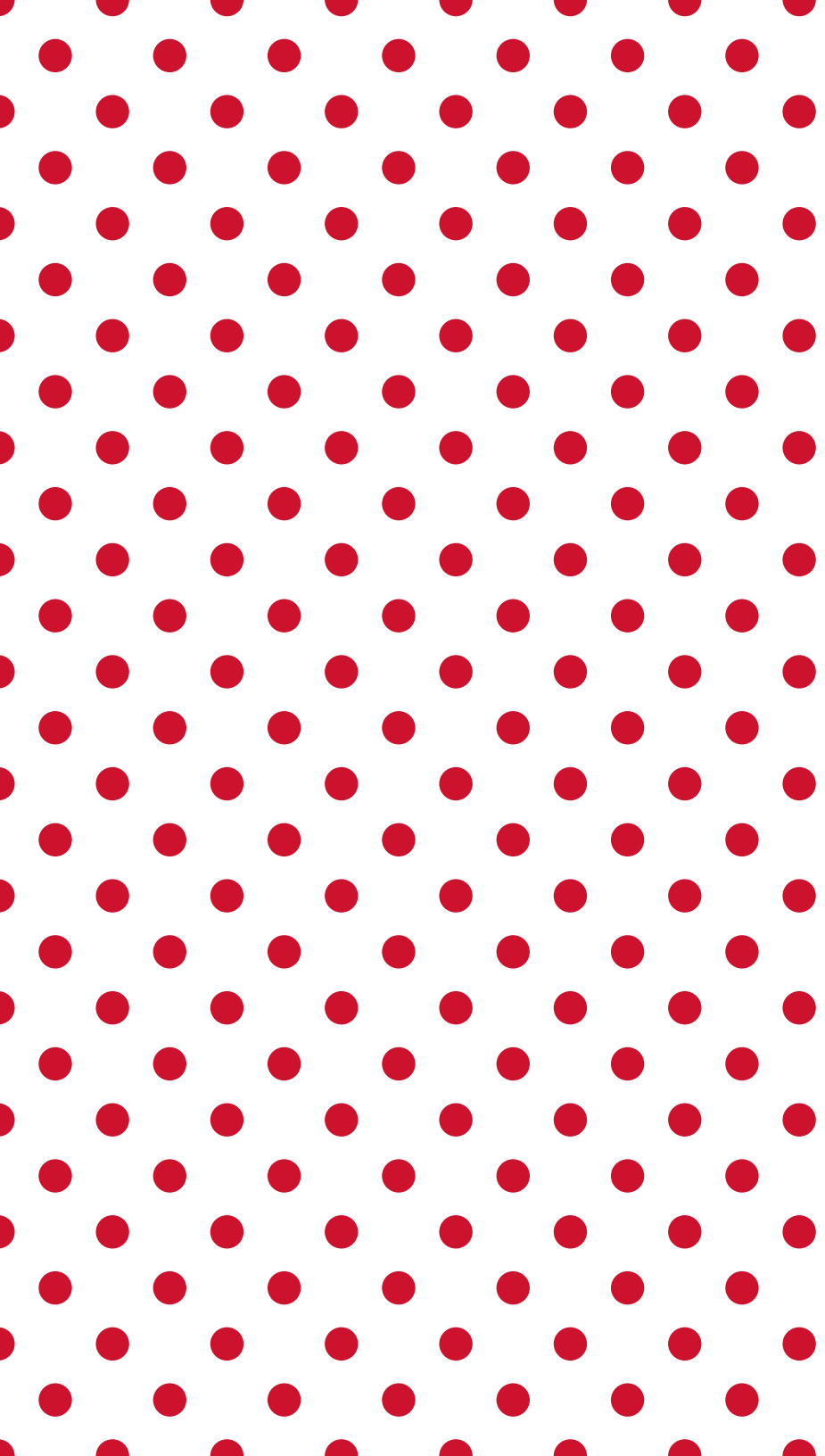
Stakeholders Engaged	How We Engaged Them	Top Issues Raised	Our Response
<b>Civil Society Organizations</b>	<ul style="list-style-type: none"> <li>Interactions through community partnerships and volunteerism</li> <li>Participation in conferences and forums</li> <li>Partnerships to advance mutual agendas</li> <li>Select topical engagement</li> <li>Strategic partnerships and consultation on material issues</li> </ul>	<ul style="list-style-type: none"> <li>Advancement of underrepresented communities</li> <li>Climate change/greenhouse gas emissions (GHGs)</li> <li>Economic vitality</li> <li>Human rights</li> <li>Natural resources stewardship (deforestation)</li> <li>Product formulation</li> <li>Product safety</li> <li>Recycled and sustainably-sourced raw materials</li> <li>Supply chain workers' well-being</li> <li>Transparency/traceability (raw materials, ingredients, labeling)</li> <li>Waste management (effluents, reduce/reuse/recycle)</li> <li>Water stewardship and management</li> <li>Women's empowerment</li> </ul>	<p>Continue to reach our goals and targets set forth to address societal issues material to our business.</p> <p>Focused financial, human and in-kind support in communities where Target operates to try to improve the livelihoods of people across the United States and in our sourcing communities.</p>
<b>Guests</b>	<ul style="list-style-type: none"> <li>A Bullseye View website</li> <li>Face-to-face interactions in our stores</li> <li>Focus groups</li> <li>Guest Services direct interactions</li> <li>In-store marketing</li> <li>Online polling</li> <li>Receipt-to-online guest satisfaction surveys</li> <li>Social media monitoring and engagement</li> <li>Target Red</li> </ul>	<ul style="list-style-type: none"> <li>Access to better products, services and experiences (transparent, clean, affordable)</li> <li>Inclusive products, services, experiences and messages</li> <li>Product ingredient safety including chemicals and ingredients management</li> <li>Product safety and recalls</li> <li>Recycled and sustainably-sourced raw materials</li> <li>Supply chain workers' well-being</li> <li>Transparency/traceability (raw materials, ingredients, labeling)</li> <li>Waste management (effluents, reduce/reuse/recycle)</li> </ul>	<p>Continue to increase access to better-for-you products that prioritize areas guests tell us are most important to them – those that go in, on and around their bodies.</p> <p>Continue to listen and implement inclusive products, services and experiences.</p>
<b>Investors</b>	<ul style="list-style-type: none"> <li>Annual meeting of shareholders</li> <li>Financial community meeting</li> <li>Quarterly earnings conference calls</li> <li>Regular calls and in-person meetings</li> </ul>	<ul style="list-style-type: none"> <li>Climate change/greenhouse gas emissions (GHGs)</li> <li>Corporate governance</li> <li>Financial performance</li> <li>Human capital (pay equity, workforce diversity)</li> <li>Natural resources stewardship (deforestation)</li> <li>Recycled and sustainably-sourced raw materials</li> <li>Supply chain workers' well-being</li> <li>Transparency/traceability (raw materials, ingredients, labeling)</li> <li>Wage and benefits</li> <li>Waste management (effluents, reduce/reuse/recycle)</li> </ul>	<p>Continue to reach our goals and targets, and monitor the changing landscapes to address environmental and social issues material to our business while continuing to drive meaningful business results.</p>
<b>Policy Makers &amp; Influencers</b>	<ul style="list-style-type: none"> <li>Legislative meetings, formal hearings and one-on-one meetings</li> <li>Policy engagement and advocacy</li> <li>Trade associations and policy-based organizations engagement</li> </ul>	<ul style="list-style-type: none"> <li>Data security</li> <li>Discrimination and equity issues</li> <li>Employment and labor issues</li> <li>Immigration</li> <li>Pay and benefits, including pay equity</li> <li>Privacy</li> <li>Product safety</li> <li>Sustainability/environmental management</li> <li>Taxes</li> <li>Trade</li> </ul>	<p>Enterprise-wide intake and assessment of salient policy issues.</p> <p>Advocate at all levels of government, including with policymakers and legislators, to explain the impact legislative and regulatory issues have on our business, industry, communities and team members.</p>
<b>Team Members</b>	<ul style="list-style-type: none"> <li>Citizens at Target (nonpartisan platform for civic engagement)</li> <li>Confidential annual team member survey</li> <li>Daily team member email</li> <li>Executive leadership emails and videos</li> <li>Focus groups and listening sessions</li> <li>Human resources communications</li> <li>Inclusion acumen</li> <li>Integrity Hotline</li> <li>Volunteerism</li> </ul>	<ul style="list-style-type: none"> <li>Diverse hiring</li> <li>Diverse representation</li> <li>Diverse retention</li> <li>Equitable experiences</li> <li>Parity in attrition</li> <li>Team member to team member support</li> <li>Team member well-being</li> <li>Wage and benefits</li> </ul>	<p>Give our team members opportunities to grow professionally, take care of themselves, each other and their families and make an impact on our guests and our local communities.</p> <p>Establish metrics and continue rigor on accountability.</p>
<b>Vendors</b>	<p><b>All vendors</b></p> <ul style="list-style-type: none"> <li>Annual meetings</li> <li>External partner website</li> <li>Trainings and workshops</li> <li>Vendor Code of Conduct</li> </ul> <p><b>Owned-brand vendors</b></p> <ul style="list-style-type: none"> <li>Annual assessment</li> <li>Annual owned-brand vendor meeting</li> <li>Standards of Vendor Engagement (SOVE)</li> </ul>	<ul style="list-style-type: none"> <li>Net-positive manufacturing</li> <li>Recycled and sustainably-sourced raw materials</li> <li>Supplier diversity</li> <li>Supply chain workers' well-being</li> <li>Transparency/traceability (raw materials, ingredients, labeling)</li> <li>Wage and benefits</li> </ul>	<p>Share our resources and offer a transparent view of our work with partners around the world to try to improve worker well-being throughout our supply chain, achieve net-positive manufacturing and derive key raw materials from ethical and sustainable sources.</p> <p>Investment in and development of diverse suppliers.</p>

# Key Collaborations

At Target, we aim to leverage our size, scale and reach to positively impact the communities in which we serve and operate. Going beyond what we can achieve in our own operations and with our vendors, we believe that collective action is essential to innovate solutions to the most pressing issues we face today.

Alliance for Bangladesh Worker Safety (the “Alliance”)  
Apparel Impact Institute (All)  
Association of Plastic Recyclers (Recycling Demand Champion)  
Better Cotton Initiative (BCI)  
Better Work  
Business for Social Responsibility (BSR)  
Canopy  
Catalyst  
CDP  
Ceres  
Clean by Design (NRDC)  
Consumer Goods Forum  
Ellen MacArthur Foundation CE100  
Executive Leadership Council (ELC)  
Fair Trade USA  
Fashion for Good  
Forest Stewardship Council (FSC)  
GC3  
Global Fashion Agenda  
GoodWeave  
GreenChill Partnership  
Hispanic Association for Corporate Responsibility (HACR)  
Human Rights Campaign (HRC)

International Financial Corporation’s (IFC) Vietnam Improvement Project (VIP)  
Itasca Project  
Laborlink  
Leadership Education for Asian Pacifics (LEAP)  
Materials Recovery for the Future  
Nest  
Net Positive Impact  
New Plastics Economy  
Outdoor Industry Association  
Renewable Energy Buyer’s Alliance (REBA)  
Responsible Business Alliance (RBA)  
Retail Industry Leaders Association (RILA)  
Roundtable on Sustainable Palm Oil (RSPO)  
Sustainable Apparel Coalition  
Sustainable Packaging Coalition  
Textile Exchange  
The Recycling Partnership  
U.S. Roundtable for Sustainable Beef  
Verité  
We Are Still In Coalition  
World Resources Institute (WRI) Clean Power Council  
World Wildlife Fund (WWF)  
Zero Discharge of Hazardous Chemicals (ZDHC)



## Progress Against Our Goals

# United Nations Sustainable Development Goals

## Our Approach

Our corporate responsibility strategy is guided by leveraging our business practices and decisions to help deliver on the [United Nations Sustainable Development Goals](#) (UN SDGs). As we actualize our purpose, to help all families discover the joy of everyday life, we have defined four focus areas that help us improve the lives of families today and tomorrow: Empower Teams, Serve Guests, Foster Communities and Design Tomorrow.

We acknowledge the importance of all 17 SDGs. We are actively working to initially drive deeper progress in six of the global goals where we feel we currently can make the greatest impact.



### Gender Equality

Achieve gender equality and empower all women and girls



### Clean Water & Sanitation

Ensure availability and sustainable management of water and sanitation for all



### Decent Work & Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



### Sustainable Cities & Communities

Make cities and human settlements inclusive, safe, resilient and sustainable



### Responsible Consumption & Production

Ensure sustainable consumption and production patterns



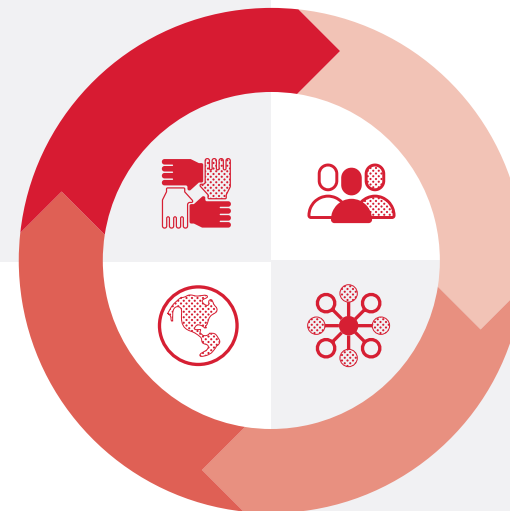
### Climate Action

Take urgent action to combat climate change and its impacts

## EMPOWER TEAMS



## SERVE GUESTS



## DESIGN TOMORROW



## FOSTER COMMUNITIES







## Our Goals

Goal setting is an ongoing process that requires constant engagement with internal and external stakeholders to confirm we have the right targets and actions in place and report on them annually. In 2017, we focused on achieving progress on our existing goals and issuing several new goals that will serve our evolved

corporate responsibility strategy and aspirations. In the following pages, we show where we have expanded our goals, report progress on current goals and areas of improvement and provide details on what we plan to do to advance our corporate responsibility strategy which, as a result, will contribute to advancing the UN SDGs.



## Goals

Empower Teams							
Goal							
<b>Work toward 50 percent female hires for entry-level engineering roles by 2017</b>	In 2017, we increased our female hiring for entry-level engineering roles and are continuing to work toward reaching our goal of 50 percent gender balance. For the second year in a row, 50 percent of our intern class will be female engineers. We are also increasing our investment in developing leaders in the engineering space through global programs like the Engineering Manager Immersion Program (eMIP), which is currently focused on providing curated development and leadership experiences so participants may be considered for an engineering leadership role within Target at the end of the program.						
Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>Pay all team members a minimum hourly wage of at least \$15 by the end of 2020</b>					\$11 (baseline)	<b>In Progress</b> 	In 2017, we shared our commitment to raise our hourly minimum wage to \$15 by the end of 2020. We are continuing on that path, raising our hourly minimum wage to \$12 in 2018.
Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>Volunteer 1 million hours annually</b>	1,000,000 hours	1,777,079 hours	1,100,502 hours	1,105,628 hours	1,096,730 hours	<b>Exceeded</b> 	Our team members invest their time and talent across a variety of issue areas and partners that are most relevant to their community. Our team activates their passion and purpose to drive change and make a difference where we live and work daily, adding up to over a million hours annually.
Goal							
<b>Enhance the lives of 3 million people in the factories and surrounding communities where Target's goods are produced</b>	Our commitment is to elevate the lives of at least 3 million people by 2020. We are doing this through our commitment to elevate worker well-being in our supply chain, enhancing worker safety and monitoring for forced labor. See below for more details on all of these commitments.						
Goal							
<b>Elevate worker well-being throughout our supply chain</b>	Target engaged 10 organizations to elevate worker well-being by 2020, including Fair Trade USA, BSR's HERproject and UNICEF, with a special focus on Bangladesh, Cambodia, China, India, Indonesia and Vietnam.						
Goal							
<b>Enhance worker safety throughout our supply chain</b>	Target continued to fulfill its role as a founding board member of the Alliance for Bangladesh Workers Safety (the "Alliance"). Additionally, Target applied learnings distilled from the work of the Alliance to our core Responsible Sourcing program, including the way we monitor worker safety through factory audits.						
Goal							
<b>Monitor for forced labor throughout our supply chain and take swift action to eliminate it if discovered</b>	In support of our commitment to the Consumer Goods Forum's Forced Labor Resolution, we published an enhanced policy and oversight program to augment protections for foreign migrant workers, including the adoption of the 'employer pays' policy.  Target is working with Laborlink to pilot new ways of using technology to reach workers further back in the supply chain and to help prevent human trafficking.						

# Goals



## Serve Guests

### Goal

#### Chemicals Policy


**Identify and remove all unwanted chemicals from Target owned-brand products and manufacturing, and encourage all supporting industries to incorporate green chemistry principles**


Per our chemicals management policy released in 2017, we are working toward implementing the first Restricted Substance List (RSL) and Manufacturing Restricted Substance List (MRSL) for our textile categories. We expect to have more to report in 2019, once the lists are implemented. See below for additional chemicals policy related goals.

Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>Achieve transparency to all ingredients, including generics such as fragrance, in beauty, baby care, personal care and household cleaning formulated products by 2020</b>					15 percent (baseline)	<b>In Progress</b> 	<p>To gain product ingredient visibility, we must first obtain permission from vendors to screen the products in scope for this goal. In 2017, approximately 38 percent of our products were approved and screened.</p> <p>We have full transparency for 15 percent of items in beauty, baby care, personal care and household cleaning formulated products. We do not have full transparency to 23 percent of our products and do not have permission to screen 62 percent of our products.</p> <p>In 2018, we will continue to work with vendors to try to obtain permission to screen products and increase our level of transparency to all ingredients.</p>
Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>Improve beauty, baby care, personal care and household cleaning product categories by formulating without phthalates, propyl-paraben, butyl-paraben, formaldehyde, formaldehyde-donors or NPEs by 2020</b>					18 percent (baseline)	<b>In Progress</b> 	<p>To gain product ingredient visibility, we must first obtain permission from vendors to screen the products in scope for this goal. In 2017, approximately 38 percent of our products were approved and screened.</p> <p>18 percent of items in beauty, baby care, personal care and household cleaning product categories are formulated without phthalates, propyl-paraben, butyl-paraben, formaldehyde, formaldehyde-donors or NPEs. We do not have 20 percent of our products formulated without these chemicals and do not have permission to screen 62 percent of our products.</p> <p>In 2018, we will continue to work with vendors to try to obtain permission to screen products and better understand which products meet our goal, and which need to be reformulated.</p>
Goal	What's Next						
<b>Improve textile products by removing added Perfluorinated Chemicals (PFCs) from products by 2022</b>	We have been developing our baseline and continue to identify where PFCs exist in Target's current assortment. During 2018, we plan to continue to assess how to remove PFCs from these products.						


## Goals


### Chemicals Policy Goals continued

Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>Improve textile products by removing added flame retardants that are potential carcinogens or pose harm to the guest, workers or communities by 2022</b>					0 (baseline)	<b>In Progress</b> 	In 2017, we focused on the biggest categories impacted by added flame retardants such as children's loosefit sleepwear, sporting goods and indoor upholstered furniture. We are developing a baseline and roadmap for removing flame retardants in these and other impacted categories.

Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>Invest up to \$5 million in green chemistry innovation by 2022</b>				0 (baseline)	\$802,440	<b>In Progress</b> 	In 2017, we made investments in one impact Venture Capital Fund focused on green chemistry and four NGOs for a total commitment of \$802,440. All investments fall within our Green Chemistry Innovation focus areas of Awareness; Transparency Infrastructure; Hazard Profiles & Other Safety Data; and Safer Alternatives to Market. We plan to invest the total \$5 million along a bell curve with lesser dollar amounts in 2017 and 2021, with the bulk of funding in 2018-2020.





Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>Implement Wellness Product Standards and Wellness icons to provide a common framework for what is considered nutritious, clean, transparent and responsibly sourced across food, beverage, beauty, personal and baby care and household cleaning categories</b>							Throughout 2017, we worked to collect data and achieve transparency to assess products across food, beverage and formulated beauty, personal and baby care and household cleaning categories. Products that meet our Standards will receive Wellness icons throughout 2018 depicting key attributes, such as organic or cruelty-free, via in-store signage or on Target.com. To learn more about our Standards visit <a href="http://www.target.com/wellness">www.target.com/wellness</a> .

Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>By the end of 2018, remove artificial flavors, preservatives, sweeteners and colors from all our owned-brand children's items</b>				68 percent (baseline)	88 percent	<b>In Progress</b> 	We are working hard toward the goal that by the end of 2018 parents can choose Target owned-brand kids products that are free of artificial flavors, preservatives, sweeteners and colors.

Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>Add the How2Recycle label to all owned-brand packaging by 2020 (where space allows)</b>	0 (baseline)	300 SKUs	1,265 SKUs	1,710 SKUs	3,843 SKUs	<b>In Progress</b> 	Target is making good progress on this goal with an initial focus on our food and essentials brands. 80 percent of our owned-brand food products are compliant with the How2Recycle goal.



## Goals

Foster Communities							
Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>Target committed \$14 million to youth soccer through two new national initiatives, including an \$8 million local grant program, and a \$6 million partnership with the U.S. Soccer Foundation to build 100 new soccer play spaces by 2020</b>					\$8.2 million (baseline)	<b>In Progress</b> 	In 2017, Target gave grants to local soccer programs totaling \$1.2 million. We also committed \$7 million to USSF to build local soccer pitches during the next three years, beginning in 2018. Both of these accomplishments put us on track to meet our 2020 soccer commitment bringing the game to more kids and families across the country.
Design Tomorrow							
Goal							
<b>Energy</b> <b>Drive energy and water efficiency in our own operations and in our supply chain</b>	<p>Within our own domestic operations, Target is driving efficient buildings as evidenced by 80 percent (over 1,500 buildings) now ENERGY STAR Certified. Our energy efficiency programs are driven by significant investments in intelligent LED lighting systems in our stores, replacement of inefficient HVAC and refrigeration systems and smart building energy management systems to capture building efficiencies. Related to our operational water usage, Target is focused on water conservation initiatives including irrigation management and restroom fixture efficiencies.</p> <p>For more specifics on driving water efficiency, see the water-specific goals below.</p>						
Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>Reduce the energy intensity per square foot in our stores by 10 percent by 2020</b>	16.47 kWh/SF (stores)	16.50 kWh/SF (stores)	16.87 kWh/SF (stores)	16.72 kWh/SF (stores)	16.16 kWh/SF (stores)	<b>In Progress</b> 	Target continues to reduce our energy intensity per square foot by pursuing efficiency projects in HVAC, lighting and refrigeration. In 2017, we reduced our energy intensity by 5.58 percent from our 2010 baseline. In 2018, we will continue to make significant investments in LED lighting conversions in pursuit of our 2020 goal.
Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>Achieve ENERGY STAR certification in 80 percent of our buildings by 2020</b>				76 percent buildings certified (baseline)	80 percent buildings certified	<b>Achieved</b> 	In 2017, we received ENERGY STAR certifications for 106 stores and two HQ buildings. Our total certifications now include 1,509 stores, four headquarter buildings and two data centers.
Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>Introduce hydrofluorocarbon (HFC) free refrigerants in our food distribution centers and stand-alone refrigerated display cases by 2020</b>				580 stores and five FDCs (baseline)	1,081 stores and five FDCs	<b>In Progress</b> 	In 2017, 4,571 R290 propane units have been installed, which equates to 24 percent of Target's self-contained inventory.



## Goals

### Goal

#### Renewable Energy

**We are committed to sourcing 100 percent renewable energy in our domestic operations, which we will work with partners to achieve in the coming years**

Target continues to expand its investment in offsite renewable projects and install onsite solar. In addition, we are continuing to explore green tariffs with utilities, such as Puget Sound Energy and Georgia Power, which also offer a means to support our goal. Look for additional detail on our partnerships with utilities in future Corporate Responsibility Reports as we continue to work toward our 100 percent renewable energy commitment.

Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>Add solar rooftop panels to 500 of our stores and distribution centers by 2020</b>		104	193	350	436	<b>In Progress</b> 	In 2017, Target installed an additional 86 new solar projects, bringing our total project count to 436 installations. In some cases, Target may generate the solar energy in support of utility and state clean energy programs and policies, and in those instances, we do not retain the renewable energy credits.
Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>Expand our investment in offsite renewable energy to complement onsite renewables</b>			0 MW (baseline)	40 MW	100 MW	<b>In Progress</b> 	In 2017, Target signed a new 100 MW wind deal in Kansas, to be completed in 2019. This new project, once completed, will contribute an additional 10 percent to our goal.

### Goal

#### Deforestation



**Support responsibly managed forests and palm oil production**

Target recognizes that the ecosystem services provided by forests around the world are irreplaceable. Forests are critical to mitigating climate change, providing a carbon sink, fostering habitat for biodiversity, providing livelihoods for communities and are a renewable resource for products and packaging throughout our owned-brand supply chain.


Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>All palm oil in Target's owned-brand food (Market Pantry, Archer Farms, Simply Balanced), personal care (up&amp;up) and household cleaning products (up&amp;up) will be fully traceable and sustainably sourced by 2018 or sooner</b>					37.4 percent	<b>In Progress</b> 	In 2017, 37.4 percent of palm oil in products covered by our commitment were certified sustainable under one of the supply chain models. Target continues to engage its vendors on the implementation of Target's responsible palm oil sourcing commitment.


# Goals

## Deforestation Goals continued





Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>Source all owned-brand, paper-based packaging from sustainably managed forests by 2022</b>					13.9 percent (baseline)	<b>In Progress</b> 	Our 13.9 percent progress in 2017 is based on reporting from our Home, Hardlines and Apparel and Accessories categories. Continued work on this goal revolves around additional baseline assessments as well as vendor engagement. Today's work will allow Target to build the foundation for future progress.
<b>By the end of fiscal year 2018, the Spritz brand will be fully compliant with our forest products policy</b>				0 percent (baseline)	10 percent	<b>In Progress</b> 	In 2017, the Spritz team started introducing Forest Stewardship Council (FSC) Chain-of-Custody certification to meet this goal. Negotiations for 2018 indicate that the Spritz brand is on track to meet this goal by the end of 2018.

Goal	
<b>Water</b> <b>Drive sustainable water stewardship in Target owned-brand product design and manufacturing</b>	<p>Our partnerships with Clean by Design and the Vietnam Improvement Program have saved 3 million cubic meters of water across our supply chain. That is enough to fill 1,200 Olympic swimming pools.</p> <p>Twenty of Target's Apparel and Home wet processing facilities, as well as garment laundries, will participate in the Clean By Design program in China that launched in January 2018. Twenty-five of Target's apparel cut/sew and apparel wet processing facilities will participate in the Vietnam Improvement Program that launched in February 2018.</p>

Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>By 2025, absolute water reduction by 15 percent in stores, distribution centers and headquarters locations</b>					3,057,136,528 gallons (9.9 percent decrease from baseline)	<b>In Progress</b> 	<p>Having accomplished our 10 percent per square foot water reduction goal in stores four years early, we are excited to announce a new goal for 2025 to reduce Target's annual water consumption by over 500 million gallons.</p> <p>Our new water usage goal is a 15 percent absolute reduction from our 2010 baseline usage in stores, distribution centers and headquarters locations. Our absolute water use reduction goal encompasses all areas of our direct operations. The change in the goal boundaries and metrics reflects the continuing importance of water conservation initiatives in our direct operations, throughout the entire business and in the communities where we operate. We have already seen a 9.9 percent absolute reduction in water usage in fiscal year 2017, which included 53 weeks instead of the typical 52 weeks.</p>

Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>Waste</b> <b>Divert 70 percent of our retail waste from landfills through reuse or recycle programs by 2020</b>				72.3 percent (baseline)	74 percent	<b>Exceeding</b> 	In 2017, Target diverted 74 percent of retail waste from the landfill. This surpasses Target's 2020 sustainability goal to divert 70 percent. Waste Minimization has set a goal to accomplish 75 percent diversion by the end of 2018.

## Goals

Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>Work to eliminate expanded polystyrene from our owned-brand packaging by 2022</b>					0 percent (baseline)	<b>In Progress</b> 	Target has identified where expanded polystyrene is in use and is looking for replacements that provide the same level of product protection and are as readily available at an acceptable cost.
<b>Create more demand for recycled packaging by creating three new end markets for recycled materials by 2020</b>	Target is committed to making recycling easier and accessible. One way we can do that is to create demand for recycled packaging to encourage the curbside collection of more packaging materials. Target is working on many options to achieve this goal. We also joined the Association of Plastic Recyclers (APR) Demand Champion program.						
Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>Support The Recycling Partnership's mission to improve how more than 25 percent of the U.S. population recycles by 2020</b>					6 percent (20 million people) (baseline)	<b>In Progress</b> 	<p>In 2017, Target became the first retailer to join The Recycling Partnership. With Target's support, The Recycling Partnership has impacted recycling for six percent of the U.S. population (20 million people) through a combination of recycling-related programming and free tools and resources.</p> <p>In 2018, Target plans to leverage The Recycling Partnership's membership to grow community outreach via state and regional relationships. Efforts include creating programming and activations to drive recycling interest and education, and amplifying The Recycling Partnership's work in local communities with Target's team members.</p>
Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>Raw Materials</b> <b>Replace conventional polyester with polyester made from recycled plastic in Target owned-brand apparel, accessories and home products</b>				9 percent (baseline)	38.4 percent	<b>In Progress</b> 	We continued to expand our use of rPET with a majority of it used in Apparel and Accessories, Home and Hardlines categories.
Goal	2013	2014	2015	2016	2017	Progress	What's Next
<b>By 2022, source 100 percent sustainable cotton for our owned-brand and exclusive national-brand products</b>					4,478,088 Kilograms (baseline)	<b>In Progress</b> 	<p>Target is committed to sourcing 100 percent sustainable cotton for our owned-brand and exclusive national-brand products by 2022; this includes Better Cotton, Organic Cotton and Cotton LEADSTM.</p> <p>In 2017, Target became a member of the Better Cotton Initiative (BCI). BCI exists to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future. BCI Farmers are trained to use water efficiently, reduce use of the most harmful chemicals and implement principles of decent work.</p> <p>In 2017, we sourced 4,478 Metric Tonnes of cotton as Better Cotton. That is the equivalent of almost 7,431,397 pairs of jeans.</p> <p>Note: Better Cotton is sourced via a system of Mass Balance and not physically traceable to end products. See <a href="https://bettercotton.org">bettercotton.org</a> for details.</p>





# Our Continued Commitments & What's Next

In addition to our goals, we are working on how to best measure progress against our continued commitments which align with our strategy pillars.

Pillar	Continued Commitments & What's Next
<b>Empower Teams</b>	<p><b>Our Continued Commitments</b></p> <ul style="list-style-type: none"> <li>• Achieve parity in the turnover of diverse and non-diverse team members</li> <li>• Hire diverse talent at rates exceeding qualified availability</li> <li>• Achieve parity in diverse and non-diverse team member workplace experiences</li> <li>• Increase diverse representation across all levels</li> <li>• Continue to pay team members equitably regardless of gender, race or ethnicity</li> <li>• Continue to invest in training opportunities for team members to develop new skills and experiences at every level of the company</li> </ul> <p><b>What's Next</b></p> <ul style="list-style-type: none"> <li>• Launch Target Team Member Giving Fund where Team Members help other team members going through difficult times</li> <li>• Continue to invest in the team member experience focusing on the programs, benefits and moments that matter most and are in the best interest of our team and our business</li> <li>• We have made an initial \$1 million investment in Water.org. Together, we will work to empower people in communities where our goods are produced, enhancing their lives by removing barriers to access affordable financing for water and sanitation</li> </ul>
<b>Serve Guests</b>	<p><b>Our Continued Commitments</b></p> <ul style="list-style-type: none"> <li>• Increase spend with diverse suppliers</li> <li>• Improve sales in key multicultural guest categories</li> <li>• Drive traffic, love and engagement with multicultural guests</li> </ul> <p><b>What's Next</b></p> <ul style="list-style-type: none"> <li>• By end of 2020, implement Restricted Substance Lists (RSL) and Manufacturing Restricted Substance Lists (MRSL) for textiles used in all owned-brand products</li> <li>• We are working toward a commitment that would ensure all of our owned-brand products will have a positive impact on people or the planet by 2025</li> </ul>
<b>Foster Communities</b>	<p><b>Our Continued Commitments</b></p> <ul style="list-style-type: none"> <li>• Continue to invest our philanthropic resources in multicultural communities</li> </ul> <p><b>What's Next</b></p> <ul style="list-style-type: none"> <li>• By 2025, we will have made a transformative economic impact in priority underserved communities</li> </ul>
<b>Design Tomorrow</b>	<p><b>Our Continued Commitments</b></p> <ul style="list-style-type: none"> <li>• By 2025, transition to only cage-free shell eggs, pending available supply</li> <li>• By 2022, eliminate the use of sow gestation crates</li> </ul> <p><b>What's Next</b></p> <ul style="list-style-type: none"> <li>• Climate <ul style="list-style-type: none"> <li>• Support the Paris Agreement to reduce emissions and build resilience to climate change</li> <li>• By 2025, Target will reduce its absolute Scope 1 and 2 greenhouse gas emissions by 25 percent below 2015 levels</li> <li>• By 2022, Target will implement projects in our owned-brand manufacturing facilities that will result in the avoidance of 2 million metric tons of Scope 3 emissions annually</li> <li>• Within a year, Target will develop an additional Scope 3 goal that, coupled with our Scope 1 and 2 goals, will fulfill our commitment to the Science-Based Targets initiative</li> <li>• Consider climate impacts in raw materials sourcing, particularly the impacts of land use change, and designing plans to mitigate those impacts</li> <li>• Support communities most heavily impacted by climate change and building their resilience to climate change impacts like extreme weather events</li> <li>• Increase adoption of renewable energy in our own operations, on the electricity grid and in our supply chain</li> <li>• Accelerate our electric vehicle program with the help of industry experts Tesla, ChargePoint and Electrify America. Together, we will expand our current program, available now at 18 sites in five states (California, Hawaii, Minnesota, North Carolina and Texas), to more than 600 parking spaces at over 100 sites across more than 20 states with charging stations by 2020</li> <li>• Invest in innovations supporting the transition to a lower-carbon transportation system, including vehicle electrification</li> </ul> </li> </ul>

# Our Continued Commitments & What's Next

Pillar	Continued Commitments & What's Next
<b>Design Tomorrow</b>	<ul style="list-style-type: none"> <li>• Circular Economy <ul style="list-style-type: none"> <li>• By 2020, we will invest U.S. \$1 million in textile recycling technologies, with the goal of accelerating the transition to a circular apparel industry</li> <li>• By 2020, all Target owned-brand apparel will be designed for functional durability to last the life cycle of the product</li> </ul> </li> <li>• Forest Products <ul style="list-style-type: none"> <li>• Aim to source all of the wood, paper, paper-based packaging and wood-based fiber used in Target's owned-brand products from forests that are well-managed and credibly certified – and whenever possible, from post-consumer recycled materials</li> <li>• By the end of 2020, the up&amp;up, Pillowfort and Cat &amp; Jack brands will be fully compliant with our forest products policy</li> <li>• By the end of 2022, the Threshold and Smith &amp; Hawken brands will be fully compliant with our forest products policy</li> </ul> </li> <li>• Waste <ul style="list-style-type: none"> <li>• As a member of the Consumer Goods Forum, we have committed to reducing food waste within our own retail and manufacturing operations by 50 percent by 2025</li> <li>• Waste Minimization has set a goal to accomplish 75 percent diversion by the end of 2018</li> </ul> </li> <li>• Water <ul style="list-style-type: none"> <li>• By 2022, we will improve water efficiency in textile dyeing and finishing factories located in priority watersheds by 15 percent</li> <li>• By 2025, we will design 100 percent of garment washed owned-brand apparel utilizing water saving design principles</li> <li>• By 2025, all owned-brand apparel textile facilities will comply with ZDHC Progressive level wastewater standards</li> <li>• Over the next 24 months, we will seek to understand Target's position on water quality within our U.S. building operations</li> </ul> </li> <li>• Seafood <ul style="list-style-type: none"> <li>• We are committed to more traceability and sustainable shelf-stable tuna as well as sushi</li> </ul> </li> </ul>

# About this Report

## Materiality Process

🕒 [Learn More](#)

## Stakeholder Engagement

🕒 [Learn More](#)

## Goals

🕒 [Learn More](#)

## For More Information, Contact

[CorporateResponsibility@Target.com](mailto:CorporateResponsibility@Target.com)

## Scope

This corporate responsibility report updates stakeholders on our progress against our corporate responsibility commitments. We are ambitious in our commitments, which means that sometimes there are setbacks. We are open about these challenges and are dedicated to doing what is required to address them.

In addition, our commitments may be altered as our business priorities change and corporate responsibility priorities change.

This report represents Target's global operations for fiscal year end 2017. Unless noted, as with our manufacturing activities abroad, goals and other data within the report reflect our U.S. operations. This report was published in July 2018 and reflects our activities and performance for fiscal year 2017 (Jan. 29, 2017 – Feb. 3, 2018). Our last report, 2016 CSR Report, was published in July 2017.

We have changed the naming convention of this report to reflect the year of publishing (2018) as opposed to our previous reports, which reflected the year that the data represented. As such, there will be no report titled the 2017 Corporate Responsibility Report, as this 2018 Corporate Responsibility Report represents the fiscal year 2017 data.

## GRI Reporting Standards

This report has been prepared in accordance with the GRI Standards: Core option, which we believe is the most credible standard for reporting on environmental, social and governance performance issues most important to our business and stakeholders.

## Report Structure

The structure of this report follows our new corporate responsibility strategy focus areas: Empower Teams, Serve Guests, Foster Communities and Design Tomorrow. We continued to report against our most [material issues](#) identified during our 2017 [stakeholder engagement](#) process.

We welcome your feedback on this report. For more information or to provide comments, please contact us at: [CorporateResponsibility@Target.com](mailto:CorporateResponsibility@Target.com).

## Forward Looking Statements

This report contains forward-looking statements, which are based on our current assumptions and expectations. These statements are typically accompanied by the words "expect," "may," "could," "believe," "would," "might," "anticipates," or similar words. The principle forward-looking statements in this report include our sustainability goals, commitments and programs; our business plans, initiatives and objectives; and our assumptions and expectations. All such forward-looking statements are intended to enjoy the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, as amended. Although we believe there is a reasonable basis for the forward-looking statements, our actual results could be materially different. The most important factors which could cause our actual results to differ from our forward-looking statements are set forth in our description of risk factors in Item 1A of our Form 10-K for the first fiscal year ended February 3, 2018, which should be read in conjunction with the forward-looking statements in this report. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update any forward-looking statement.

## GRI Standards Content Index

GRI Standard	Disclosure Title	Disclosure Number	Target Response
General Disclosures			
<b>GRI 102</b>	<b>Name of the organization</b>	102-1	Target Corporation <a href="#">2017 10-K: Cover Page</a>
	<b>Activities, brands, products and services</b>	102-2	Target does not intentionally sell items that are banned in certain markets. <a href="#">2017 10-K: Business, p. 2</a>
	<b>Location of headquarters</b>	102-3	<a href="#">2017 10-K: Properties, p. 11</a>
	<b>Location of operations</b>	102-4	<a href="#">Responsible Sourcing: See Global Factory List</a> <a href="#">2017 10-K: Business, p. 3-4, Properties, p.11</a>
	<b>Ownership and legal form</b>	102-5	Target Corporation is a publicly held Minnesota corporation that is listed on the New York Stock Exchange. <a href="#">2017 10-K: Cover Page, Business, p. 2</a>
	<b>Markets served</b>	102-6	<a href="#">2017 10-K: Business, p. 3-4, Properties, p.11</a>
	<b>Scale of the organization</b>	102-7	<a href="#">Total Number of Employees: 2017 10-K: Business, Employees, p. 3</a> <a href="#">Total Number of Operations: 2017 10-K: Business, p. 3; Segment Reporting, p. 61</a> <a href="#">Net Sales: 2017 10-K: Selected Financial Data, p. 16</a> <a href="#">Quantity of Products or Services Provided: 2017 10-K: Business, p. 2-4</a>
	<b>Information on employees and other workers</b>	102-8	<a href="#">Workforce Diversity Report</a> <a href="#">2017 10-K: Business, Employees, p. 3</a>
	<b>Supply chain</b>	102-9	The Target Sourcing Services team sources Target-brand merchandise from all over the world. We source Target brand products from 2,722 registered manufacturing facilities in 49 countries, all of which we require to follow our standards for how to treat workers and care for the environment. We continually evaluate the mix of countries from which we source and adjust for many factors, including production quality, social responsibility, capacity, speed to market and pricing.  <a href="#">2017 10-K: Business, p. 2-4</a> <a href="#">Standards of Vendor Engagement (SOVE)</a>
	<b>Significant changes to the organization and its supply chain</b>	102-10	<a href="#">2017 10-K: Business, p. 2-4</a>
	<b>Precautionary Principle or approach</b>	102-11	Target does not have an official policy as it pertains to the precautionary principle.



GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>General Disclosures</b>			
<b>GRI 102</b>	<b>External initiatives</b>	102-12	<a href="#">Animal Welfare Chemicals Policy</a> <ul style="list-style-type: none"> <li>• <a href="#">Chemicals Policy: Textiles RSL and MRSL Implementaiton Guide</a></li> </ul> <a href="#">Climate Policy</a> <ul style="list-style-type: none"> <li>• <a href="#">Target Just Announced a New Climate Policy and Goals</a></li> </ul> <a href="#">Cotton Policy</a> <a href="#">Fashion Transparency Index</a> <a href="#">Forest Products Policy</a> <a href="#">Freshwater Stewardship</a> <a href="#">Global Fashion Agenda Commitment</a> <a href="#">Higg Index</a> <a href="#">Labor and Human Rights Policies</a> <a href="#">Leadership in Energy and Environmental Design (LEED)</a> <a href="#">OEKO-TEX Certified</a> <a href="#">Standards of Vendor Engagement (SOVE)</a> <a href="#">Sustainable Seafood Policy</a> <a href="#">Zero Discharge of Hazardous Chemicals (ZDHC)</a>
	<b>Membership of association</b>	102-13	<a href="#">Trade Association and Policy-Based Organization Support</a>
	<b>Statement from senior decision-maker</b>	102-14	<a href="#">Message From Our Board Chairman &amp; CEO, p. 3</a>
	<b>Key impacts, risks and opportunities</b>	102-15	<a href="#">Message From Our Board Chairman &amp; CEO, p. 3</a> <a href="#">Q&amp;A With Our Vice President of Corporate Responsibility, p. 4</a> <a href="#">2017 10-K: Risk Factors, p. 5-10</a>
	<b>Values, principles, standards and norms of behavior</b>	102-16	<a href="#">Purpose &amp; Beliefs</a> <a href="#">Business Conduct Guide</a> <a href="#">Standards of Vendor Engagement (SOVE)</a> <a href="#">Vendor Code of Conduct</a>
	<b>Mechanisms for advice and concerns about ethics</b>	102-17	<a href="#">Business Conduct Guide</a>
	<b>Governance structure</b>	102-18	<a href="#">Board of Directors</a> <a href="#">Board Committees</a> <a href="#">Governance Guidelines</a>
	<b>Delegating authority</b>	102-19	<p>The Board of Directors has delegated oversight responsibility over Target's corporate responsibility matters to the Nominating and Governance Committee of the Board of Directors. The Nominating and Governance Committee has the authority to delegate any of its responsibilities to subcommittees of one or more persons, including persons who are not directors.</p> <a href="#">Nominating and Governance Committee Charter</a>
	<b>Executive-level responsibility for economic, environmental and social topics</b>	102-20	<p>Jennifer Silberman oversees corporate responsibility across Target as the Vice President of Corporate Responsibility. She reports to Rick Gomez, Executive Vice President and Chief Marketing Officer at Target.</p> <a href="#">Q&amp;A With Our Vice President of Corporate Responsibility, p. 4</a>

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>General Disclosures</b>			
<b>GRI 102</b>	<b>Consulting stakeholders on economic, environmental and social topics</b>	102-21	<p>We have ongoing relationships with community leaders, government agencies and non-governmental organizations to help us understand the most pressing issues facing our communities and the world. They also influence how we support our team members and guests.</p> <p>Read more about the organizations we engage with and how we are responding to key topics and concerns.</p> <p><a href="#">Stakeholder Engagement, p. 36</a>  <a href="#">Stakeholder Engagement</a>  <a href="#">2018 Proxy Statement: Corporate responsibility and reputation, p.14, Business ethics and conduct, p.16 and Communications with directors and shareholder outreach, p. 16</a></p>
	<b>Composition of the highest governance body and its committees</b>	102-22	<p><a href="#">Diversity of Governance Bodies and Employees, p. 76</a>  <a href="#">2018 Proxy Statement: Our directors, Board leadership structure, Committees and Committee composition and leadership, p. 8-11</a>  <a href="#">Board of Directors</a>  <a href="#">Board Committees</a></p>
	<b>Chair of the highest governance body</b>	102-23	<p><a href="#">2017 10-K: Executive Officers, p.13</a>  <a href="#">2018 Proxy Statement: Board leadership structure, p. 8</a></p>
	<b>Nominating and selecting the highest governance body</b>	102-24	<p><a href="#">2018 Proxy Statement: Election of directors, p.17-26</a></p>
	<b>Conflicts of interest</b>	102-25	<p><a href="#">2018 Proxy Statement: Director independence, p.15; Policy on transactions with related persons, p.15; Business ethics and conduct, p.16</a>  <a href="#">Business Conduct Guide</a></p>
	<b>Role of highest governance body in setting purpose, values and strategy</b>	102-26	<p>The Board retains oversight responsibility over the Corporation's key strategic risks, including those relating to corporate responsibility matters. The Nominating and Governance Committee of the Board of Directors has overall oversight responsibility over corporate responsibility matters. Target recognizes that environmental, social and governance issues are of increasing importance to many investors. The Vice President of Corporate Responsibility and the Corporate Responsibility team work with functional leaders across the company to determine strategies, policies and goals related to sustainability and regularly report to and seek input from the Nominating and Governance Committee on those matters, including review of the annual Corporate Responsibility Report.</p> <p><a href="#">2018 Proxy Statement: Risk oversight, p.12, Corporate responsibility and reputation, p. 14</a>  <a href="#">Nominating and Governance Committee Charter</a></p>
	<b>Collective knowledge of highest governance body</b>	102-27	<p>Target's Vice President of Corporate Responsibility presents to the Nominating and Governance Committee semi-annually on corporate responsibility related topics. Additionally, new directors participate in an orientation program that includes discussions with senior management, background materials on the Corporation's plans, organization and financial statements, including corporate responsibility priorities and progress.</p>
	<b>Effectiveness of risk management processes</b>	102-30	<p><a href="#">2018 Proxy Statement: Committees: Risk and Compliance Committee, p. 10</a>  <a href="#">2018 Proxy Statement: Risk oversight, p. 12</a>  <a href="#">2018 Proxy Statement: Communications with directors and shareholder outreach, p. 16</a></p>
	<b>Review of economic, environmental and social topics</b>	102-31	<p>The Board of Directors' review of environmental and social topics is obtained through the updates it receives from the Nominating and Governance Committee. The Nominating and Governance Committee reviews environmental and social topics at least semi-annually. This happens independently of our financial reporting process, which includes economic topics, and is overseen throughout the year by the Audit and Finance Committee, which provides regular reports to the Board of Directors.</p>
	<b>Highest governance body's role in sustainability reporting</b>	102-32	<p>The Vice President of Corporate Responsibility at Target is responsible for monitoring and managing the organization's sustainability performance, providing final review of the sustainability report with the support of key executives across the company, and ensuring that all appropriate topics are covered. Prior to publication, the Nominating and Governance Committee of the Board of Directors reviews the annual Corporate Responsibility Report.</p>

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>General Disclosures</b>			
<b>GRI 102</b>	<b>Communicating critical concerns</b>	102-33	<p>There are multiple methods for communicating critical concerns to the Board of Directors including through Target's CEO, who also serves as Chairman of the Board. Shareholders and other interested parties can also communicate critical concerns with any individual director or group of directors via mail or email, a process managed by the Board's Corporate Secretary.</p> <p><a href="#">2018 Proxy Statement: Business ethics and conduct and Communications with directors and shareholder outreach, p.16</a>  <a href="#">Governance Guidelines</a>  <a href="#">Business Conduct Guide</a></p>
	<b>Remuneration policies</b>	102-35	<a href="#">2018 Proxy Statement: Human Resources &amp; Compensation Committee Report, Compensation Discussion and Analysis and Compensation Tables, p. 31-63</a>
	<b>Process for determining remuneration</b>	102-36	<a href="#">2018 Proxy Statement: Compensation Discussion and Analysis, p. 31-48</a>
	<b>Stakeholders' involvement in remuneration</b>	102-37	<p><a href="#">2018 Proxy Statement: Communications with directors and shareholder outreach, p.16</a>  <a href="#">2018 Proxy Statement: Shareholder support for our 2017 advisory vote on executive compensation and shareholder outreach program, p. 33</a></p>
	<b>List of stakeholder groups</b>	102-40	<p><a href="#">Stakeholder Engagement, p. 36</a>  <a href="#">Stakeholder Engagement</a></p>
	<b>Collective bargaining agreements</b>	102-41	No Target team members are currently covered by terms of collective bargaining agreements.
	<b>Identifying and selecting stakeholders</b>	102-42	<p><a href="#">Stakeholder Engagement, p. 36</a>  <a href="#">Stakeholder Engagement</a></p>
	<b>Approach to stakeholder engagement</b>	102-43	<p>Engaging with our stakeholders and listening to their ideas, concerns and perspectives is vital to the success of our business. We aim for meaningful dialogue with stakeholders who are focused on our top priority issues, and we initiate conversations with and respond to stakeholders in formal and informal ways every day across the company, throughout our communities and across a variety of different channels. In addition, we periodically engage a third party to administer stakeholder surveys and conduct confidential interviews with key stakeholders to gather specific feedback around Target's efforts related to our corporate responsibility focus areas and overall reputation.</p> <p><a href="#">Stakeholder Engagement, p. 36</a>  <a href="#">Stakeholder Engagement</a></p>
	<b>Key topics and concerns raised</b>	102-44	<p>We have ongoing relationships with community leaders, government agencies and non-governmental organizations that help us understand the most pressing issues facing our communities and the world. They also influence how we support our team members and guests.</p> <p><a href="#">Stakeholder Engagement</a></p>
	<b>Entities included in the consolidated financial statements</b>	102-45	<a href="#">Target's List of Significant Subsidiaries</a>
	<b>Defining report content and topic boundaries</b>	102-46	<p><a href="#">Message From Our Board Chairman &amp; CEO, p. 3</a>  <a href="#">Q&amp;A With Our Vice President of Corporate Responsibility, p. 4</a>  <a href="#">Materiality, p. 33</a>  <a href="#">About this Report, p. 51</a></p>
	<b>List of material topics</b>	102-47	<a href="#">Materiality, p. 33</a>
	<b>Restatements of information</b>	102-48	Target has no restatements of information to report for 2017.

GRI Standard	Disclosure Title	Disclosure Number	Target Response
General Disclosures			
<b>GRI 102</b>	<b>Changes in reporting</b>	102-49	<p><b>Report Name Change</b> We have changed the naming convention of this report to reflect the year of publishing (2018) as opposed to our previous reports, which reflected the year that the data represented. As such, there will be no report titled the 2017 Corporate Responsibility Report, as this 2018 Corporate Responsibility Report represents the fiscal year 2017 data.</p> <p><b>Governance</b> The Nominating and Governance Committee's oversight authority became effective as of June 2018. Thus, all references to the Nominating and Governance Committee within this report apply to Target's new governance structure beginning in June 2018.</p> <p><b>Water Goal Change</b> After reaching our goal in 2016 to improve water usage efficiency at stores by 10 percent per sq. ft. from our 2010 baseline, Target has decided to further its commitment to water conservation and sustainability by setting an absolute water use reduction goal. <a href="#">Absolute Water Reduction Goal, p. 47</a></p> <p><b>GRI 409-1: Forced or Compulsory Labor</b> In previous years, the data Target supplied in relation to the Forced or Compulsory Labor GRI Disclosures inaccurately consisted of the total number of Target suppliers that underwent a social compliance audit during the applicable year. As a consequence, the numbers reported did not accurately represent the number of Target suppliers at "significant risk" for incidents of forced or compulsory labor (which would have been a small fraction of the total reported) and also did not refer to the work Target performed that year to identify, address and combat forced labor. Having reassessed the reporting requirement of GRI disclosure 409-1, which does not require quantitative reporting, our responses in this response and going forward will refer to our qualitative work focused on the elimination of all forms of forced or compulsory labor.</p>
	<b>Reporting period</b>	102-50	<a href="#">About this Report, p. 51</a>
	<b>Date of most recent report</b>	102-51	<a href="#">About this Report, p. 51</a>
	<b>Reporting cycle</b>	102-52	<a href="#">About this Report, p. 51</a>
	<b>Contact point for questions regarding the report</b>	102-53	<a href="mailto:CorporateResponsibility@Target.com">CorporateResponsibility@Target.com</a>
	<b>Claims of reporting in accordance with the GRI Standards</b>	102-54	<a href="#">About this Report, p. 51</a>
	<b>GRI content index</b>	102-55	<a href="#">GRI Content Index, starting on p. 52</a>
	<b>External assurance</b>	102-56	Some of our environmental data is assured. It is noted in this index with an asterisk (*) where relevant. We did not seek external assurance for the remainder of this report.
Economic Performance			
<b>Economic Performance</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<a href="#">Learn more about Target's management approach to economic material issues in our 2017 10-K: Management's Discussion and Analysis of Financial Condition and Results of Operations, p. 16-31, Risk factors, p. 5-10</a>
<b>GRI 201: Economic Performance 2018</b>	<b>Direct economic value generated and distributed</b>	201-1	<a href="#">2017 10-K: Selected Financial Data, p. 16</a>
	<b>Financial implications and other risks and opportunities due to climate change</b>	201-2	<a href="#">Target CDP Response: Climate Change</a> <a href="#">Target CDP Response: Forest</a> <a href="#">Target CDP Response: Water</a>



GRI Standard	Disclosure Title	Disclosure Number	Target Response
Indirect Economic Impacts			
	<b>Defined benefit plan obligations and other retirement plans</b>	201-3	<a href="#">2017 10-K: Employees, p. 3, Pension and Postretirement Health Care Plans, p. 56-60</a>
<b>Community Service</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p>At Target, community service is part of our rich history of investing in our communities. Just as important as our financial contributions, is time and talent contributed by our team members across the globe. In 2017, we set a goal and achieved 1 million hours of volunteer service and we have maintained this commitment annually ever since. Each of our locations across the globe—whether headquarters, a store, a distribution center or global office, contributes to this commitment.</p> <p>Our team is encouraged to volunteer where it feels locally relevant, and where they have passion. We continue to encourage participation in skills-based/pro bono community service via our Law pro bono work, nonprofit board service program and skills-based challenge events.</p> <p>In 2018, we will provide additional opportunities for team members to help us achieve our 1 million hours commitment of service in Target communities.</p>
<b>Disaster Support</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p>Every disaster is local and with Target stores in more than 1,800 communities, a global supply chain and nearly 350,000 team members, disasters often have a direct impact to Target.</p> <p>Natural disasters are increasing in frequency and getting larger in size and scale and are therefore, more destructive. Additionally, man-made disasters are becoming more frequent as well.</p> <p>Target responds to natural disasters around the world in communities where our team members live and work as well as where Target has stores, distribution centers, headquarters offices and manufacturing supply chain presence. Donations include a mix of cash grants, in-kind product and leveraging our resources to build back communities stronger than before. Target responds to man-made disasters by supporting the needs of the community and first-responders on site through in-kind product donations.</p> <p>Target's Global Crisis Management team provides coordination of local leaders and HQ team members to respond to the needs of the team, store and community. Our goal is to keep the Target team safe, allow Target to quickly re-open stores and help the community get back on its feet. We evaluate each response independently to understand the needs of our team, guests and communities to prepare for the next disaster.</p>
<b>GRI 203: Indirect Economic Impacts 2018</b>	<b>Infrastructure investments and services supported</b>	203-1	<p><b>Goals</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Volunteer 1 million hours annually</a></li> </ul> <p><b>Total amount donated through Target and Target Foundation: \$217 million</b></p> <ul style="list-style-type: none"> <li>• Amount provided in cash: \$104,999,724</li> <li>• Value of in-kind donations: \$112,673,987</li> <li>• Amount provided to organizations that support underrepresented communities of color within the United States: \$108.3 million</li> <li>• Food donations: 76,944,015 pounds (64 million meals)</li> </ul> <p><b>Additional Contributions</b></p> <ul style="list-style-type: none"> <li>• Total number of volunteer hours: 1,096,730</li> <li>• Team member participation in the annual Employee Giving Campaign: 94 percent</li> <li>• Total donated to the United Way and other organizations our team members support: \$12.5 million (Team members donated approximately \$9.3 million of these dollars.)</li> </ul> <p>All our stores and distribution centers have donation and volunteerism funds to use in their local communities.</p> <p><b>In 2017:</b></p> <ul style="list-style-type: none"> <li>• 90 percent or \$195 million of our financial donations went to local community programs and organizations</li> <li>• \$3.3 million went to Disaster Preparedness and Response</li> </ul> <p><a href="#">Disaster Preparedness and Response</a></p>

Total Donation Amount (cash and in-kind)	
2017	\$217M
2016	\$210M
2015	\$216M
2014	\$244M
2013	\$246M

GRI Standard	Disclosure Title	Disclosure Number	Target Response
Indirect Economic Impacts			
<b>GRI 203:</b> Indirect Economic Impacts 2018	<b>Significant indirect economic impacts</b>	203-2	<a href="#">Goals: United Nations Sustainable Development Goals, p. 40</a>
Procurement Practices			
<b>Animal Welfare</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p>We believe that every animal deserves to be free from hunger and thirst, discomfort, pain, injury or disease, fear and distress, and is free to express normal behavior throughout an animal's entire lifetime. We do not support the use of routine, non-therapeutic antimicrobials – including all antibiotics – to promote growth. We expect our suppliers and the producers they work with to phase out this practice and only use antimicrobials when medically necessary. Our Food Animal Welfare &amp; Antibiotics Policies outline the standards and principles that we expect our Meat, Dairy and Deli vendors to follow when sourcing and producing products for sale at Target.</p> <p>We are working with our suppliers to increase our offerings of cage-free shell eggs nationwide, working toward a 100 percent cage-free shell egg assortment by 2025, based on available supply. We are also partnering closely with our pork product vendors to eliminate the use of sow gestation crates by 2022. We monitor our suppliers annually to confirm adherence to our standards.</p> <p><a href="#">Animal Welfare, p.28</a> <a href="#">Food Animal Welfare &amp; Antibiotics Policies</a></p>
<b>GRI 204:</b> Procurement Practices 2018	<b>Proportion of spending on local suppliers</b>	204-1	<p><b>Local Supplier Procurement Practices</b></p> <p>Percentage of the procurement budget used for significant locations of operation spent on suppliers local to that operation (such as percentage of products and services purchased locally): 4.5 percent.</p> <p>For local supplier procurement, we define local as being within Minnesota and three counties in Western Wisconsin (Polk, St. Croix or Pierce).</p>
Anti-Corruption			
<b>GRI 205:</b> Anti-Corruption 2018	<b>Operations assessed for risks related to corruption</b>	205-1	<p>Target is committed to conducting business in an ethical manner. Target's Business Conduct Guide provides anti-corruption guidance to our teams. Team members are expected to understand and follow these guidelines.</p> <p><a href="#">Business Conduct Guide</a></p>
	<b>Communication and training about anti-corruption policies and procedures</b>	205-2	<p>Target is committed to conducting business in an ethical manner. Target's Business Conduct Guide provides anti-corruption guidance to our teams. Team members are expected to understand and follow these guidelines.</p> <p><a href="#">Business Conduct Guide</a></p>

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>Materials, Energy, Water &amp; Emissions</b>			
<b>Materials, Energy, Water &amp; Emissions</b> (Energy Management & Renewables)	<b>Management Approach</b> (103-1, 103-2, 103-3)	103	<p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Drive energy and water efficiency in our own operations and in our supply chain</a></li> <li>• <a href="#">Reduce the energy intensity per square foot in our stores by 10 percent by 2020</a></li> <li>• <a href="#">Achieve ENERGY STAR certification in 80 percent of our domestic buildings by 2020</a></li> <li>• <a href="#">Introduce hydrofluorocarbon (HFC) free refrigerants in our food distribution centers and stand-alone refrigerated display cases by 2020</a></li> <li>• <a href="#">We are committed to sourcing 100 percent renewable energy in our domestic operations, which we will work with partners to achieve in the coming years</a> <ul style="list-style-type: none"> <li>• <a href="#">Add solar rooftop panels to 500 of our stores and distribution centers by 2020</a></li> <li>• <a href="#">Expand our investment in offsite renewable energy to complement onsite renewables</a></li> </ul> </li> <li>• <a href="#">Replace conventional polyester with polyester made from recycled plastic in Target owned-brand apparel, accessories and home products</a></li> </ul> <p>Target's management approach to environmental responsibility and the clean energy economy focuses on reducing resource use (water, energy and fuel), as well as waste and carbon emissions output.</p> <p><a href="#">Climate and Energy, p. 25</a>  <a href="#">Target CDP Response: Climate Change</a>  <a href="#">Target CDP Response: Forests</a>  <a href="#">Target CDP Response: Water</a>  <a href="#">Climate Policy</a></p>
<b>Better Products, Services and Experiences</b>	<b>Management Approach</b> (103-1, 103-2, 103-3)	103	<p>Target's commitment to transparent and clean ingredients, and affordable products extends beyond initiatives like our <a href="#">Chemicals Policy</a> and <a href="#">Wellness icons</a>, to additional policies and commitments that ultimately foster product innovation and environmental and social purpose.</p> <p><b>Some of these include the following:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Elimination of key artificial ingredients in owned-brand kids' food products</a></li> <li>• <a href="#">Food Animal Welfare (gestation crates, cage-free eggs)</a></li> <li>• <a href="#">Owned-brand Raw Materials Goals</a></li> <li>• <a href="#">Responsible Palm Oil</a></li> <li>• <a href="#">Simply Balanced Brand Principles</a></li> <li>• <a href="#">Sustainable Seafood Policy</a></li> </ul> <p><a href="#">Better Products, Services &amp; Experiences, p. 17</a>  <a href="#">Responsible Sourcing</a>  <a href="#">Sustainable Products</a></p>

GRI Standard	Disclosure Title	Disclosure Number	Target Response
Materials, Energy, Water & Emissions			
<b>Chemicals &amp; Ingredients Management</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Chemicals Policy</a>: Identify and remove all unwanted chemicals from Target owned-brand products and manufacturing, and encourage all supporting industries to incorporate green chemistry principles <ul style="list-style-type: none"> <li>• <a href="#">Achieve transparency to all ingredients, including generics such as fragrance, in beauty, baby care, personal care and household cleaning formulated products by 2020</a></li> <li>• <a href="#">Improve beauty, baby care, personal care and household cleaning product categories by formulating without phthalates, propyl-paraben, butyl-paraben, formaldehyde, formaldehyde-donors or NPEs by 2020</a></li> <li>• <a href="#">Improve textile products by removing added Perfluorinated Chemicals (PFCs) from products by 2022</a></li> <li>• <a href="#">Improve textile products by removing added flame retardants that are potential carcinogens or pose harm to the guest, workers or communities by 2022</a></li> <li>• <a href="#">Invest up to \$5 million in green chemistry innovation by 2022</a></li> </ul> </li> </ul> <p>Our guests want to know about the chemicals used to make their favorite products, and they look to Target for better options for their families. In January 2017, we launched a new strategy, including a chemicals policy and goals, to help us manage chemicals across our assortment and operations. We believe that by supporting our vendors in being more transparent about the ingredients in products, we can spur innovation across all of our product categories and operations, and help reduce unwanted substances from the homes and workplaces of millions of guests.</p> <p>We are continuing to report on the progress to goals where we have available data, and to establish baselines in the cases where we do not currently have data available. Throughout 2018, we will continue to scope out other potential goals and options for including additional operations and product categories under Target's Chemicals Policy.</p> <p><a href="#">Better Products, Services &amp; Experiences, p. 17</a>  <a href="#">Chemicals</a>  <a href="#">Target's Chemicals Policy: Textiles RSL and MRSL Implementation Guide</a></p>
<b>Transparency/ Traceability (raw materials, ingredients, labeling)</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p>Within Target's <a href="#">Chemicals Policy</a>, we strive for full visibility to chemicals contained in or used to make the products we sell in our stores and use in our operations.</p> <p>Beyond chemicals, we have several programs that seek greater transparency and traceability throughout our owned-brand supply chain. As each of these programs and policies are implemented, they will share progress updates on their respective transparency and traceability ambitions:</p> <ul style="list-style-type: none"> <li>• <a href="#">Deforestation</a> <ul style="list-style-type: none"> <li>• <a href="#">Forest Products</a></li> <li>• <a href="#">Palm Oil</a></li> </ul> </li> <li>• <a href="#">Cotton</a></li> <li>• <a href="#">Sustainable Seafood</a></li> </ul> <p><a href="#">Better Products, Services &amp; Experiences, p. 17</a></p>



GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>Materials, Energy, Water &amp; Emissions</b>			
<b>Natural Resources Stewardship: Deforestation</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p><b>Goal:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Support responsibly managed forests and palm oil production</a></li> </ul> <p>As a retailer with a wide variety of products, we understand the responsibility we have to protect forests around the world. We are committed to aiding in the global effort to end deforestation and forest degradation, and focus our efforts in the places we can have the most positive impact today – specifically palm oil and wood-based materials.</p> <p>We are committed to sustainably sourcing palm, wood, paper, and wood-based fibers in our priority owned brands, and wood-based fibers in packaging. We will build on our existing priority raw material commitments by evaluating high-risk commodities – including soy, leather and rubber – and their material significance to Target. Where necessary, we will address salient issues with relevant time-bound and measurable goals.</p> <p>Furthermore, Target recognizes that forests are not the only ecosystem under threat from commodity production. We are currently undertaking efforts to identify how and where conversion of other types of natural habitat, like grasslands and savannahs, touches our supply chain, such as our domestic beef supply chain. We have joined the U.S. Roundtable for Sustainable Beef as a way to advance sustainability efforts in the domestic supply chain.</p> <p>Read more about our work to end deforestation within our supply chain on our <a href="#">Corporate Site</a>.</p> <p><a href="#">Deforestation, p. 27</a>  <a href="#">Deforestation Commitment</a></p>
<b>Recycled &amp; Sustainably Sourced Raw Materials: Forest Products</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Source all owned-brand, paper-based packaging from sustainably managed forests by 2022</a></li> <li>• <a href="#">By the end of fiscal year 2018, the Spritz brand will be fully compliant with our forest products policy</a></li> </ul> <p>Target will continue to work in multi-stakeholder collaborations and initiatives like the Roundtable for Sustainable Palm Oil (RSPO), The Consumer Goods Forum and other industry initiatives that are developing industry-wide approaches to deforestation.</p> <p><a href="#">Forests, p. 27</a>  <a href="#">Forest Products Policy</a>  <a href="#">Target CDP Response: Forest</a></p>

GRI Standard	Disclosure Title	Disclosure Number	Target Response
Materials, Energy, Water & Emissions			

**Recycled & Sustainably Sourced Raw Materials: Palm Oil**

## Management Approach (103-1, 103-2, 103-3)

103

### Goal:

- [All palm oil in Target's owned-brand food, personal care and household cleaning products will be fully traceable and sustainably sourced by 2018 or sooner](#)

We continue to work closely with our owned-brand vendor base to meet our goal. In 2017, 37.4 percent of palm oil in products covered by our commitment was certified sustainable via physical certification (Mass Balance or Segregated) or covered by PalmTrace credits.

Target continues to engage its vendors on the implementation of Target's responsible palm oil sourcing commitment through a biannual survey to determine the volume of palm oil and palm kernel oil used in the owned-brand products covered by its commitment, including the percentage that is certified as sustainable, classified across PalmTrace Credits, Mass Balance and Segregated. Our commitment covers palm volumes purchased directly by our vendors for use in products, vendors that source palm oil indirectly through finished product components and vendors that source palm oil and kernel derivatives in household and personal care products.

### In 2017, Target:

- Continued collecting and validating volume and traceability data from all vendors, including supplier engagement and active follow-up, with our partner, Proforest;
- Engaged with key importers into the U.S. market on traceability;
- Engaged critical vendors regarding their path toward Target policy compliance;
- Supported vendors/suppliers on process to deliver certified products;
- Shared tools, training materials and guidance documents to aid commitment implementation; and
- Joined the Roundtable on Sustainable Palm Oil's North American Sustainable Palm Oil Network, designed to facilitate cross-sector work in a pre-competitive space on the sourcing of Certified Sustainable Palm Oil (CSPO) in North America, foster collaboration and impact programs in producing nations and share best practices.

Total volume of crude palm oil: 176.3 tonnes

Total volume of palm kernel oil: 67.3 tonnes

Total volume of other palm oil derivatives and fractions: 2,275.4 tonnes

Total volume of all palm oil and palm oil derived products: 2,518.9 tonnes

Certification model: RSPO

Volume of palm oil and oil palm products used in the year, in our owned-brand products, that are RSPO certified: 943.0 tonnes.

[Palm Oil, p. 27](#)

### Palm Oil Volume Used in Owned-Brand Products that is RSPO Certified

	Crude and Refined Palm Oil (Tonnes)	Crude and Refined Palm Kernel Oil (Tonnes)	Palm Kernel Expeller (Tonnes)	Other Palm-based Derivatives and Fractions (Tonnes)
Book & Claim	124.2	0.7		636.7
Mass Balance	113.2			38.6
Segregated				29.6
Identity Preserved				
TOTAL	237.4	0.7	0	704.9
<b>GRAND TOTAL: Volume of Palm Oil Used that is RSPO Certified</b>				<b>943</b>

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>Materials, Energy, Water &amp; Emissions</b>			
<b>Recycled &amp; Sustainably Sourced Raw Materials: Cotton</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p><b>Goal:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">By 2022, source 100 percent sustainable cotton for our owned-brand and exclusive national-brand products</a></li> </ul> <p>Cotton (both virgin and recycled) is vital to our business as a staple raw material found in many of our owned-brand products and the brands that we carry in our stores. Cotton farming is critical to the economic well-being of many of our sourcing communities around the world, and growing it can be resource intensive. We are focused on leveraging our scale to drive positive change within the cotton industry by championing responsibly grown and harvested cotton.</p> <p>Read more about our long-term cotton transparency aspiration, continuous improvement efforts and Target's definition of sustainable cotton in our <a href="#">Cotton Policy</a>.</p> <p><a href="#">Cotton, p. 28</a></p>
<b>Water Stewardship &amp; Management</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Drive sustainable water stewardship in Target owned-brand product design and manufacturing</a></li> <li>• <a href="#">By 2025, absolute water reduction by 15 percent in stores, distribution centers and headquarters locations</a></li> </ul> <p>We believe clean, drinkable water and sanitation are human rights and should be accessible for all. Healthy ecosystems and sustainable water management are essential in the delivery of these basic rights.</p> <p>Water is important to the success of our business operations, from our supply chains to our stores and the communities within which we operate. We will focus our freshwater stewardship efforts in areas and on issues where our influence and support can help deliver the greatest impact. We used World Wildlife Fund's (WWF) water risk assessment to review our water use reduction efforts across our manufacturing supply chain, stores and distribution facilities. This helped us develop a holistic approach that acknowledges water as part of a bigger global system of megatrends. Our plan is ambitious, so we will focus our efforts in four main areas (Raw Materials; Manufacturing; Direct Operations; and Beyond the Fenceline) where we can make the greatest impact, with initial goals to guide our progress.</p> <p>Our initial goals are meant to impact three primary outcomes: improving water quality, making water use more efficient and increasing access to clean water.</p> <p>We are collaborating with NGOs, including WWF, to further our water stewardship efforts. We are testing the ability to scale local supply chain efforts through joint work on textiles in China's Taihu basin. We also joined the Ceres Connect the Drops Campaign and the AgWater Challenge to advance water stewardship efforts in California.</p> <p>Target recently joined the Zero Discharge of Hazardous Chemicals (ZDHC) organization, and plans to use its wastewater guidelines for our 2025 manufacturing goal for water related to owned-brand apparel textile facilities. The guidelines were designed to help companies reduce unwanted chemicals in manufacturing and prevent them from being discharged in wastewater and impacting surrounding communities.</p> <p>For millions around the world, access to funds stand between them and safe water in their homes, so we have launched a partnership with Water.org. Through an initial \$1 million investment, we will work together to empower people in communities where our goods are produced, enhancing their lives by removing barriers to access affordable financing for water and sanitation.</p> <p>We will continue water conservation work that is already in progress too, like our recent efforts with Conserva Irrigation to optimize the outdoor irrigation systems at our stores. This has already saved more than 36 million gallons of water and should be in place at more than 300 stores by the end of 2018.</p> <p><a href="#">Water, p. 29</a>  <a href="#">Freshwater Stewardship Approach</a>  <a href="#">Sustainable Operations, see section on Stormwater Management Systems</a>  <a href="#">Target CDP Response: Water</a></p>

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>Materials, Energy, Water &amp; Emissions</b>			
<b>Climate Change/Greenhouse Gas (GHG) Emissions</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p>In 2017, we introduced our climate policy and three new goals to help us reduce our greenhouse gas footprint. We are working closely with industry partners, policymakers and other stakeholders to accelerate the transition to a low-carbon economy.</p> <p>While we are implementing projects in our owned-brand manufacturing facilities that will result in the avoidance of Scope 3 emissions, within the year, we aim to develop an additional Scope 3 goal that, coupled with our Scope 1 and 2 goals, will fulfill our commitment to the Science-Based Targets initiative. This initiative provides guidance for and champions science-based target setting as a powerful way of boosting companies' competitive advantage in the transition to a low-carbon economy. These new goals build on our 2020 commitments to improve energy efficiency, drive investments in renewable energy and lower our overall hydrofluorocarbon (HFC) impact.</p> <p><a href="#">Climate Policy, p. 25</a>  <a href="#">Climate</a>  <a href="#">Climate Announcement</a>  <a href="#">Climate Policy</a>  <a href="#">Target CDP Response: Climate</a></p>
<b>GRI 301: Materials 2018</b>	<b>Materials used by weight or volume</b>	301-1	<p>Recycled polyester programs in Apparel and Accessories, Home and Hardlines (pounds consumed):</p> <ul style="list-style-type: none"> <li>• Swim: 5,269,845 lbs.</li> <li>• Knits: 5,265,005 lbs.</li> <li>• Denim: 1,648,784 lbs.</li> <li>• Wovens: 608,745 lbs.</li> <li>• Outdoor Pillows: 693,595 lbs.</li> <li>• Indoor Bed Pillows: 23,000,000 lbs.</li> </ul> <p>Total: 36,485,974 lbs.</p>

GRI Standard	Disclosure Title	Disclosure Number	Target Response
Materials, Energy, Water & Emissions			

**GRI 302:**  
**Energy 2018**

**Energy consumption within the organization**

302-1

**Energy Consumption\***

- Electricity (Location): 15,843,542 GJ
- Heating: 4,437,731 GJ
- Cooling (Chilled Water): 3,879,148 GJ
- Steam: 192,169 GJ

Total Energy Consumption (Renewable/Nonrenewable):\* 24,352,589 GJ

Standards, methodologies, assumption and/or calculation tools used: Utility bill usage data

**Corporate Emissions Calculations Data**

Direct Energy Use				
Non-Renewable	Activity Data	Units	Conversion Factor	GJ
Natural Gas	38,983,182	Therms	0.1055	4,112,726
Propane	289,253	Gallons	0.0963	27,855
Stationary Diesel	292,486	Gallons	0.138	40,363
Mobile Diesel	1,860,776	Gallons	0.138	256,787
<b>TOTAL Direct Energy Use</b>				<b>4,437,731</b>

Indirect Energy Use				
Non-Renewable	Activity Data	Units	Conversion Factor	GJ
Electricity	4,186,870	MWh	3.6	15,072,731
Cooling (Chilled Water)	1,077,541	MWh	3.6	3,879,148
Steam	182,150	MMBtue	1.055	192,169
<b>TOTAL</b>				<b>19,144,048</b>
Renewable	Activity Data	Units	Conversion Factor	GJ
Solar	68,098	MWh	3.6	245,153
Offsite Wind	146,016	MWh	3.6	525,658
<b>TOTAL</b>				<b>770,811</b>
<b>TOTAL Indirect Energy Use</b>				<b>19,914, 859</b>

- For electricity, kWh consumed from renewable sources where RECs were retained have been removed from the electricity value.
- Solar is for total 2017 production where RECs have been held or retained.
- Offsite Wind is for total 2017 production.

\*Data has been independently assured



GRI Standard	Disclosure Title	Disclosure Number	Target Response																																																		
Materials, Energy, Water & Emissions																																																					
GRI 302: Energy 2018	Energy consumption within the organization (continued)	302-1	<p><b>Offsite Solar Update</b></p> <p>We recently signed on to a new initiative along with Google, Johnson &amp; Johnson and Walmart that will make solar power more affordable for communities in Georgia. It is set to generate 177 MWs of new solar energy over the next 10 years.</p> <p><a href="#">Google, Target and More add 177 MWs of Solar Under Georgia Power Program, Solar Reviews</a></p> <p><b>GreenChill Partnership Results</b></p> <ul style="list-style-type: none"><li>• 12.4 percent corporate emissions rate for EPA-applicable Refrigeration systems containing greater than 50 lbs.</li><li>• 56,000 pounds of ODS R-22 refrigerant was removed via gas conversions in 2017 and replaced with lower GWP HFO-blend alternatives</li><li>• Natural R-290 hydrocarbon refrigerant named as the new standard for all stand-alone systems under 2,200 BTUH</li><li>• CO2 cascade systems will be the primary new market solution for prototypical large format stores</li><li>• Target also installed two HFC-free transcritical CO2 systems in California and Minnesota, evaluating overall efficiency, reliability and total cost of ownership for each asset</li></ul> <p><a href="#">Recognition for our Work, p. 25</a></p> <p><a href="#">Renewable Energy, p. 26</a></p> <p><a href="#">Target CDP Response: Climate Change</a></p>																																																		
	Energy intensity	302-3	<p><b>Energy</b></p> <ul style="list-style-type: none"><li>• Energy intensity ratio: 16.16</li><li>• Organization-specific metric (the ratio denominator) chosen to calculate the ratio: kWh/SF (stores)</li><li>• Types of energy included in the intensity ratio: Electricity</li><li>• The ratio uses energy consumed within the organization</li></ul>																																																		
	Reduction of energy consumptions	302-4	<p><b>Reductions in Energy Consumption</b></p> <table><tr><th colspan="5">Energy Efficiency and Conservation Projects (United States)</th></tr><tr><th>Improvement</th><th>Activity Data</th><th>Units</th><th>Conversion Factor</th><th>GJ</th></tr><tr><td>2017 Sales Floor LED (534 stores)</td><td>163,926</td><td>MWh</td><td>3.6</td><td>590,133</td></tr><tr><td>Variable Frequency Drives (VFD)</td><td>82</td><td>MWh</td><td>3.6</td><td>294</td></tr><tr><td>Unreachable LED</td><td>20</td><td>MWh</td><td>3.6</td><td>73</td></tr><tr><td>DC Exterior LED</td><td>278</td><td>MWh</td><td>3.6</td><td>1,002</td></tr><tr><td>Wall Pack LED</td><td>12,184</td><td>MWh</td><td>3.6</td><td>43,864</td></tr><tr><td>Parking Lot LED</td><td>9,009</td><td>MWh</td><td>3.6</td><td>32,432</td></tr><tr><td>Energy Outlier</td><td>960</td><td>MWh</td><td>3.6</td><td>3,454</td></tr><tr><td><b>TOTAL Energy Consumption Reduction</b></td><td><b>186,459</b></td><td><b>MWh</b></td><td></td><td><b>671,253</b></td></tr></table> <ul style="list-style-type: none"><li>• Types of energy included in the reductions: Electric, Heating, Cooling</li><li>• Basis for calculating reductions in energy consumption such as base year or baseline: Annual value (2017 Fiscal Year)</li></ul> <p>Engineering calculations based on MWh reductions converted into GJ</p> <p><a href="#">Sustainable Operations</a></p>	Energy Efficiency and Conservation Projects (United States)					Improvement	Activity Data	Units	Conversion Factor	GJ	2017 Sales Floor LED (534 stores)	163,926	MWh	3.6	590,133	Variable Frequency Drives (VFD)	82	MWh	3.6	294	Unreachable LED	20	MWh	3.6	73	DC Exterior LED	278	MWh	3.6	1,002	Wall Pack LED	12,184	MWh	3.6	43,864	Parking Lot LED	9,009	MWh	3.6	32,432	Energy Outlier	960	MWh	3.6	3,454	<b>TOTAL Energy Consumption Reduction</b>	<b>186,459</b>	<b>MWh</b>		<b>671,253</b>
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GRI Standard	Disclosure Title	Disclosure Number	Target Response																				
Materials, Energy, Water & Emissions																							
GRI 303: Water 2018	Water withdrawals by source	303-1	<p>A large percentage of our buildings’ water is supplied via municipal systems, and a small percentage of our buildings (less than one percent) directly withdraw water via water wells. At this time, Target does not track water use by withdrawal at the handful of locations that utilize well water.</p> <p><a href="#">Target CDP Response: Water</a></p>																				
	Water sources significantly affected by withdrawal of water	303-2	<p>We are not aware of any water sources significantly affected by our withdrawal of water. Our approach is to achieve milestones by withdrawal of water in our business by eliminating waste and minimizing our water consumption.</p>																				
	Water recycled and reused	303-3	<p>We currently have no facilities that recycle or reuse water and have one facility that captures rainwater for use in flushing toilets and urinals. We do not have a meter at this facility to report the amount of water captured and used within our operations.</p>																				
GRI 304: Biodiversity 2018	IUCN Red List species and national conservation list species with habitats in areas affected by operations	304-4	<p>To the best of our knowledge, Target does not adversely affect the well-being of endangered species because stores and supporting facilities are not constructed in critical habitat areas. Constructed wetlands and ponds have the potential to become habitats for endangered species, or stopover points for migratory birds. Target does not have data for these types of environments at this time.</p>																				
GRI 305: Emissions 2018	Direct (Scope 1) GHG emissions	305-1	<table><tr><th colspan="2">GHG Emissions: Scope 1 – Direct Emissions*</th></tr><tr><th></th><th>Emissions (MTCO2 eq.)</th></tr><tr><td>Natural Gas</td><td>207,419</td></tr><tr><td>Propane</td><td>1,648</td></tr><tr><td>Stationary Diesel</td><td>3,004</td></tr><tr><td>Mobile Diesel</td><td>19,053</td></tr><tr><td>Refrigerants</td><td>475,053</td></tr><tr><td>TOTAL (Scope 1)</td><td>706,176</td></tr></table> <p>• Gases included in the calculation: CO2, CH4, N2O, HFCs</p> <p>• Biogenic CO2 emissions in metric tons of CO2 equivalent separately from the gross direct GHG emissions: 0</p> <p>• Source of the emission factors and the global warming potential (GWP) rates used: AR4 Emission Factors; 2017-TCR-Default-EF-March-2017</p> <p>• Chosen consolidation approach for emissions: Operational Control</p> <p>Standards, methodologies and assumptions used: AR4 Emission Factors; 2017-TCR-Default-EF-March-2017</p> <p><i>*Data has been independently assured</i></p>	GHG Emissions: Scope 1 – Direct Emissions*			Emissions (MTCO2 eq.)	Natural Gas	207,419	Propane	1,648	Stationary Diesel	3,004	Mobile Diesel	19,053	Refrigerants	475,053	TOTAL (Scope 1)	706,176				
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	Indirect (Scope 2) GHG emissions	305-2	<table><tr><th colspan="2">GHG Emissions: Scope 2 – Indirect Emissions*</th></tr><tr><th></th><th>Emissions (MTCO2 eq.)</th></tr><tr><td>Electric (Market)</td><td>1,856,634</td></tr><tr><td>Electric (Location)</td><td>1,931,749</td></tr><tr><td>Steam</td><td>9,718</td></tr><tr><td>Chilled Water</td><td>245,184</td></tr><tr><td>TOTAL (Market – Scope 2)</td><td>2,111,537</td></tr><tr><td>TOTAL (Location – Scope 2)</td><td>2,186,651</td></tr><tr><td>TOTAL EMISSIONS (Market – Scope 1 &amp; 2)</td><td>2,817,713</td></tr><tr><td>TOTAL EMISSIONS (Location – Scope 1 &amp; 2)</td><td>2,892,827</td></tr></table> <p>• Gases included in the calculation: CO2, CH4, N2O, HFCs</p> <p>• Source of the emission factors and the global warming potential (GWP) rates used: AR4 Emission Factors; 2017-TCR-Default-EF-March-2017; eGRID2016; Subregion File eGRID2016</p> <p>• Chosen consolidation approach for emissions: Operational Control</p> <p><i>*Data has been independently assured</i></p>	GHG Emissions: Scope 2 – Indirect Emissions*			Emissions (MTCO2 eq.)	Electric (Market)	1,856,634	Electric (Location)	1,931,749	Steam	9,718	Chilled Water	245,184	TOTAL (Market – Scope 2)	2,111,537	TOTAL (Location – Scope 2)	2,186,651	TOTAL EMISSIONS (Market – Scope 1 & 2)	2,817,713	TOTAL EMISSIONS (Location – Scope 1 & 2)	2,892,827
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GRI Standard	Disclosure Title	Disclosure Number	Target Response																																																		
Materials, Energy, Water & Emissions																																																					
	Other indirect (Scope 3) GHG emissions	305-3	<p>Our business travel emissions estimate includes passenger miles on commercial airlines. We used emissions factors from the U.S. EPA Climate Leaders Business Module. Global warming potentials are from the IPCC Second Assessment Report. We did not apply a radiative forcing adjustment to the airline travel emissions.</p> <p><b>GHG Emissions: Gross Other Indirect (United States)*</b></p> <ul style="list-style-type: none"><li>Business Travel: 13,230 MTCO2e</li></ul> <p>This indirect GHG emissions data only includes corporate employee air travel. Gases included in the calculation include: CO2, CH4 and N2O.</p> <p><i>*Data has been independently assured</i></p>																																																		
	GHG emissions intensity	305-4	<p><b>Emissions Intensity*</b></p> <ul style="list-style-type: none"><li>GHG emissions intensity ratio: 9.40 (Market-based)</li><li>Organization-specific metric (the ratio denominator) chosen to calculate the ratio: MTCO2e/SF</li><li>Types of energy included in the intensity ratio: direct (Scope 1) and indirect (Scope 2)</li><li>Gases included in the calculation: CO2, CH4, N2O, HFCs</li></ul> <p><i>*Data has been independently assured</i></p>																																																		
	Reduction of GHG emissions	305-5	<table><tr><th colspan="5">GHG Emissions Reduction Projects (U.S)</th></tr><tr><th>Improvement</th><th>Activity Data</th><th>Units</th><th>Conversion Factor</th><th>Emissions (MTCO2 eq.)</th></tr><tr><td>2017 Sales Floor LED (534 stores)</td><td>163,926</td><td>MWh</td><td>0.4883</td><td>80,045</td></tr><tr><td>Variable Frequency Drives (VFD)</td><td>82</td><td>MWh</td><td>0.4883</td><td>40</td></tr><tr><td>Unreachable LED</td><td>20</td><td>MWh</td><td>0.4883</td><td>10</td></tr><tr><td>DC Exterior LED</td><td>278</td><td>MWh</td><td>0.4883</td><td>136</td></tr><tr><td>Wall Pack LED</td><td>12,184</td><td>MWh</td><td>0.4883</td><td>5,950</td></tr><tr><td>Parking Lot LED</td><td>9,009</td><td>MWh</td><td>0.4883</td><td>4,399</td></tr><tr><td>Energy Outlier</td><td>960</td><td>MWh</td><td>0.4883</td><td>469</td></tr><tr><td>TOTAL</td><td>186,459</td><td>MWh</td><td></td><td>91,048</td></tr></table> <ul style="list-style-type: none"><li>Gases included in the calculation: CO2, CH4, N2O, HFCs</li><li>Chosen base year or baseline: Annual Value (2017 Fiscal Year)</li></ul> <p><i>Engineering calculations based on MWh reductions converted into MTCO2e. The reductions in GHG emissions occurred in direct (Scope 1) and indirect (Scope 2) emissions.</i></p>	GHG Emissions Reduction Projects (U.S)					Improvement	Activity Data	Units	Conversion Factor	Emissions (MTCO2 eq.)	2017 Sales Floor LED (534 stores)	163,926	MWh	0.4883	80,045	Variable Frequency Drives (VFD)	82	MWh	0.4883	40	Unreachable LED	20	MWh	0.4883	10	DC Exterior LED	278	MWh	0.4883	136	Wall Pack LED	12,184	MWh	0.4883	5,950	Parking Lot LED	9,009	MWh	0.4883	4,399	Energy Outlier	960	MWh	0.4883	469	TOTAL	186,459	MWh		91,048
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GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>Effluents &amp; Waste</b>			
<b>Waste Management (effluents, reduce/reuse/recycle) and Circularity</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Divert 70 percent of our retail waste from landfills through reuse or recycle programs by 2020</a></li> <li>• <a href="#">Add the How2Recycle label to all owned-brand packaging by 2020 (where space allows)</a></li> <li>• <a href="#">Create more demand for recycled packaging by creating three new end markets for recycled materials by 2020</a></li> <li>• <a href="#">Support The Recycling Partnership's mission to improve how more than 25 percent of the U.S. population recycles by 2020</a></li> </ul> <p>We believe we can uncover growth opportunities and drive innovation by exploring circular economy principles. We invested in initiatives to test and learn and move us forward like product trade-ins and joined multi-stakeholder initiatives including the New Plastics Economy, Fashion for Good and the Global Fashion Agenda. We are working to incorporate circular design discipline and recycled and sustainably-sourced materials into the majority of our owned brands. And we are working to make circular behaviors easy, fun and aspirational for our guests.</p> <p>For more on current initiatives we are participating in, see the following:</p> <ul style="list-style-type: none"> <li>• <a href="#">Fashion For Good Accelerator Programme</a></li> <li>• <a href="#">Global Fashion Agenda</a></li> <li>• <a href="#">New Plastics Economy</a></li> </ul> <p><a href="#">Waste, p. 30</a></p> <p><a href="#">Sustainable Products</a>, see sections on: Improving Packaging Sustainability, Our Reusable Bag Program, Recycling in Our Stores, Clear On-package Instructions [for Recycling] and More Local Recycling.</p>
<b>Product Collections/Trade-in Programs</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p>Target's trade-in events aim to promote circular consumer behavior through:</p> <ul style="list-style-type: none"> <li>• Simplifying families' lives by helping them care, share and repurpose their belongings</li> <li>• Providing convenient drop-off locations for recycle-eligible items</li> <li>• Reducing our guests' environmental footprint by recycling returned items</li> <li>• We have collected 2.6 million pounds of recyclable car seat materials over the course of all Target trade-in events</li> </ul> <p>Next up: We are working to discover what other trade-in events we can offer for those hard-to-recycle items to benefit our guests, communities and the planet.</p> <ul style="list-style-type: none"> <li>• <a href="#">Recycling and Trade-in Programs, p. 31</a></li> <li>• Product trade-in programs at Target: <ul style="list-style-type: none"> <li>• <a href="#">Electronics</a></li> <li>• <a href="#">Car Seats</a></li> </ul> </li> </ul>

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>Materials, Energy, Water &amp; Emissions</b>			
<b>Waste Minimization</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p>17 Waste Stream audit sites: 14 stores, two regional distributions centers, one food distribution center</p> <p><b>Waste Stream Audits:</b> In 2017, Target continued its annual waste stream audit program to understand what is being sent to landfill, by auditing 14 stores, two distribution centers and one food distribution center. Stores were selected based on store type, volume, geography and trash volumes to try to obtain a representative sample of the full Target chain. Target uses the data from these audits, along with other data points to implement robust reporting to drive execution of our programs. Target will continue to audit locations on an ongoing basis to measure progress in line with the Waste Minimization goals.</p> <p><b>Reduce, Reuse, Recycle (RRR) Report:</b> Mid-2017, Target introduced the RRR Report to Property Management Field Leaders. This report provides store-level detail for Waste Minimization and Environmentally Sensitive Item Management (ESIM) programs (e.g., trash, open tops, donations, hangers). With the introduction of this report, Target has seen an improvement in all programs reported. This report also drove awareness and engagement with key partners in stores, field, distribution centers and headquarter locations. The awareness of controllable expenses and impact on environment has driven continued results towards Target's 2020 waste diversion goal.</p> <p><b>Vendor Partnerships:</b> Target works with key consultants and third-party vendors to drive innovations with waste. For example, in 2017, in partnership with a vendor, Target introduced a webclip for store and field team members to access data from the compactor monitor to view tonnage, hauls, trigger percentage, etc. at the store level. Waste Minimization also added more commodities to their program scope in 2017 (rigid plastic, organics rollout and shopping carts) through vendor partnerships.</p> <p><b>What's Next:</b> In 2017, Target successfully piloted two programs to track Waste Minimization programs: Cardboard RFID and Donations app. Both tools are scheduled to rollout to all stores in 2018. Target is also focused on food recovery through item-level tracking, donations, organics and education for our team members and guests. This is a program that will continue to build and develop in 2018. Also, as a member of The Consumer Goods Forum, we have committed to reducing food waste within our own retail and manufacturing operations by 50 percent by 2025. Finally, we piloted a greeting card recycling program in a subset of stores that we hope to continue to expand throughout 2018.</p> <p><a href="#">Operational Resource Recovery, p. 32</a></p>
<b>Waste Management: Food Waste</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p>Number of stores and headquarters locations with Organics recycling: 98</p> <p><b>Donations</b></p> <ul style="list-style-type: none"> <li>• In 2017, Target donated over 76.9 million pounds of food (64 million meals) to Feeding America partners. In 2018, Target will continue to deliver donations reporting at a store level to drive stronger participation and look to expand the scope of donatable items.</li> <li>• In 2017, Target launched an organics recycling program at 66 Target store locations. Building upon the learnings from those locations, in 2018, Target plans to expand the program to 209 additional stores (including four DCs and one FDC), totaling 307 Target locations. Target will also continue to seek new partners and programs to reduce food waste going to the landfill.</li> <li>• Tracking donations, recycling and organics programs at the store level continues to be a focus for Target as this data is crucial to driving execution for Waste Minimization. In 2017, Target launched new reporting to deliver store-level data for donations which provided visibility. This reporting increased the data received by our donations partners and drove increased participation rates at stores.</li> <li>• In 2017, the results of the waste audits showed Target the value of conducting audits and the need to establish a consistent waste audit strategy. Target will take the learnings to drive future strategies and execution. Based on the significant opportunities found in waste audits, the need for store-level data is a top priority. With an aspiration to achieve Zero Waste, program execution, data and analytics, innovations to capture donations, organics recycling and other waste programs will need to become more robust through execution, program awareness, resources and property level tracking.</li> </ul> <p><a href="#">Food Waste, p. 32</a></p>



GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>Materials, Energy, Water &amp; Emissions</b>			
<b>Packaging: Polystyrene</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p><b>Goal:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Work to eliminate expanded polystyrene from our owned-brand packaging by 2022</a></li> </ul> <p>We are especially concerned with the limited availability of recycling options for expanded polystyrene for our guests and distribution centers. As a contributor to plastic pollution on land and in waterways, we understand the challenges foam creates as a common plastic pollutant; yet as an inexpensive, effective and broadly available packaging material, finding acceptable replacements to expanded polystyrene is a challenge that will take time.</p> <p>Currently, we are identifying the presence of foam packaging used across the enterprise and developing solutions to shift away from it by testing alternatives with the hope of making the best decision for both guests and Target.</p> <p><a href="#">Sustainable Packaging, p. 31</a></p>
<b>GRI 306: Effluents &amp; Waste 2018</b>	<b>Waste by type and disposal method</b>	306-2	<p><b>In 2017, we:</b></p> <ul style="list-style-type: none"> <li>• Supported the recycling of more than 8,000 tons of plastic (shrink, plastic bags, etc.)</li> <li>• Recycled and diverted over four million pounds of electronic waste from landfills</li> <li>• Helped guests trade in more than 2.6 million pounds of car seats through our trade-in program</li> </ul> <p><b>Electronics Recycling – Five-year History</b></p> <ul style="list-style-type: none"> <li>• 2017: 4,216,000 lbs.</li> <li>• 2016: 6,333,460 lbs.</li> <li>• 2015: 6,224,828 lbs.</li> <li>• 2014: 8,854,842 lbs.</li> <li>• 2013: 8,287,728 lbs.</li> </ul> <p>The above numbers are a consolidated total weight of electronic waste recycled through our operational and guest-facing recycling programs.</p> <p><b>Diversion (U.S. Stores) in tons:</b></p> <ul style="list-style-type: none"> <li>• Cardboard: 485,765</li> <li>• Plastic Bags and Shrink Wrap: 8,477</li> <li>• Plastic, Glass and Aluminum Cans and Bottles: 3,414</li> <li>• Electronics Recycling: 2,063</li> <li>• Donations: 38,150</li> <li>• Salvage: 93,633</li> <li>• Metal: 15,696</li> <li>• Paper: 5,418</li> <li>• Hangers: 10,940</li> <li>• Used Cooking Oil: 199</li> <li>• ESIM (Non-Hazardous Only): 5,151</li> <li>• Compost: 2,007</li> <li>• Other: 1,067</li> <li>• TOTAL: 671,980</li> </ul> <p><b>Where our waste goes (U.S., in tons):</b></p> <ul style="list-style-type: none"> <li>• Recycle: 540,197</li> <li>• Landfill: 239,100</li> <li>• Reuse: 131,783</li> </ul> <p>ESIM Diverted: 5,151 tons</p> <p>We quantified the disposal method at the Target waste program level (i.e., landfill is assumed for all trash disposals, hazardous waste is generalized under the ESIM program, similarly with recycle and reuse). The ESIM program is designed to help identify, handle, manage and store environmentally sensitive items that require special handling based on federal and state law.</p>

GRI Standard	Disclosure Title	Disclosure Number	Target Response
Materials, Energy, Water & Emissions			
	<b>Significant spills</b>	306-3	Target had zero reportable spills during fiscal year 2017.
	<b>Transport of hazardous waste</b>	306-4	<p>Transport of Hazardous Waste</p> <ul style="list-style-type: none"> <li>• Total weight for each of the following (in lbs.): <ul style="list-style-type: none"> <li>• <a href="#">Hazardous waste transported</a></li> <li>• Hazardous waste imported: N/A</li> <li>• Hazardous waste exported: None</li> <li>• <a href="#">Hazardous waste treated</a></li> </ul> </li> <li>• Percentage of hazardous waste shipped internationally: None</li> </ul> <p><i>Standards, methodologies and assumptions used: Industry standard methods of transportation, treatment and disposal are required by our vendors to meet regulatory requirements.</i></p>
Environmental Compliance			
<b>Product Formulation, Safety &amp; Standards</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Implement Product Standards and Wellness icons to provide a common framework for what is considered nutritious, clean, transparent and responsibly sourced across food, beverage, beauty, personal and baby care and household cleaning categories</a></li> <li>• <a href="#">By the end of 2018, remove artificial flavors, preservatives, sweeteners and colors from all our owned-brand children's items</a></li> </ul> <p>Target's approach to product responsibility spans the lifecycle of our products, from design to end of life:</p> <ul style="list-style-type: none"> <li>• Design: We build responsibility and sustainability into every product design.</li> <li>• Produce: We collaborate with vendors to make products and services better for people and the planet.</li> <li>• Ship: We reduce loads shipped and miles traveled so that we save fuel, reduce our carbon emissions and lower costs, while getting products to our guests quickly.</li> <li>• Sell: We focus on sustainable and responsible operations from our headquarters to our stores.</li> <li>• Use and Reuse: We provide tools, information and incentives to help guests reduce waste and turn their old items into something new.</li> </ul> <p><a href="#">Supply Chain Sustainability</a>  <a href="#">Product Safety &amp; Quality Assurance</a></p>
<b>GRI 307: Environmental Compliance 2018</b>	<b>Non-compliance with environmental laws and regulations</b>	307-1	<a href="#">2017 10-K: Legal Proceedings, p. 12</a>
Supplier Environmental Assessment			
<b>GRI 308: Supplier Environmental Assessment 2018</b>	<b>New suppliers that were screened using environmental criteria</b>	308-1	Suppliers screened using environmental Criteria: 21.1 percent

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>Employment</b>			
<b>Wages &amp; Benefits</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p><b>Goal:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Pay all team members a minimum hourly wage of at least \$15 by the end of 2020</a></li> </ul> <p>At Target, we value the nearly 350,000 individuals who come together as a team to serve our guests. We have long invested in our team by giving them opportunities to grow professionally; to take care of themselves, each other and their families; and to make a difference for our guests and our communities.</p> <p>We offer industry-leading resources to our team members and their families to support them in their times of need. All team members (and their entire household) have free, 24/7 access to trained clinicians, receive free in-person counseling sessions and can get help with things like daycare, elder care, budgeting advice or access to community resources. And in some stores, we also offer on-site counselors to support team member needs. In 2017 alone, we helped more than 76,000 team members get the support they needed.</p> <p>We recognize the impact increased wages have on our team members' ability to sustain financial stability and look after themselves and the people they love. That is why we have committed to pay all team members a minimum hourly wage of at least \$15 by the end of 2020. We moved to an \$11 minimum hourly wage in 2017. And, we took the next step by moving to a \$12 minimum hourly wage earlier this year, starting with our existing team members.</p> <p><a href="#">Competitive Pay &amp; Benefits, p. 9</a>  <a href="#">Benefits</a>  <a href="#">Raising Target's Minimum Wage</a></p>
<b>Well-being</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p>In addition to the 10 percent merchandise discount we provide for all team members, we offer an additional 20 percent off fresh fruit and vegetables, C9 athletic apparel and better-for-you Simply Balanced products. Since the wellness discount was offered to the team in 2015, team members have saved more than \$22 million on healthier options for themselves and their families.</p> <p><a href="#">Competitive Pay &amp; Benefits, p. 9</a></p>
	<b>Benefits provided to full-time employees that are not provided to temporary or part-time employees</b>	401-2	<p>Benefits provided to full-time employees:</p> <ul style="list-style-type: none"> <li>• <a href="#">2017 10-K: Employees, p. 3</a></li> </ul> <p><a href="#">Benefits</a></p>
	<b>Parental leave</b>	401-3	<p>Target offers parental leave to eligible hourly and salaried team members, including birthing moms, partners/spouses of birthing moms, parents who are adopting, parents via surrogacy and foster parents. This is in addition to six-to-eight weeks of short-term disability offered to birthing moms.</p> <p><a href="#">Benefits</a></p>

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>Occupational Health &amp; Safety</b>			
<b>GRI 403: Occupational Health &amp; Safety 2018</b>	<b>Workers represented in formal joint management-worker health and safety committees</b>	403-1	<p>Target has leaders in charge of safety and formal joint management-worker safety committees, which meet monthly in all store and supply chain locations. These Safety Committees are required to be composed of at least 50 percent non-exempt, and no more than 50 percent exempt employees.</p> <p>As Target does not track total numbers of participants, we cannot determine with certainty a percentage of the total workforce represented in these formal joint management-worker health and safety committees. However, approximately five percent of team members across all our stores and supply chain locations participate in safety meetings each month.</p>
	<b>Workers with high incidence or high risk of diseases related to their occupation</b>	403-3	Target does not have any workers, whose work or workplace is controlled by Target, involved in occupational activities which would have a high incidence or high risk of specific diseases.
	<b>Health and safety topics covered in formal agreements with trade unions</b>	403-4	We do not have any formal agreements with trade unions.
<b>Training and Education</b>			
<b>Education, Training &amp; Advancement</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p>As we continue to design and evolve jobs for the changing retail environment, we are doing so with the goal of preparing our team members for success at Target and beyond. We initiated a number of programs that provide team members with paid training and education on retail business management, guest service and product assortment. The training is fully paid and helps our team gain skills while better serving our guests. Additionally, for more than 20 years, we have supported our team's continued education by offering tuition reimbursement and tuition discounts at many accredited schools.</p> <p><a href="#">Meaningful Work &amp; Opportunities, p. 11 Careers</a></p>
<b>Women's Empowerment (in Target's manufacturing supply chain)</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p>Target developed three significant partnerships in 2017 related to women's empowerment and well-being in our manufacturing supply chain. Target made a three-year \$4.5 million commitment to fund CARE's work in our manufacturing supply chain communities in Bangladesh, Indonesia and Vietnam. A key component of this work is the formation of EKATA (Empowerment, Knowledge and Transformative Action) groups, which are self-help and solidarity groups of female factory workers formed in the communities where they live. EKATA groups provide training to female factory workers, facilitate access to social services and act as an information resource for other workers. The project is in the initial set-up phase of work.</p> <p>We are working with UNICEF on a pilot program designed to create an enabling environment for improved well-being of factory workers and their children in the apparel and footwear sector in Vietnam. Aligned to UNICEF's mission, results for children are at the heart of this program. However, given the number of mothers specifically in the worker population, the interventions are focused heavily on women and help workers understand topics such as maternity protections, wages and working conditions.</p> <p>We partnered with <a href="#">BSR's HerProject</a>, a collaborative initiative that strives to empower low-income women working in global supply chains. Our work focused on providing workers in Bangladesh, Cambodia, China and Indonesia access to HERhealth, HERfinance and HERrespect.</p>

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>Training and Education</b>			
<b>GRI 404: Training &amp; Education 2018</b>	<b>Average hours of training per year per employee</b>	404-1	<p>Target continuously invests in its team members and works to provide the right knowledge, tools and resources for all. Safety, security and business integrity continue to be a priority.</p> <p><b>2017 Annual Trainings</b></p> <ul style="list-style-type: none"> <li>• Business Ethics &amp; Integrity: 6,750 hours</li> <li>• Information Security: 123,000 hours</li> <li>• Anti-Bribery: 750 hours</li> <li>• Insider Trading: 2,500 hours</li> <li>• Safety &amp; Security: 51,153 hours</li> </ul> <p><b>2017 Additional Learning Opportunities</b></p> <ul style="list-style-type: none"> <li>• Spring District Leadership Meeting: 7,200 hours</li> <li>• Fall National Meeting: 35,100 hours</li> <li>• Target “Welcome” Orientation for new team members: 18,673 hours</li> <li>• Ongoing Development for headquarters team members: 12,712 hours</li> </ul> <p>In fall of 2017, Target rolled out training to specialty areas in stores including Apparel and Accessories, Beauty and Electronics. Team members participated in 325,000 hours of specialty training opportunities to aid them in serving Target guests and honing their selling skills. Additional trainings in these areas and others will continue in 2018.</p> <p>Target team members routinely engage in additional continuous learning experiences throughout the year such as participation in Outer Spaces and REDTalks speaker events, leadership development and job-specific training development offerings.</p> <p><b>Bias Training</b></p> <p>In 2017, Target’s 7,000 headquarters team members participated in a three-hour bias training session, equating to over 21,000 hours of training. The course provided our team with tools to recognize and manage bias and to understand how our similarities and differences can enhance our team and our business.</p> <p><a href="#">The Bullseye, Your Brain and Its Bias, p. 12</a>  <a href="#">Meaningful Work &amp; Opportunities, p. 11</a></p>
	<b>Programs for upgrading employee skills and transition assistance programs</b>	404-2	<a href="#">Career Benefits</a>
	<b>Percentage of employees receiving regular performance and career</b>	404-3	All team members participate in a formal performance review process once a year.



GRI Standard	Disclosure Title	Disclosure Number	Target Response																																				
Diversity & Equal Opportunity																																							
Diversity & Inclusion	Management Approach (103-1, 103-2, 103-3)	103	<p><b>Goal:</b></p> <ul style="list-style-type: none"><li>• <a href="#">Work toward 50 percent female hires for entry-level engineering roles by 2017</a></li></ul> <p><b>Inclusive Workforce through Employee Resource Groups</b></p> <p>The Diversity &amp; Inclusion Business Councils foster Target’s inclusive culture by connecting team members to corporate initiatives in onboarding, development, community engagement, well-being and business insight.</p> <p>There are six Diversity &amp; Inclusion Business Councils at Target including: African-American Business Council, Asian Business Council, Hispanic Business Council, LGBT+ Business Council, Military Business Council and Women’s Business Council.</p> <p>Nearly 6,000 team members participate in these groups. There are additional employee resource groups serving over 9,000 team members with shared interest across themes including Alumni; Health &amp; Wellness; Professional; Interests &amp; Hobbies; and Life &amp; Family.</p> <p><b>Diversity &amp; Inclusion Awards and Recognition:</b></p> <ul style="list-style-type: none"><li>• DiversityInc Magazine ranked Target No. 22 on its list of the 2017 Top 50 Companies for Diversity</li><li>• Fortune Magazine ranked Target No. 44 on its list of the 2017 World’s Most Admired Companies</li><li>• The Human Rights Campaign gave Target a score of 100 on its 2017 Corporate Equality Index</li><li>• AnitaB.org named Target among its 2017 Top Companies for Women Technologists</li><li>• The National Association for Female Executives named Target one of the 2017 Top Companies for Executive Women</li></ul> <p><a href="#">Diverse Workforce &amp; Inclusive Workplace, p.12</a></p> <p><a href="#">Diversity &amp; Inclusion Awards &amp; Recognition</a></p>																																				
Fair Jobs	Management Approach (103-1, 103-2, 103-3)	103	<p>We find diverse team members by participating in and sponsoring conferences and career fairs hosted by organizations such as Management Leadership for Tomorrow, the National Society of Hispanic MBAs, the National Black MBA Association, Reaching Out MBA and other partners. With in-store employment kiosks, we encourage guests to become team members so our store teams reflect our communities.</p>																																				
GRI 405: Diversity & Equal Opportunity 2018	Diversity of governance bodies and employees	405-1	<table><tr><th colspan="3">Workforce Diversity</th></tr><tr><th>Gender Diversity</th><th>Female</th><th>Male</th></tr><tr><td>Total Workforce (U.S.)</td><td>57%</td><td>43%</td></tr><tr><td>Total Workforce (Global, excluding the U.S.^)</td><td>39%</td><td>61%</td></tr><tr><td>Target Manager Workforce</td><td>52%</td><td>48%</td></tr><tr><td>Target Leadership Team</td><td>36%</td><td>64%</td></tr><tr><td>Target Board of Directors</td><td>36%</td><td>64%</td></tr><tr><th>Racial/Ethnic Diversity</th><th>Diverse</th><th>Non-Diverse</th></tr><tr><td>Total Workforce (U.S.)</td><td>47%</td><td>53%</td></tr><tr><td>Target Manager Workforce</td><td>33%</td><td>67%</td></tr><tr><td>Target Leadership Team</td><td>36%</td><td>64%</td></tr><tr><td>Target Board of Directors</td><td>45%</td><td>55%</td></tr></table> <p>Workforce diversity data is for the fiscal year ended Feb. 3, 2018.</p> <p><i>^Global, excluding the U.S., includes the following countries: Bangladesh, China, Cambodia, Guatemala, Hong Kong, Indonesia, India, South Korea, Pakistan, Thailand, Taiwan, Vietnam</i></p> <ul style="list-style-type: none"><li>• <a href="#">Workforce Diversity, p. 12</a></li><li>• <a href="#">Workforce Diversity Report</a></li></ul>	Workforce Diversity			Gender Diversity	Female	Male	Total Workforce (U.S.)	57%	43%	Total Workforce (Global, excluding the U.S.^)	39%	61%	Target Manager Workforce	52%	48%	Target Leadership Team	36%	64%	Target Board of Directors	36%	64%	Racial/Ethnic Diversity	Diverse	Non-Diverse	Total Workforce (U.S.)	47%	53%	Target Manager Workforce	33%	67%	Target Leadership Team	36%	64%	Target Board of Directors	45%	55%
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GRI Standard	Disclosure Title	Disclosure Number	Target Response
Forced or Compulsory Labor			
<b>Forced or Compulsory Labor</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Monitor for forced labor throughout our supply chain and take swift action to eliminate it if discovered</a></li> </ul> <p>Read more about our efforts related to Forced or Compulsory Labor:</p> <ul style="list-style-type: none"> <li>• <a href="#">Eliminate Forced Labor, p. 14</a></li> <li>• <a href="#">Target's Teaming Up with Global Sourcing Experts to Help End Forced Labor</a></li> </ul>
<b>Forced or Compulsory Labor</b>	<b>Operations and suppliers at significant risk for incidents of forced or compulsory labor</b>	409-1	<p><a href="#">Eliminate Forced Labor, p. 14</a></p> <p><a href="#">California Transparency in Supply Chains Act (CATSCA)</a></p>
Human Rights Assessment			
<b>Manufacturing Supply Chain Workers (Fair Jobs, Forced Labor, Human Rights, Well-being)</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Enhance the lives of 3 million people in the factories and surrounding communities where Target's goods are produced</a></li> <li>• <a href="#">Elevate worker well-being throughout our supply chain</a></li> <li>• <a href="#">Enhance worker safety throughout our supply chain</a></li> </ul> <p>Learn more about Target's management approach to Human Rights, Worker Well-being and Forced Labor commitments:</p> <ul style="list-style-type: none"> <li>• <a href="#">Global Livelihoods, p. 13</a></li> <li>• <a href="#">Labor and Human Rights Policies</a></li> <li>• <a href="#">Social Compliance Audit Process</a></li> <li>• <a href="#">Standards of Vendor Engagement (SOVE)</a></li> <li>• <a href="#">Design + Culture + Craft: Target Serves Up Modern Global Style</a></li> </ul>

GRI Standard	Disclosure Title	Disclosure Number	Target Response
Human Rights Assessment (continued)			

**Human Rights**      **Management Approach (103-1, 103-2, 103-3)**      103      **Number and location of Registered Manufacturing Facilities Producing Target Brand Merchandise**

In 2017, we sourced Target-brand products from 2,722 registered manufacturing facilities in 49 countries.

FYE	China	Southeast Asia	The Americas	India, Bangladesh, Pakistan, Egypt and Turkey	Other
2017	1,312	206	993	142	69

We focus our audits on factories we consider to be at the highest risk for noncompliance. In 2017, we audited 1,319 registered manufacturing facilities.

Breakout by country of social compliance audits as follows:

**North America: 28**

Country	#	% of total
Mexico	28	2.12%

**Central and South America: 27**

Country	#	% of total
Argentina	1	0.08%
El Salvador	1	0.08%
Guatemala	13	0.99%
Haiti	2	0.15%
Nicaragua	9	0.68%
Peru	1	0.08%

**Europe: 18**

Country	#	% of total
Italy	10	0.76%
Portugal	2	0.15%
Romania	1	0.08%
Turkey	5	0.38%

**Middle East and Africa: 11**

Country	#	% of total
Bahrain	2	0.15%
Egypt	1	0.08%
Israel	7	0.53%
South Africa	1	0.08%

**Asia and Pacific Region: 1,235**

Country	#	% of total
Bangladesh	27	2.05%
Cambodia	31	2.35%
China	839	63.61%
Hong Kong	1	0.08%
India	101	7.66%
Indonesia	62	4.70%
Malaysia	6	0.45%
Pakistan	18	1.36%
Philippines	7	0.53%
Sri Lanka	8	0.61%
Taiwan	8	0.61%
Thailand	19	1.44%
Vietnam	108	8.19%

GRI Standard	Disclosure Title	Disclosure Number	Target Response				
Human Rights Assessment (continued)							
Human Rights	Management Approach (103-1, 103-2, 103-3)	103	Percentage of Audits with Acceptable Results by Country/Region				
			FYE	China	Southeast Asia	The Americas	India, Bangladesh, Pakistan, Egypt and Turkey
			2017	56%	53%	80%	85%
			2016	68%	64%	96%	77%
			2015	61%	53%	76%	58%
			2014	53%	45%	58%	56%
			2013	46%	53%	50%	53%
			Percentage of Critical Issues Identified by Country/Region				
			FYE	China	Southeast Asia	The Americas	India, Bangladesh, Pakistan, Egypt and Turkey
			2017	11%	17%	12%	14%
			2016	13%	27%	28%	25%
			2015	10%	25%	26%	17%
			2014	11%	24%	22%	17%
			2013	14%	23%	21%	21%
			Average Number of Health and Safety Issues per Audit				
			FYE	China	Southeast Asia	The Americas	India, Bangladesh, Pakistan, Egypt and Turkey
			2017	3.7	2.8	1.0	3.1
			2016	4.4	3.8	1.1	4.7
			2015	5.3	3.1	1.7	4.7
			2014	6.2	3.3	1.6	4.8
			2013	6.2	3.3	2.1	5.6
			Percentage of Audits with Working Hours and Time-Off Issues				
			FYE	China	Southeast Asia	The Americas	India, Bangladesh, Pakistan, Egypt and Turkey
			2017	26%	39%	16%	32%
2016	12%	34%	13%	19%			
2015	12%	29%	18%	15%			
2014	16%	25%	12%	17%			
2013	24%	22%	35%	12%			

GRI Standard	Disclosure Title	Disclosure Number	Target Response				
Human Rights Assessment (continued)							
Human Rights	Management Approach (103-1, 103-2, 103-3)	103	Percentage of Audits with Wage Issues				
			FYE	China	Southeast Asia	The Americas	India, Bangladesh, Pakistan, Egypt and Turkey
			2017	68%	50%	2%	34%
			2016	72%	56%	24%	41%
			2015	63%	54%	22%	36%
			2014	61%	52%	18%	36%
			2013	63%	44%	26%	34%
			Unannounced Audits		Denied Audits		
			FYE	Number of Unannounced Audits	FYE	Percentage	
			2017	1,319	2017	0.1%	
			2016	1,697	2016	1.2%	
			2015	1,597	2015	1.5%	
			2014	1,964	2014	0.8%	
			2013	1,949	2013	0.6%	
			Audits with “Noncompliant” Results: 1-Year Non-Compliant		Audits with “Noncompliant” Results: Zero Tolerance Non-Compliant		
			FYE	Percentage	FYE	Percentage	
			2017	3.2%	2017	1.2%	
			2016	1.5%	2016	0.6%	
			2015	1.8%	2015	0.6%	
			2014	1.6%	2014	1.1%	
2013	2.1%	2013	1.7%				
Employee training on human rights policies or procedures		412-2	Target’s global sourcing offices are subject to the same standards and policies as our domestic offices. Human rights considerations are made when exploring new countries for office locations.				



GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>Local Communities</b>			
<b>Community Development, Community Resilience, Economic Impact, and Economic Inclusion</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p><b>Goal:</b></p> <ul style="list-style-type: none"> <li>Target committed \$14 million to youth soccer through two new national initiatives, including an \$8 million local grant program, and a \$6 million partnership with the U.S. Soccer Foundation to build 100 new soccer play spaces by 2020</li> </ul> <p>We believe that where we have a presence, we should strive to elevate the socio-economic standing of the community. Through our team members in stores, distribution centers, headquarters and sourcing offices around the world, we are focused on leveraging Target's resources to drive economic prosperity for team members, their families and the communities where Target operates. Our focus on economic vitality and community well-being will manifest itself through the alignment of Sustainable Cities and Communities (SDG 11) and providing Decent Work and Economic Growth (SDG 8).</p> <ul style="list-style-type: none"> <li><a href="#">Resilient and Vibrant Communities, p. 21</a></li> </ul>
<b>Local Communities and Suppliers</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p><b>Supplier Diversity</b></p> <ul style="list-style-type: none"> <li>Number of Diverse Suppliers in 2017: 667</li> <li>New Diverse Suppliers: 121</li> <li>First-Tier Spending with Diverse Suppliers: \$1,042,706,618</li> <li>Second-Tier Spending with Diverse Suppliers: \$705,934,014</li> <li>Spending with Diverse Suppliers: 46% increase over 2016</li> <li>Percentage of Diverse Supplier Bid Inclusion: 30%</li> </ul> <p>Learn more about Target's management approach to societal material issues by visiting:</p> <ul style="list-style-type: none"> <li><a href="#">Suppliers</a></li> <li><a href="#">Social Compliance</a></li> </ul> <p><a href="#">Valuing Supplier Diversity, p. 19</a></p>
<b>Inclusive Products, Services &amp; Experiences; Responsible Marketing &amp; Brand Voice/Influence</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p>At Target, we are championing a more inclusive society through:</p> <ul style="list-style-type: none"> <li>Products that represent what our guests need and want</li> <li>An increased set of diverse suppliers</li> <li>Services that inspire and reward our guests</li> <li>An inclusive guest experience where all dimensions of difference are valued and represented and guests feel a sense of belonging</li> </ul> <p><b>Products</b></p> <ul style="list-style-type: none"> <li><a href="#">Sensory-friendly apparel with Cat &amp; Jack</a></li> <li><a href="#">Target Takeoff – 10 emerging beauty brands</a></li> <li><a href="#">Inspiring the importance of STEM</a></li> <li><a href="#">Target's Black History Month Assortment Honors African American Heroes</a></li> </ul> <p><b>Suppliers</b></p> <ul style="list-style-type: none"> <li><a href="#">Beauty Brands Expansion</a></li> </ul> <p><b>Services</b></p> <ul style="list-style-type: none"> <li><a href="#">Veterans Day Military Discount</a></li> <li><a href="#">Target Reveals Design Elements of Next Generation of Stores</a></li> </ul> <p><b>Experiences</b></p> <ul style="list-style-type: none"> <li><a href="#">Ongoing Accessibility Enhancements</a></li> <li><a href="#">Inspiring the importance of play through soccer</a></li> </ul> <p><a href="#">Inclusive Products and Experiences, p. 19</a></p>

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>Local Communities</b>			
<b>Food Security</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p>Target is concerned about food scarcity as it impacts our teams and guests. In 2017, Target donated more than 76.9 million pounds of food to Feeding America affiliates and agency partners through our stores, food and distribution centers. These pounds equate to over 64 million meals provided to communities where Target has a presence. Target also partnered with Feeding America to support the launch of seven Regional Produce Cooperatives across their affiliate network of food banks. The Cooperatives enable food banks to receive a greater variety of produce at a lower cost and with more consistency. The Cooperatives create an efficient and effective model to procure and process larger volumes of produce while allowing food banks of all sizes to receive the product needed for their local communities. Cooperatives will be able to accept more produce donations, thereby eliminating food waste throughout the supply chain.</p> <p>Target also supports food banks and shelves in the Target headquarters area, and store teams actively participate with local area food banks. Efforts like these will continue in 2018.</p>
<b>GRI 413: Local Communities 2018</b>	<b>Operations with local community engagement, impact assessments and development programs</b>	413-1	<p><a href="#">Refer to GRI 203-1 for more information on community engagement efforts.</a></p> <p>In 2017, 89 percent or \$195 million of our donations went to local community programs and organizations.</p>
<b>Supplier Social Assessment &amp; Supply Chain Communities</b>			
<b>Supplier Social Assessment &amp; Supply Chain Communities</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p><a href="#">Manufacturing Supply Chain, p.13</a>  <a href="#">Social Compliance</a>  <a href="#">Supply Chain Sustainability</a></p>
<b>GRI 414: Supplier Social Assessment 2018</b>	<b>New suppliers that were screened using social criteria</b>	414-1	<p>Percentage of new suppliers that were screened using social criteria: 21.3 percent</p>

GRI Standard	Disclosure Title	Disclosure Number	Target Response
Local Communities			
<b>GRI 415:</b> <b>Public Policy</b> <b>2018</b>	<b>Political Contributions</b>	415-1	<p>Political Contributions data is based on the 2017 calendar year, as that is what is required for legal filings.</p> <p><b>Target Citizens Political Action Committee Contributions</b>  Democratic: \$150,500 (47.1%)  Republican: \$159,500 (49.8%)  Bipartisan: \$10,000 (3.1%)</p> <p><b>Trade Association and Policy-Based Organization Support</b>  The aggregate amount of financial support is \$3,610,768, 33 percent of which supports non-deductible lobbying activities.</p> <p>The following is a list of contributions of general corporate funds in the amount of \$5,000 or more to support or oppose the election of candidates for office or ballot initiatives:</p> <p><b>State Trade Association Political Action Committees</b></p> <ul style="list-style-type: none"> <li>• Illinois Merchants Political Action Committee: \$21,600</li> <li>• Florida Retail Federation Political Action Committee: \$13,000</li> <li>• California Chamber of Commerce: \$7,200</li> <li>• Chicagoland Chamber of Commerce Political Action Committee: \$5,000</li> <li>• Interested Merchants Political Action Committee Team: \$5,000</li> <li>• New York Retailers for Effective Government: \$5,000</li> <li>• Virginia Retail Federation Political Action Committee: \$5,000</li> <li>• Maryland Retail Merchants Association Political Action Committee: \$5,000</li> <li>• Washington Retail Association Local Government Political Action Committee: \$5,000</li> </ul> <p><b>Political Organizations</b></p> <ul style="list-style-type: none"> <li>• Democratic Legislative Campaign Committee: \$12,000</li> <li>• Republican Legislative Campaign Committee: \$12,000</li> <li>• New York Senate Republican Caucus: \$10,000</li> <li>• Californians for Jobs and a Strong Economy: \$10,000</li> <li>• California Republican Leadership Conference: \$10,000</li> <li>• Women in California Leadership: \$5,000</li> <li>• Women in Power Political Action Committee (California): \$5,000</li> <li>• Community Leaders of America: \$5,000</li> <li>• National Conference of Democratic Mayors: \$5,000</li> </ul> <p><b>Individual Candidates</b></p> <ul style="list-style-type: none"> <li>• California Candidates: \$36,000</li> <li>• Illinois Candidates: \$22,000</li> </ul> <p><a href="#">Political Engagement</a>  <a href="#">Issue Advocacy</a></p>

GRI Standard	Disclosure Title	Disclosure Number	Target Response
Marketing & Labeling			
<b>Marketing &amp; Labeling</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	Refer to Target's Business Conduct Guide for: Protecting Information, p. 16, Guest Privacy, p. 23 and Responsible Advertising, p. 24  <a href="#">Business Conduct Guide</a>
<b>GRI 417: Marketing &amp; Labeling 2018</b>	<b>Incidents of non-compliance concerning marketing communications</b>	417-3	Target understands the importance of our guests' privacy and is committed to treating personal information with care and respect. Target's Privacy Policy provides detailed information about the collection, use, sharing and protection of Target's guest information.  Target promotes a culture of ethical conduct and a commitment to compliance. The Business Conduct Guide outlines expectations of conduct for all team members and focuses on the integrity and high ethical standards that are a part of Target's culture. All team members are expected to understand and comply with Target's Business Conduct Guide.  <a href="#">Target's Privacy Policy</a> <a href="#">Business Conduct Guide</a>