

# 2016 Target Corporate Social Responsibility Report





## Our Cover

Our report cover proudly features our Cat & Jack apparel line, designed with kids, for kids. Along with being high quality and affordable, the brand also uses sustainable materials in many of its items, including recycled polyester made from plastic bottles in its girls' denim and swimwear and GOTS-certified organic cotton and safe dyes in its baby layette collection.

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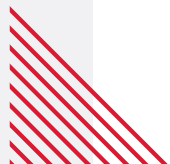
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## A Message to Our Stakeholders

Target has long been a place that brings people together.

We take pride in helping families discover joy in their everyday lives, whether it's by making a weekly Target Run, finding a new outfit for their newborn or running into a neighbor at one of the hundreds of community projects we sponsor each year.

Our guests shop with us knowing they can expect more, not only in the experience and products we offer, but in the high standards we hold ourselves to as a company.

Target has a longstanding legacy of investing in our communities. Since 1946 we have donated five percent of our annual profits, today that's millions of dollars each week, back to the communities we serve.

But as much as we value philanthropy, we also know community giving is just the start.

We believe a truly successful company has a duty to not only support, but lift up the communities it serves.

That's why we work with suppliers, vendors and partners who share our values and we hold them to high ethical standards.

We are determined to find the best ways to support the UN Sustainable Development Goals of ending poverty, fighting inequality and protecting our planet.

We are thinking boldly about how we can leverage our size and scope to address global problems, from reducing our environmental footprint to improving livelihoods at all points in our supply chain.

And we are rallying our team around a common purpose and set of values.

This means fostering a culture of inclusivity, where every team member, in every role at every level, feels they can bring their whole self to work each day. And it means infusing the power of connection—to each other, to the communities we serve and to the planet we occupy—into everything we do.

We are proud of the progress we have made so far, and committed to continuous improvement.

And this is just the beginning. The work of bringing people together is never-ending, and we are more than up for the challenge.



**Brian C. Cornell**

Board Chairman and Chief Executive Officer



**Jennifer Silberman**  
Vice President, Corporate Social Responsibility



## Q&A With Our VP of CSR

**Q: As Target's Vice President of Corporate Social Responsibility (CSR), what excites you most about Target's CSR efforts?**

**A:** With the power of Target's team, and our scale as one of the country's largest retailers, we hope to be a catalyst for change across the industry. And unlike any other time, we have an opportunity to transform the guest experience beyond the register in a way that fulfills our purpose and unlocks long-term business value.

**Q: How is Target's CSR approach evolving to address the changing needs of stakeholders?**

**A:** Stakeholders play an important role in guiding our strategy and the work we do to deliver on our commitments and goals. Because the issues we face are complex, and require industry-wide solutions, we look to work with others to drive collective impact.

Increasingly, we know guests look for quality products that are good for them, their families and society. So we partnered with several organizations that innovate ways to make better-for-you living accessible and attainable. One example is Wholesome Wave, a nonprofit that increases access to affordable, healthy produce.

We are also increasing our commitment to protect and use natural resources wisely. To work toward this, we doubled down on solar installations and made our first partnership in wind power. We were also named ENERGY STAR Partner of the Year for the second year in a row.

Because our team members are key to our success, we want to foster a culture that is diverse, inclusive and enables our team members to thrive. We were thrilled to be recognized by DiversityInc for being one of the "Top 50 Companies for Diversity."

And we believe our strategy should support vibrant communities, including improving the livelihoods of the people who make our products. That's why we set responsible sourcing goals with a focus on worker well-being and safety throughout our supply chain.

**Q: What are you most proud of?**

**A:** I am really proud of how we made great strides to put our guests at the center of everything we do. Our new chemical strategy and policy is a great example of that. This ambitious strategy, focused on driving transparency, chemical management and innovation across every

product we sell and use throughout our business operations, is one of the most comprehensive in the U.S. retail industry. And we know it's important to our guests as they trust us to help them discover better choices for them and their families.

**Q: What does the future of CSR at Target look like?**

**A:** Looking forward, we are rethinking our approach to CSR at Target. We are building on our strong foundation of investing in our communities and sustainable business operations to identify new ways to unlock business and societal value. As a global corporate citizen, we believe it is our shared responsibility to tackle issues that not only create business opportunities, but also ensure our communities thrive. We are beginning to align our future priorities with the UN Sustainable Development Goals and assume our responsibility in addressing this global agenda.

We can leverage our size, scale and value chain to drive real change. From the products we source from 48 countries and the more than 1,800 stores we operate, to the way we engage our guests—we can make our business economically, environmentally and socially sustainable.

# Materiality Process

Understanding and prioritizing the corporate social responsibility (CSR) issues that matter to our business and our stakeholders (materiality assessment) enables us to address the right issues and report on them effectively. It also allows us to focus our resources, evolve our strategy and tailor our reporting to align with the interests and needs of our business and our stakeholders.

We recognize there are varying definitions of materiality — such as those from the [Global Reporting Initiative](#) or [Sustainability Accounting Standards Board \(SASB\)](#), and many ways to conduct a materiality assessment. In 2016, we revisited our [prior materiality assessment process](#) to evolve our strategy and stakeholder engagement. We sought to find a hybrid between the varying definitions that exist and created a broad and non-traditional definition and methodology. Our methodology focused on social and environmental issues and our definition considered the impact to our business and the degree of impact/influence we can have on the issue. This assessment leveraged an internal process, which consisted of three key actions:

## Action 1-Identification:

Target conducted a robust review of existing issues analysis, previous stakeholder engagement results and research into new trends, competitor practices and global standards to generate a list of more than 400 potentially material environmental, economic and social issues. Sources included:

- Rating/Ranking Reports (six total), including the Dow Jones Sustainability Index and CDP information request
- ESG Guidance Documents and Research Reports (six total), authored by organizations such as Ceres and SASB
- Materiality assessments completed by competitor or CSR leadership companies (11 total)

We then removed duplicate issues and combined any issues that, while slightly different in wording or definition, were similar at the core, to arrive at a list of 61 potentially material issues.

## Action 2-Assessment:

We classified these 61 issues into 16 topics and ultimately four focus areas: Products, Team, Communities and Planet. This allowed us to have a more manageable list of topics to discuss, without losing the granularity of key issues.

Focus Area	Topic
Products	<ul style="list-style-type: none"> <li>• Better products</li> <li>• Better services and experiences</li> </ul>
Team	<ul style="list-style-type: none"> <li>• Diverse workforce and inclusive workplace</li> <li>• Skills for a lifetime</li> <li>• Well-being</li> </ul>
Communities	<ul style="list-style-type: none"> <li>• Global livelihoods</li> <li>• Human rights</li> <li>• Resilient and vibrant communities</li> </ul>
Planet	<ul style="list-style-type: none"> <li>• Climate and energy</li> <li>• Water</li> <li>• Waste</li> <li>• Forest</li> <li>• Raw materials</li> </ul>

We then assessed each of the 61 issues on two dimensions: 1), importance to Target’s business, and 2), Target’s ability to impact/influence the issue in question. While the “importance to the business” dimension is standard in most materiality assessments, the “ability to impact/influence” dimension is less common. To determine **“importance to business,”** we have traditionally relied on qualitative inputs such as interviews with subject matter experts. This year, we paired that qualitative information with internal quantitative data, such as financials and sourcing volumes by country, to elevate issues that could have the most significant impacts on Target’s business.

To determine **“ability to impact/influence,”** we relied on qualitative inputs such as interviews with internal subject matter experts and external research to understand environmental and social issues by country around the world. We paired this information against three dimensions of our supply chain—raw materials, manufacturing and retail operations—to understand the level of impact we could potentially have on an issue.

We organized the resulting issues according to the axes shown in fig. 1. This helped us to prioritize our resources and focus on the issues that matter most to our business (categorized in the top right quadrant), *but we may also take action on the issues in the other quadrants.*

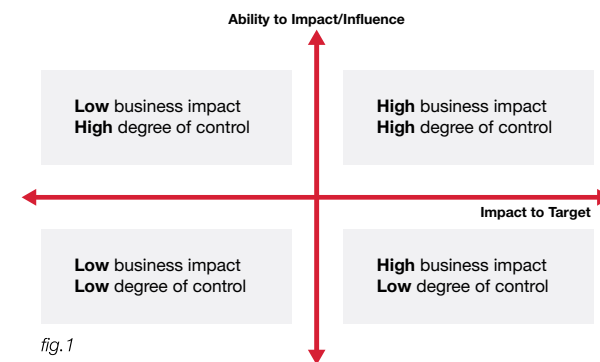


fig.1

## Action 3-Validation:

To validate our process and test our internal methodology, we engaged [BSR \(Business for Social Responsibility\)](#), a global nonprofit organization that works with its network of more than 250 member companies and other partners to build a just and sustainable world. BSR conducted interviews on Target’s behalf with a variety of external stakeholders and corporate social responsibility experts. The purpose was to determine what concerns exist with our process or methodology.

This process highlighted three primary concerns:

- Limited stakeholder engagement early in the process compared to previous approaches to materiality assessment
- Need for more granularity in issue definitions and a clear translation from materiality to strategy
- Need for further discussion around the context and motivation for Target’s decision to pilot a new approach to materiality that better facilitates stakeholder engagement and the evolution of the materiality practice

We take our commitment to continuous improvement seriously. We plan to take action on this feedback as part of our ongoing effort to ensure the materiality assessment remains relevant in light of changes in our business and socioeconomic and environmental trends. We will keep the materiality assessment under regular review, and aim to be as responsive as possible to stakeholder needs as critical issues arise.

In 2017, we will engage internal stakeholders to define and translate priority issues into our CSR approach. In addition, we plan to evolve our external stakeholder engagement approach to ensure materiality is part of the conversation throughout the year.

# Stakeholder Engagement

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 collaborate with NGOs, governments, industry organizations and other businesses to innovate solutions to the most pressing issues we face today. To the right is an overview of the groups we engaged in 2016, how those groups were engaged, the issues they raised and what Target is doing to respond to their feedback. The stakeholder engagements listed to the right do not include the additional stakeholder engagement conducted to validate our new corporate social responsibility materiality approach. Looking ahead, we plan to evolve our stakeholder engagement to ensure our materiality process is aligned with existing stakeholder engagements throughout the year.

Stakeholders Engaged	How We Engaged Them	Top Issues Raised	Our Response
<b>Investors</b>	<ul style="list-style-type: none"> <li>Annual meeting of shareholders</li> <li>Quarterly earnings conference calls</li> <li>Financial community meeting</li> <li>Regular calls and in-person meetings</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Responsible sourcing</li> <li>Corporate governance</li> <li>Reduced emissions</li> <li>Waste reduction</li> <li>Raw materials</li> <li>Deforestation</li> </ul>	Continue to reach our goals and targets, and monitor the changing landscapes to ensure we are doing our part to address environmental and social issues material to our business while continuing to drive meaningful business results.
<b>Civil Society Organizations</b>	<ul style="list-style-type: none"> <li>Participation in conferences and forums</li> <li>Public-private partnerships and engagement on select topics</li> <li>Strategic partnerships and consultation around material issues</li> <li>Volunteer projects</li> <li>Grant recipient interactions</li> </ul>	<ul style="list-style-type: none"> <li>Reduced emissions</li> <li>Reduced water use</li> <li>Waste reduction</li> <li>Product ingredient safety</li> <li>Raw materials</li> <li>Worker well-being</li> <li>Economic vitality</li> <li>Workforce development</li> <li>Creative economy</li> <li>Social determinants of health</li> <li>Social service disparities/needs</li> </ul>	<p>Continue to reach our goals and targets set forth to ensure we are doing our part to address societal issues material to our business.</p> <p>Further localize support in communities where Target operates to improve the livelihoods of people across the U.S. and in our sourcing communities.</p>
<b>Vendors</b>	<p><b>All vendors</b></p> <ul style="list-style-type: none"> <li>External partner website</li> <li>Annual meetings</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> </ul>	<ul style="list-style-type: none"> <li>Responsible sourcing</li> <li>Fair wages and benefits</li> <li>Worker well-being</li> <li>Raw materials</li> <li>Net-positive manufacturing</li> </ul>	Share our resources and offer a transparent view of our work with partners around the world to improve worker well-being throughout our supply chain, achieve net-positive manufacturing and derive key raw materials from ethical and sustainable sources.
<b>Team Members</b>	<ul style="list-style-type: none"> <li>Human Resources communications</li> <li>Daily all-team member email</li> <li>Integrity Hotline</li> <li>Employee Resource Groups and Networks</li> <li>Confidential annual team member survey</li> <li>Executive leadership emails and videos</li> <li>Citizens at Target (nonpartisan platform for civic engagement)</li> <li>Volunteer projects</li> </ul>	<ul style="list-style-type: none"> <li>Diverse and inclusive workforce</li> <li>Fair wages and benefits</li> <li>Worker well-being</li> <li>Waste reduction</li> </ul>	Give our team members opportunities to grow professionally, take care of themselves and their families and make an impact on our guests and our local communities.
<b>Guests</b>	<ul style="list-style-type: none"> <li>Guest Services direct interactions</li> <li>Receipt-to-online guest satisfaction surveys</li> <li>Social media monitoring and engagement</li> <li>Focus groups</li> <li>Online polling</li> <li>Face-to-face interactions in our stores</li> <li>In-store marketing</li> <li>A Bullseye View website</li> </ul>	<ul style="list-style-type: none"> <li>Product ingredient safety</li> <li>Access to better-for-you products</li> <li>Diverse and inclusive assortment/marketing messages</li> <li>Raw materials</li> <li>Responsible sourcing</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 increase our diverse assortment of products.</p>
<b>Policy Influencers</b>	<ul style="list-style-type: none"> <li>Legislative meetings, formal hearings and one-on-one meetings</li> <li>Trade associations and policy-based organizations engagement</li> </ul>	<ul style="list-style-type: none"> <li>Taxes</li> <li>Trade</li> <li>Employment and labor issues</li> <li>Product safety</li> <li>Sustainability/environmental management</li> <li>Data security</li> <li>Healthcare</li> </ul>	Advocate at all levels of government, including with policymakers and legislators, to ensure the impact legislative and regulatory issues have on our business, industry, communities and team members is understood.



# Our Progress Toward Goals

Target strives to make the aspirational attainable, and our goals reflect the future we hope to achieve. Our approach around identifying and establishing goals continues to evolve. So, in addition to the goals we are sharing in this report, we are also working on additional ambitions and commitments for the future, which can be found on page 11 in the [“What’s Next”](#) section.







# Aligning With the Sustainable Development Goals

Target has designed its corporate social responsibility focus areas to support a better, more sustainable world in alignment with the [UN Sustainable Development Goals \(SDGs\)](#), which aim to end poverty, protect the planet and ensure prosperity for all. Because of the expansive nature of our business and value chain, we are able to directly and indirectly impact each of the SDGs. As we continue to develop our approach, we will focus on the goals where we can provide the greatest contribution.






		Products: Inspiring Solutions For Better Living	Team: Valuing Our Team Members	Communities: Strengthening Our Global Neighborhoods	Planet: Driving Positive Impact
	No Poverty	☑		☑	
	Zero Hunger	☑		☑	
	Good Health and Well-Being	☑		☑	
	Quality Education	☑		☑	
	Gender Equality	☑	☑	☑	
	Clean Water and Sanitation			☑	☑
	Affordable and Clean Energy			☑	☑
	Decent Work and Economic Growth	☑		☑	
	Industry, Innovation and Infrastructure			☑	☑
	Reduced Inequalities	☑	☑	☑	
	Sustainable Cities and Communities			☑	☑
	Responsible Consumption and Production	☑			☑
	Climate Action			☑	☑
	Life Below Water				☑
	Life on Land				☑
	Peace, Justice and Strong Institutions		☑	☑	
	Partnerships for Goals	☑	☑	☑	☑



## Goals

Goal	2011	2013	2014	2015	2016	Progress	
<b>Increase organic food offerings by 25 percent by 2017</b> Focus Area: Products	0% (baseline)	13%	26%	114%	139%	<b>Exceeded</b> 	<b>2016 Progress:</b> 139% increase <b>Next Steps:</b> We are proud to share that as of 2016 we increased our organic food offerings in our stores by 139 percent. Target will continue to expand its organic offerings in stores.
Goal	2011	2013	2014	2015	2016	Progress	
<b>Enhance at least 50 owned-brand packaging designs to be more sustainable by 2016</b> Focus Area: Products	0 (baseline)	32	65	153	162	<b>Exceeded</b> 	<b>2016 Progress:</b> 162 packaging designs <b>Next Steps:</b> We exceeded this goal and delivered 162 enhanced packaging designs by the end of 2016. Examples of this work include: less packaging; more recyclable packaging; and use of recycled content in packaging. Learn about our new packaging goals on <a href="#">page 11</a> .
Goal					2016	Progress	
<b>By the end of 2018, remove artificial flavors, preservatives, sweeteners and colors from all of our owned-brand children's items</b> Focus Area: Products					68% (baseline)	<b>In Progress</b> 	<b>2016 Progress:</b> 68% <b>Next Steps:</b> Within Target's owned brands, many kids' items are already free of artificial flavors, preservatives, sweeteners and colors – as well as added artificial trans fats and high fructose corn syrup. We are working to ensure all kids' items – including mac and cheese, fruit snacks, animal crackers and more – meet these requirements by the end of 2018.
Goal	2012	2013	2014	2015	2016	Progress	
<b>Volunteer one million hours annually</b> Focus Area: Communities	679,000	1,000,000	1,177,079	1,100,502	1,105,628	<b>Exceeded</b> 	<b>2016 Progress:</b> 1,105,628 hours <b>Next Steps:</b> We are proud of our passionate team members who helped us maintain our goal of one million volunteer hours annually. We are committed to contributing a minimum of one million volunteer hours each year going forward.
Goal					2016	Progress	
<b>Achieve ENERGY STAR certification in 80 percent of our buildings by 2020</b> Focus Area: Planet					76% (baseline)	<b>In Progress</b> 	<b>2016 Progress:</b> 76% of buildings certified <b>Next Steps:</b> In 2016, we restarted our ENERGY STAR certification process and have achieved certification in 1,409 of our buildings. We will continue to pursue ENERGY STAR certification, as we anticipate meeting this goal earlier than expected. Learn more about our energy efforts on <a href="#">page 28</a> .
Goal	2010	2013	2014	2015	2016	Progress	
<b>Reduce the energy intensity per square foot in our stores by 10 percent by 2020</b> Focus Area: Planet	17.11 kWh/SF (stores) (baseline)	16.47 kWh/SF (stores)	16.50 kWh/SF (stores)	16.87 kWh/SF (stores)	16.72 kWh/SF (stores)	<b>in Progress</b> 	<b>2016 Progress:</b> 16.72 kWh/SF (stores) <b>Next Steps:</b> Target continues to reduce our energy intensity per square foot by pursuing efficiency projects in HVAC, lighting and refrigeration. In 2016, we reduced our energy intensity by 2.32 percent from our 2010 baseline. In 2017, we will continue to make significant investments in LED lighting conversions in pursuit of our 2020 goal.

## Goals

Goal	2014	2015	2016	Progress	
<b>Add solar rooftop panels to 500 of our stores and distribution centers by 2020</b> Focus Area: Planet	104	193	350	<b>In Progress</b> 	<b>2016 Progress:</b> 157 completed in 2016; bringing total to 350 <b>Next Steps:</b> Target is proud to have installed solar arrays at 350 locations to date. We were even named the No. 1 corporate solar installer in the U.S. by the Solar Energy Industry Association. With our 2016 installations, we entered into five new states (Colorado, Maine, Michigan, New Hampshire and Wisconsin). Our aim is that by 2020, we will have installed solar at 150 more locations to reach our goal of 500 locations total. Learn more about our energy efforts on <a href="#">page 28</a> .
Goal		2015	2016	Progress	
<b>Expand our investment in offsite renewable energy to complement onsite renewables by 2020</b> Focus Area: Planet		0 (baseline)	40 MW	<b>In Progress</b> 	<b>2016 Progress:</b> In 2016 we signed a <a href="#">Virtual Power Purchase</a> agreement with Stephen's Ranch Wind Farm in Texas. The 40 MW offtake of wind power is roughly equivalent to the power needs of 60 stores in Texas. <b>Next Steps:</b> Our next step is to negotiate additional offsite renewable energy contracts.
Goal			2016	Progress	
<b>Introduce hydrofluorocarbon (HFC) free refrigerants in our food distribution centers and stand-alone refrigerated display cases by 2020</b> Focus Area: Planet			580 stores and 5 FDCs (baseline)	<b>In Progress</b> 	<b>2016 Progress:</b> 585 buildings have HFC-free refrigerant storage space <b>Next Steps:</b> All five of our Food Distribution Centers use HFC-free refrigerants for cold storage areas, and 580 Stores have HFC-free refrigerants in stand-alone cases. These units not only save energy (up to 50 percent more efficient than the ones they replaced), they also eliminate greenhouse gases that are thousands of times more powerful than carbon dioxide. Moving forward, we look to increase the number of HFC-free refrigeration cases by requiring all new purchases of stand-alone units less than 2,200 BTU/hour to use HFC-free refrigerants. As part of our commitment to reduce HFC emissions, we have also become a member of the EPA's GreenChill program. Learn more about our energy efforts on <a href="#">page 28</a> .
Goal	2010		2016	Progress	
<b>Reduce water use by 10 percent per square foot in our stores by 2020</b> Focus Area: Planet	13.54 gal/SF (baseline)		11.68 gal/SF	<b>Exceeded</b> 	<b>2016 Progress:</b> 11.68 gal/SF, 13.7% reduction to 2010 baseline <b>Next Steps:</b> We have achieved our 2020 goal with a 13.7 percent water reduction in 2016, but our work doesn't stop there. Our commitment to be a good steward of this important natural resource is driven by our efficient operations. Some of our initiatives include reducing water use by utilizing more efficient restroom fixtures and constantly innovating our irrigation strategy to improve asset efficiency.
Goal			2016	Progress	
<b>Divert 70 percent of our retail waste from landfills through reuse or recycle programs by 2020</b> Focus Area: Planet			72.3% (baseline)	<b>Exceeded</b> 	<b>2016 Progress:</b> 72.3% <b>Next Steps:</b> We exceeded our goal of 70 percent retail waste diversion by 2020, and finished off 2016 with a diversion rate of 72.3 percent. We are currently evaluating our next diversion goal, which will be more aggressive. Read more about our waste management efforts on <a href="#">pages 30-31</a> and learn about our approach to food waste on <a href="#">page 46</a> .

# What's Next

For goals shared on the previous pages, as well as the continued commitments listed below and **others to be developed in 2017**, we are working toward creating additional systems to measure our progress aligned with our focus areas. Our four focus areas are how we have organized our commitments and in the future they will have a defined aspiration for each.

Focus Area	Continued Commitments
<b>Products: Inspiring Solutions For Better Living</b>	<p><b>Packaging</b></p> <ul style="list-style-type: none"> <li>• Add the How2Recycle label to all owned-brand packaging by 2020 (where space allows)</li> <li>• Create more demand for recycled packaging by creating three new end markets for recycled materials by 2020</li> <li>• Support The Recycling Partnership's mission to improve how more than 25 percent of the U.S. population recycles by 2020</li> </ul> <p><b>Responsible Sourcing</b></p> <ul style="list-style-type: none"> <li>• Identify and remove all unwanted chemicals from Target owned-brand products and manufacturing, and encourage all supporting industries to incorporate green chemistry principles</li> </ul> <p><b>Products—Chemical Policy</b></p> <ul style="list-style-type: none"> <li>• Achieve transparency to all ingredients, including generics such as fragrance, in beauty, baby care, personal care and household cleaning formulated products by 2020</li> <li>• Improve beauty, baby care, personal care and household cleaning product categories by formulating them without phthalates, propyl-paraben, butyl-paraben, formaldehyde, formaldehyde-donors or Nonylphenol Ethoxylates (NPEs) by 2020</li> <li>• Improve textile products by removing Perfluorinated Chemicals (PFCs) from products by 2022</li> <li>• Improve textile products by removing added flame retardants that are potential carcinogens or pose harm to the guest, workers or communities by 2022</li> <li>• Invest up to \$5 million in green chemistry innovation by 2022</li> </ul> <p><b>Products—Wellness</b></p> <ul style="list-style-type: none"> <li>• Implement Wellness Product Standards 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</li> </ul> <p><b>Diversity &amp; Inclusion</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>
<b>Team: Valuing Our Team Members</b>	<p><b>Diversity &amp; Inclusion</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> </ul>
<b>Communities: Strengthening Our Global Neighborhoods</b>	<p><b>Responsible Sourcing</b></p> <ul style="list-style-type: none"> <li>• Elevate worker well-being throughout our supply chain</li> <li>• Enhance worker safety throughout our supply chain</li> <li>• Monitor for forced labor throughout our supply chain and take swift action to eliminate it if discovered</li> </ul> <p><b>Diversity &amp; Inclusion</b></p> <ul style="list-style-type: none"> <li>• Continue to invest our philanthropic resources in multicultural communities</li> </ul>
<b>Planet: Driving Positive Impact</b>	<p><b>Responsible Sourcing</b></p> <ul style="list-style-type: none"> <li>• Drive sustainable water stewardship in Target owned-brand product design and manufacturing</li> <li>• Drive clean energy through reduced air emissions in our supply chain</li> <li>• Support responsibly managed forests and palm oil production</li> <li>• Champion responsibly grown and harvested cotton and ensure that it's used in our owned-brand products</li> <li>• Replace conventional polyester with polyester made from recycled plastic in Target owned-brand apparel, accessories and home products</li> </ul> <p><b>Packaging</b></p> <ul style="list-style-type: none"> <li>• Source all owned-brand, paper-based packaging from sustainably managed forests by 2022</li> <li>• Work to eliminate expanded polystyrene from our owned-brand packaging by 2022</li> </ul>



# Products: Inspiring Solutions For Better Living

Target strives to make better living attainable for all families by making better-for-you products accessible and affordable. We know our guests care a lot about what's in the products they use, so we are continually innovating to create better options for our store and online assortments, helping to make the better choice the easy choice, every day.



## Inspiring Better Living

We take our guests' trust seriously, and work to deliver on it year after year by investing in the social and environmental sustainability of our communities.

To build on that work, we announced a [new chemical strategy](#) focused on driving transparency, proactive chemical management and innovation across every product we sell, and throughout our business operations. It's one of the most comprehensive chemical strategies in the U.S. retail industry because it encompasses not only the Target-owned and national brand products we sell, but also the products we use throughout our company. From the bathroom soaps at headquarters, to the cleaning supplies used in stores and the products we sell – we want guests and team members to know what's in them, and be comfortable using them.

Ambitious? Yes, but we expect to make significant progress by leveraging our size, scale and expertise. And, by teaming up with our vendors, supply chain partners, NGOs and other organizations across the industry, we hope to help accelerate similar efforts.

“Our chemical policy builds on our high standards for, and commitment to, product quality and safety,” said Dr. Greg Downing, Corporate Social Responsibility Manager at Target. “That’s why we introduced a set of goals – a first for Target – to address unwanted chemicals starting with the types of products guests tell us are most important to them: those that go in, on and around their bodies.”

“

**We strongly believe transparency is fundamental to running a sustainable business and building trust with consumers. We will continue to partner with Target and other industry leaders to bring more sustainable products to shelves.**

- Paul Polman, CEO, Unilever

”

### Striving for transparency

We aim for full visibility to the chemicals contained in – or used to make – the products we sell and use in our operations. For example, we carry national brands that provide transparency on their ingredients such as Method and Seventh Generation cleaning products.

And within formulated items for beauty, personal care, cleaning and baby products, we leverage our Sustainable Product Index (SPI) to help establish a common language, definition and process for increased transparency and to qualify what makes a product more sustainable.

In the three years since we launched the SPI, our vendors have adopted better disclosure practices. It has also stimulated discussions across the retail sector about creating a common position in favor of increased transparency.

## Focusing on chemical management

To facilitate the management of chemicals throughout the supply chain, we are working closely with business partners to implement policies, practices and tools. We plan to use hazard profiles to prioritize the restriction of substances in products and processes, with an emphasis on the impact these substances could have on workers, guests and communities. We will also use Restricted Substances Lists and Manufacturing Restricted Substances Lists to remove these prioritized chemicals from our products and processes, or minimize them in cases where there is no

viable substitute. Aligning with this strategy to remove unwanted chemicals from our supply chain, all of our Target owned-brand towels are now Oeko-Tex certified, a global testing and certification system for textile products at all processing levels.

## Investing in innovation

Because safer alternatives for some chemicals may not yet exist, we are investing in awareness, transparency infrastructure, open-sourced safety and hazard data, and development of safer alternatives. For example, we are co-sponsoring the GC3 Preservatives Challenge to support

more sustainable solutions for preservatives in beauty and personal care products. We also made several investments in 2016 with organizations like Healthy Babies Bright Futures, Advancing Green Chemistry and Beyond Benign to further education and awareness of these issues.

Our ultimate goal is to actively engage NGOs, associations and industry partners together to innovate and champion a consistent, industry-wide approach to greener chemistry, product development and innovation. As we move forward, we will continue to iterate, update and set new goals as needed, expanding the categories we cover and chemicals addressed.

## Target's Chemical Goals



Our goals are aimed at addressing unwanted chemicals with the biggest potential health impact, factoring in their prevalence within our products. We are also prioritizing the areas guests tell us are most important to them—such as products that go in, on and around their bodies.

### TRANSPARENCY

Achieve transparency to all ingredients, including generics such as fragrance, in beauty, baby care, personal care and household cleaning formulated produced by 2020.

### CHEMICAL MANAGEMENT

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.

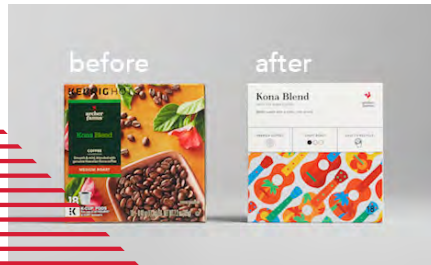
Improve textile products by removing added Perfluorinated Chemicals (PFCs) from products by 2022.

Improve textile products by removing added flame retardants that are potential carcinogens or pose harm to the guest, workers or communities by 2022.

### INNOVATION

Invest up to \$5 million in green chemistry innovation by 2022.

## Improving coffee from farm to cup



In 2012, we became the first mass retailer to offer direct trade coffee. Building off that achievement, last year we [overhauled our](#)

[Archer Farms](#) coffee assortment by introducing new farm-to-cup improvements.

We started by expanding the Archer Farms assortment from four to 20 direct trade options, meaning Target is directly connected to a specific farm or network of farms.

All of our Archer Farms coffee is made from 100 percent Arabica coffee beans, and thanks to our focus on direct trade, we improved the bean quality and will

now offer eight coffees with all-natural flavoring. We also changed the packaging to feature 25 unique pieces of art representing the four major coffee bean growing regions where we source our coffee: Southeast Asia, Africa, South America and Central America. In addition, the new designs highlight key attributes more clearly than before, making it easier for our guests to know if it's direct trade, organic, naturally flavored and more.

## Challenging brands on sustainable design and innovation



Target's Made to Matter program has built partnerships with purpose-driven brands to make natural, organic and

better-for-you products more accessible and attainable. In 2016, we challenged brands to design products that met at least one of five criteria that matter to our guests: reduce waste and packaging, embrace closed loop systems, create clean label products, address dietary and allergen restrictions or reduce sugar.

Twenty brands rose to the challenge. One example is Ripple's new protein-packed, 100 percent plant-based and

vegan milk that is free of nuts, dairy, gluten and soy. For another example, Babyganics developed dryer balls that are sustainably made, baby-safe and chemical-free – a product new to the brand. They last for up to 1,000 loads of laundry and reduce drying time by 25 percent. And these are just two examples – see more examples of brands that participated in [our challenge](#).

## Curating inclusive products



At Target, our efforts to promote an inclusive society extend beyond our team

members to the product assortment in our stores. We listened when guests told us they would like to see a broader selection of multicultural hair care products. In particular, African-American guests told us hair care can be complicated – often requiring more research and more product. That led us to revisit our strategy to ensure we are providing our guests with ethnic hair products for natural hair. We want to inspire and empower our

guests by taking the guess work out of shopping – that's why we tested several new brands in 2016, including Alikay, Soutanicals and Mielle Organics. We now have more than 50 ethnic hair products in roughly 300 stores driving an incremental \$1.2 million in sales. Moving forward, we will continue to test new multicultural brands to satisfy our guests' desires.

“

By identifying the areas of sustainability where solutions are most needed and guests are most engaged, Target has catalyzed innovation in categories across the store that truly embody Target's 'Expect More. Pay Less.' promise. Sustainability is just another thing you can expect more of when you shop at Target.

- Adam Lowry,  
Ripple Foods Co-Founder and CEO,  
Method Products Co-Founder

”

## Well Chosen

In 2016, we piloted an enterprise-wide wellness initiative we called “Well Chosen,” focused on healthier eating, active living and reducing stress.



Engaged team members to host in-store events to promote healthier products



Curated a “Well Chosen” collection on our Cartwheel app to increase interest and awareness of wellness products



Hosted the largest wellness sampling at Target to-date with more than three million wellness brand samples and 400,000 brand coupons



## What's Next

Going forward, we are committed to helping our guests discover better products and make more informed choices that are right for them and their families.

**Piloting better products and services.** We recently launched “Target Takeoff,” an innovative, in-house accelerator program. For its first launch, Target supported the next generation of entrepreneurs creating inclusive and sustainable products and solutions that help consumers live better and support their communities. While hundreds applied, 10 start-up companies were selected to participate in a bootcamp week at Target with products ranging from culturally appropriate activewear to beauty items powered by moringa trees. More than 75 mentors from inside and outside Target

provided guidance throughout the week and beyond to help entrepreneurs accelerate their growth.

**Wellness Product Standards.** We believe it should be simple to make an informed choice about the products guests choose to bring into their homes. That's why we developed a set of standards to give business partners, buyers and product developers a common framework for what Target considers “better-for-you” products. This builds on the work we have done in the past to curate great brands with our Made to Matter collection, but looks at products more closely on an item-by-item basis.

[See more of our continued commitments.](#)

“ We believe making informed choices about the products guests choose to bring into their homes should be simple. That's why our chemical policy and goals were developed with guests in mind, and that's the driving force behind our focus on investing in organizations who are making information about chemicals more accessible. Moving forward, we will continue to work with partners on furthering chemical innovations and transparency.

- Christina Hennington, Senior Vice President of Merchandising, Essentials and Beauty

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# Team: Valuing Our Team Members

Target is a place where we value the individuals who come together as a team to serve our guests. We give our team members opportunities to grow professionally, take care of themselves and their families and make an impact on our guests and our local communities.



# Supporting Growth and Development Opportunities

At Target, we provide team members with opportunities to build and develop skills for their career. No matter where a team member begins their career, there is an opportunity to grow. We invest in our team members so they can grow as leaders in both the company and in their communities.

## Honoring and supporting veterans

As a member of the Veteran Jobs Mission and Joining Forces initiatives, Target pledged to hire more U.S. military veterans and their spouses. Since we started tracking in 2014, we have welcomed more than 7,000 veterans each year. Our commitment is also reflected in mobilizing team members to volunteer with partners like Operation Gratitude and other organizations working to ensure military families have essential resources, before, during and after deployments.

Last year, thousands of U.S. military members, veterans and their friends and families gathered in the Twin Cities for the 2016 Medal of Honor Convention – and we were proud to be a sponsor and help host the festivities in our hometown. The annual event celebrates recipients of the Medal of Honor, America’s highest military award for valor in combat. Our involvement reflects our long-time commitment to supporting veterans, active military members and their families, including thousands of our own team members.

Catherine Helm, Dallas-area District Team Leader at Target, a mother, wife, daughter and U.S. Army veteran, has found deeper purpose in learning to lead, building strong relationships with others and giving back toward things bigger than herself.

[🕒 Learn More](#)

## Empowering women in our workforce

We are proud of the strides we have made to empower women throughout Target – they represent 56 percent of our team members, 54 percent of our managers, 42 percent of our leadership team and more than a third of our board. While we celebrate our ability to outpace gender benchmarks at all levels, we always strive for additional progress, and will continue to work toward strengthening representation of multicultural women in our workforce.

Playing an active role in accelerating progress, CEO Brian Cornell was also appointed to the board of directors of Catalyst, a leading nonprofit organization focused on advancing women in leadership. As part of our commitment to diversity and inclusion, Target marked International Women’s Day 2017 by becoming a founding company of Catalyst’s CEO Champions for Change. Partnerships like this will help us to champion gender equality in the marketplace.

We are also working to engage and advance women in Science, Technology, Engineering and Math (STEM) careers through two unique programs. Target Women in Science and Technology (TWIST) is an internal organization that fosters connections, inspiration and knowledge sharing. Women in Engineering and Science (WEST) at Target is a group launched in 2016 to encourage connections within the female tech community and organizations near Target headquarters.

“Diverse perspectives strengthen our teams and our work,” said Mike McNamara, Chief Information and Digital Officer at Target. “I’m really proud that over one-

third of our engineer hires from college campuses and over one-fifth of our experienced hires this year have been women. Now we are working toward a goal of 50 percent female hires for entry-level engineering roles over the next year. We are off to a good start – 50 percent of our 2017 intern class are women."

To achieve this goal, we know we need to bring STEM to life both inside and outside of Target. In 2016, we hosted a

“I’m proud to work at Target, where our commitment to increasing the number of women in STEM roles isn’t just lip service. Our programs start by building a pipeline of female talent starting as early as elementary school, and continue once women join our teams. Our inclusive culture allows these team members to not only succeed but flourish.

- Jeanette Olson, Vice President,  
Target Technical Services

variety of events to inspire women to pursue STEM careers, including:

**Science and Technology Teacher and Girls Days.**

Annually, we invite young women from Twin Cities high schools to Target headquarters to promote the importance of science and technology. More than 150 young women and teachers attended our 2016 event, learning how they can bring relevant STEM information to the classroom. We also hosted our annual Girl Scouts STEM Day, and provided opportunities to earn STEM badges during the experience.

**Grace Hopper Celebration of Women in Computing.**

Target was a sponsor of this event, the world’s largest technical conference for women. More than 15,000 female technologists, including several from Target’s own technology teams, networked, shared ideas and explored career opportunities.

**Hack the Gap.** This Twin Cities-based organization helps Minnesota’s community of technical women connect and collaborate. We hosted their January 2017 hackathon, a multi-day, all-women programming event at our headquarters.

**Women in Technology Symposium.** In 2016, Target hosted a three-day engineering symposium for more than

50 students at our headquarters focused on coding, retail technology, tech trends, inclusion, Minneapolis and Target. The symposium is geared to empower and equip female engineering students with skills and tools needed for career success as well as encourage interest in Target’s technology opportunities.



**Composition of Governance Bodies and Employees as of FY2016**

Gender Diversity	Female	Male
<b>Total Workforce</b>	56%	44%
<b>Total Workforce (Non-U.S.)</b>	39%	61%
<b>Target Manager Workforce</b>	54%	46%
<b>Target Leadership Team</b>	42%	58%
<b>Target Board of Directors</b>	38%	62%

Racial Diversity	Diverse	Non-Diverse
<b>Total Workforce</b>	46%	54%
<b>Target Manager Workforce</b>	32%	68%
<b>Target Leadership Team</b>	25%	75%
<b>Target Board of Directors</b>	38%	62%

**Building Careers**

One-in-four of our store leaders came from hourly positions within the Target store

**On-the-Job**

Read more about what team members have to say about working for the Target family

[📍 Read the Story](#)

# Investing in well-being



Target values and invests in our team members so they can take care of themselves and their families.

Investing in our team members' well-being is key to our success. And well-being

goes far beyond exercise and a healthy diet. It's also about quality of health, career satisfaction, social relationships, financial security and community connections. When these elements are in balance, people feel and perform at their best. That's why in 2016, we focused on supporting our team members' mental health. We know we can't all be "fine" all the time, so that became the inspiration for an ongoing campaign to reduce the stigma around mental health. We invited internal and external speakers to discuss the importance of mental health and talk

about the Target resources available to them, like Team Member LifeResources – a service that provides all team members and their families access to free counseling to support them in any aspect of their life and help them to become their personal best.

In 2016, we also expanded our time-off policies to help our team members pursue wellness outside of the workplace. In addition to existing paid time off such as parental leave and vacation, eligible team members have paid time off to use for well-being activities.

# Fostering an empowered team



Target encourages team members to be their best selves so they can flourish and serve our guests and their communities. We believe it starts by empowering each team member to play an active role in shaping a more connected culture.

In 2016, after team members in the Target Book Club read the book "Hidden Figures," the true story of three African-American women behind getting NASA's Apollo 11 mission to the moon, Target's Senior Buyer of Books, Krista

Matthews, rallied to secure the best-selling book for Target and knew we had an opportunity to do more. Our African-American Business Council, which is one of our more than 100 employee resource groups, invited author Margot Lee Shetterly to speak to hundreds of team members about her research and writing on women in science. She also shared her excitement for the movie's three Academy Award nominations, and her invitation to the awards ceremony the following weekend. The success of this experience prompted a new "Diverse Voices" book club that will kick off in 2017.

Empowering our team members goes beyond one team or department – it's about engaging team members across the company and our stores, providing them with tools that enable each

person's perspective to be valued and making their workplace a trusting place to have complex and sometimes difficult conversations. In addition, team members know their local communities better than anyone, and are encouraged to build stronger connections to their stores' communities. For example, knowing inclusivity and wellness was a key community issue, one team member coordinated with several local stores to enlist volunteers for a community health and wellness day.

Finally, we encourage team members to use their talents to enrich their communities by getting involved with skills-based volunteerism – like how team members within our law department volunteer at the Immigration Law Center of Minnesota, investing their time and skills to cases ranging from months to years.

## Team Member Life Resources

Target's offerings through Team Member Life Resources (TMLR) extend far beyond the basic Employee Assistance Program offerings. All team members and their entire household have free, 24/7 access to trained clinicians who offer guidance and support in all aspects of personal well-being. This includes financial counseling, legal services and up to five free in-person counseling sessions per year. Our goal is to provide the right level of services that help our team members resolve issues effectively, based on what we know about the most common issues our team members face in their lives.

[Learn More](#)

## Team Member Wellness Discount

- Target team members receive an almost 30 percent discount on wellness items when stacked with their team member discount.
- In 2016, they saved \$12.4 million through Wellness Discounts.

[Learn More](#)

## Championing Inclusion

- Score of 100 from the Human Rights Campaign Corporate Equality Index
- No. 22 on DiversityInc magazine's list of top companies for diversity
- One of the National Association for Female Executives top companies for executive women

[Learn More](#)



“

Target has been, and today remains, a purpose-driven company that values and invests in our team members because it’s the team – their passion for taking care of our guests and each other – that powers this company.

- Stephanie Lundquist,  
Chief Human Resources Officer

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# What’s Next

**Building on our strengths.** We will continue to offer meaningful work and opportunities to develop and grow in an environment where team members feel valued, rewarded and connected. That includes promoting education and continuous learning. It means actively supporting strong, healthy and safe communities. It also means continuing to strengthen representation

across all parts of the organization, inclusive of multicultural women in our workforce. And it means continuing to make health and financial well-being easy and inspiring for everyone, every day, starting with our own team members.

[See more of our continued commitments.](#)





# Communities: Strengthening Our Global Neighborhoods

From our headquarters in Minneapolis, Minnesota to our store in Marysville, Washington, to our Target Sourcing Service office in Guangzhou, China – we are committed to supporting communities where we do business. The Target community includes more than 1,800 stores and 40 distribution centers in the U.S., and more than 3,000 manufacturing facilities in over 48 countries. We are committed to improving people’s livelihoods around the globe.

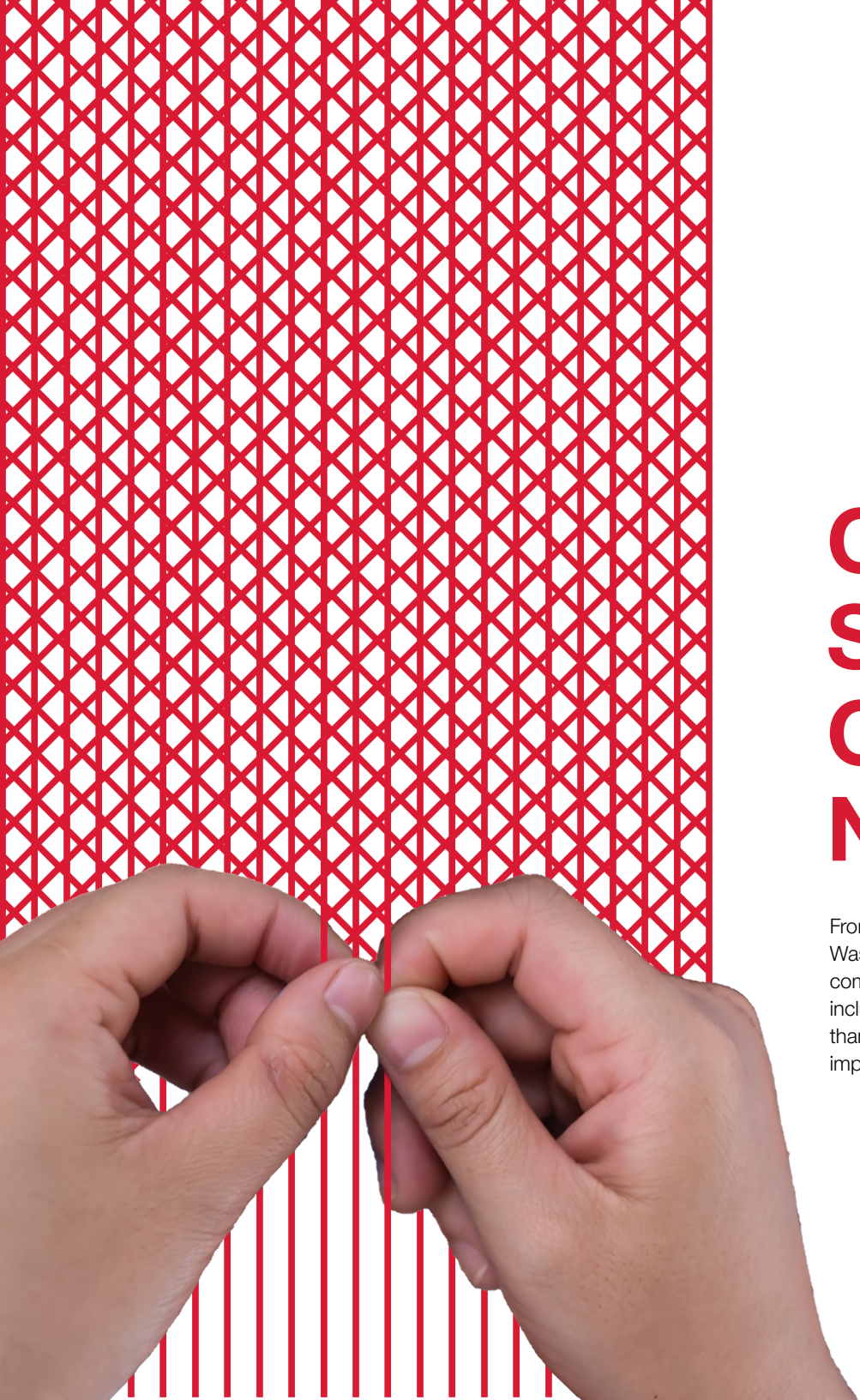




Photo by Katha Haru, ©GoodWeave

## Investing in Communities Where We Live and Operate

We focus on enriching and protecting the lives of our team members, the families they support and the communities where they live and work.

### Working to improve our sourcing communities

Target sources products from thousands of locations around the world. We aspire to use more sustainable resources, help make life better for workers and their families and protect the environment. For example, in 2016 we announced our [new responsible sourcing and sustainable design aspirations](#), including a focus on improving worker well-being.

Our focus is on increasing supply chain transparency. In 2014, we became one of the first retailers of our size to publish a list of all Tier 1 factories producing our owned-brand products. We are now doing more to help build on that transparency.

To provide the products Target guests love, we increasingly rely on artisans who work in cottage industry settings. The lack of oversight and transparency surrounding cottage industry settings makes these workers highly vulnerable. To improve this issue, we are helping develop an industry-wide social compliance standard to address the unique needs of these workers through a new partnership with Nest, a nonprofit organization bringing transparency, data-driven business development and widespread industry advocacy to global artisans and homeworkers. In 2016, Target became part of the Nest Steering Committee.

“**The Partnership between GoodWeave and Target harnesses the influence brands have and the deep community presence of an NGO like ours. It also sends a powerful message to manufacturers, consumers and other brands about the urgency and possibility of stopping child labor in the rug industry and in all industries around the world.**

- Nina Smith, CEO, GoodWeave

”  
Tamil Nadu in southern India is known as “the powerhouse of India’s garments and textiles export sector.” We are part of the Ethical Trading Initiative’s (ETI) [Tamil Nadu Multi-Stakeholder](#) (TNMS) program, which is advancing fair employment practices in a region known for poor working standards. TNMS executed a five-year program to empower women workers, strengthen industrial relations, build community awareness and support legislative reform.

We have also extended our partnership with [GoodWeave](#), an organization that works to end child labor in the rug industry. In 2016, GoodWeave began partnering with Chainpoint to develop a technology tool to enable supply chain mapping from the small village workshop to the end consumer. We partnered with GoodWeave to test the technology in Target’s North India rug supply chain and will continue working with GoodWeave in 2017 to further develop the tool.

## Engaging with communities one store at a time

A Target store isn't just a place to shop – it's a part of a community that team members call home. In fact, approximately 60 percent of our team members live within five miles of the store where they work. As Target continues to grow, so does our community impact – which includes supporting families recovering from a disaster, such as when 2016's massive floods hit Louisiana.

With six Target stores, more than 1,000 team members and countless guests in the Baton Rouge area, the impact of the floods was felt on a very personal level. Our teams started pitching in before the flooding even began, donating more than \$100,000 worth of food to food banks across South Louisiana. Target volunteers at our Baton Rouge and Hammond stores handed out bottles of water to flood victims, and our local stores distributed thousands of dollars in Target GiftCards to local nonprofits to help them cover necessities. We also donated to The Salvation Army, the American Red Cross and local schools affected by the flooding, bringing our total donation to over \$350,000. And while the Baton Rouge location was closed, our passionate team members continued to work at surrounding stores. When the store re-opened, our team members were ready to get back to work – with stronger connections to the community and each other.

That's just one example of how team members show up to support their communities in times of need. During the

holidays, our Lancaster East, Pennsylvania store offered a peaceful place for autistic customers and those on the autism spectrum to shop by dimming lights and turning off music. And for many years, our Harlem Irving Plaza Target store in Norridge, Illinois has partnered with the local police department to host an annual "Heroes & Helpers" event in their store. This event brings joy and much-needed clothing and supplies to local kids each December. We empower our team members to listen to guests so they can better serve them in every local community.

## Supporting our hometown

Minneapolis/St. Paul has been our hometown since the Dayton Dry Goods Company – today, known as Target – was founded by the Dayton family in 1902. Like George Draper Dayton, we are extraordinarily proud of our community. And, as one of the city's largest employers, we have maintained the Dayton's commitment to support the local community because a healthy business depends on healthy communities.

"A hometown is something special," said Mark Schindele, Senior Vice President of Target Properties. "But what makes Minneapolis/St. Paul truly special is its people. We have an extraordinary sense of shared purpose to contribute to a thriving community."

The Dayton family set the early standard for corporate citizen and civic participation by establishing the Dayton Foundation in 1918. Today we support our hometown in a number of ways, including investing in organizations

that drive the arts, economic and workforce development or provide social services.

One area of emphasis is North Minneapolis, which has opportunity gaps that exist across many indicators including housing, education and economic disparities. To have the greatest impact, we are teaming up with partners such as the Itasca Project, an employer-led alliance that seeks to address regional economic issues that affect competitiveness and quality of life, and the Northside Achievement Zone, which is committed to ending multigenerational poverty within North Minneapolis.

In addition, Target recently entered into a unique partnership with THOR Companies, the largest minority-owned business in Minnesota, which is constructing a new \$36 million combined-use retail and office building. To help secure the financing for this much-needed project, Target became the primary leaseholder of a portion of the new building. This allows us to provide financial assurances for the project while helping shape the vision for the space as an innovation and entrepreneurial hub occupied by organizations that fuel the community around them.

Meda, an organization that has been serving entrepreneurs in Minnesota for more than 40 years, has announced that it will relocate its headquarters to THOR's new North Side space. Target is making a multi-year commitment to Meda to reduce the financial burden of this relocation. Meda's services include business consulting, access to capital and connections to market opportunities.

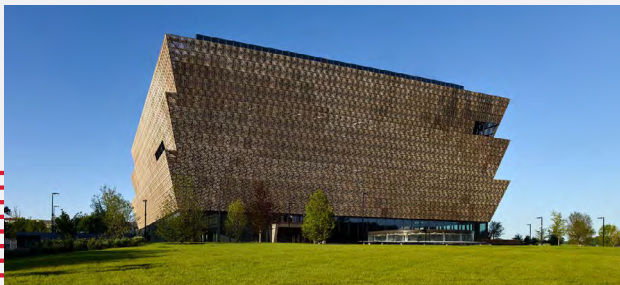


Photo by Douglas Remley

## National Museum of African American History and Culture

Target was a founding donor and grand opening sponsor of the National Museum of African American History and Culture, and our Board Chairman and CEO Brian Cornell serves on its advisory board. We were honored to be a part of the momentous milestone – celebrating the opening of the museum where all people can come learn, reflect, understand more about each other and ultimately be more accepting of all people.



## DonorsChoose.org

Through a partnership with DonorsChoose.org, we asked kids to tell us their ideas for helping students across the country live healthier, more active lives. Their ideas were so great we pledged more than \$5 million to bring them to life.

Students Helped  
**762,270**

Teachers with  
Projects Funded  
**3,976**

Projects Funded  
**7,621**

Schools Participating  
**2,461**

Percent of Projects from  
High-Needs Schools  
**79%**

Learn More

## Getting in to the Soccer Game



In 2017, we announced a major investment in U.S. soccer that marks our largest-ever push into team sports. We became an Official Partner of Major League Soccer and Minnesota United FC in 2017. We also made a broad commitment to furthering youth soccer's growth and inspiring well-being among youth through financial support of both U.S. Youth Soccer and the U.S. Soccer Foundation.

Learn More

## Making better-for-you living attainable



In 2016, we granted nearly \$40 million to organizations across the country to help youth and families build life-long healthy habits, making better-for-you living easier and more accessible for all. We partnered with leading organizations committed to delivering proven solutions that help youth and families increase their physical activity and eat healthier every day. Here are a few of the ways we worked to make an impact in local communities nationwide:

**KaBOOM!** Our partnership with KaBOOM! created 175 new play spaces in 2016, including 50 as part of the organization's Play Everywhere Challenge. More than 2,200 Target volunteers contributed

almost 18,000 hours to build the play spaces. Creative Play Products have been used to augment classroom learning, promote active play in after school programs, support play therapy for kids with special needs and provide access to a safe play area for kids who experience and witness violence in their community. In 2017, we will expand the Play Everywhere Challenge to additional cities.

**Alliance for a Healthier Generation Healthy Schools Program.** Founded by the American Heart Association and the Clinton Foundation as a response to the growing rate of childhood obesity, the Alliance helps create sustainable, healthy school environments that improve nutrition, increase physical activity and provide wellness policies and education for students and families. We are working with the Alliance to expand the program throughout 2017, helping support more than 20 million kids in 35,000 schools across the country.

**Wholesome Wave.** This nonprofit makes produce affordable for families who need it most. Through their FVRx program they work with healthcare providers to offer "prescriptions" that allow for affordable access to fruits and vegetables, redeemable at Target stores and farmers markets, along with clinical and nutritional counseling. Together with Wholesome Wave, we are providing in-need Los Angeles residents with affordable access to more than 225,000 pounds of fresh fruits and vegetables.

“ Sometimes kids have excuses for not eating vegetables. ‘My parents can’t afford them’ should never be one of them. Our partnership with Target makes it possible for thousands of Angelenos struggling with poverty to afford healthy produce for their families. Because everyone needs to eat fruits and vegetables—and when people can afford produce, diets improve, and health does too. It’s that simple.

- Michel Nischan, Founder and CEO, Wholesome Wave

” This innovative approach earned recognition in [Fast Company's World Changing Ideas](#) and [US Chamber Foundation Healthy 10 Awards](#). In 2017, we will continue the program in Los Angeles and expand to Houston and Miami.

**Common Threads.** This organization offers culturally relevant, hands-on cooking and nutrition education programs for children, parents and teachers that help prevent childhood obesity and get kids cooking for life. With our support, Common Threads is expanding its programs to reach an additional 8,000 underserved kids and families in Chicago, Washington, D.C., Los Angeles, Miami and New York by the end of 2017.

## What's Next

**Worker well-being.** We are focused on launching worker empowerment initiatives, health education programs and workplace engagement trainings to improve the lives of at least three million people in the factories and surrounding communities that produce Target's goods. In addition, through our partnership with Fair Trade USA, Target is among the first retailers in the U.S. to certify decorative home hard goods – such as furniture and wall decor – as Fair Trade. Fair Trade USA helps improve the economic status of local communities.

**Human rights.** Target was included in the first-ever Corporate Human Rights Benchmark, which assessed 98 of the largest publicly traded companies in the world on 100 human rights indicators in 2017. Target had a score of 30 percent, slightly better than the average score of 28.7 percent. Going forward, we intend to use this as the basis for ways we can improve our human rights performance, including evolving our Human Rights Policy.

[See more of our continued commitments.](#)



“

**More than ever, our guests want to know where their products come from; to be sure those products are made ethically and responsibly. We recognize that reassuring guests isn't enough—so we are committing to using more sustainable resources, helping to make life better for workers and their families and protecting the environment. These efforts will also help us build resilient supply chains to support our business now and in the future.**

- Kelly Caruso, President of Target Sourcing Services

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# Planet: Driving Positive Impact

At Target, we are committed to supporting a healthy planet by using resources responsibly. That means expanding our use of renewable energy, such as wind and solar; finding new and better ways to recycle and implement closed loop solutions; seeking out sustainable raw materials and reducing waste; and conserving water. In these ways, we are minimizing our impact on the planet – and working with guests and partners to accelerate our progress.



## Turning Each Target Store Into a Model of Sustainability

We see each of our stores across the U.S. as an opportunity to explore new ways to reduce our environmental footprint. Great things are happening at our stores, from expanding the number of rooftop solar panels to landscaping with native plants that use less water.

### Harnessing the sun and wind

Increasingly, reductions in environmental impact come from a willingness to pursue meaningful solutions. At Target, that means committing to renewable energy. In 2016, we added rooftop solar panels to 157 new sites, ending the year with 350 total, for a capacity of 166.3 megawatts. On average, a Target store with onsite solar uses 30 percent less energy from the local electric grid than those without. 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.

We also believe in the advantages of using wind. Last year we launched our first wind power partnership by buying a portion of the energy produced by Starwood Energy Group's 211-megawatt Stephens Ranch Wind Project near Lubbock, Texas. The partnership offsets 100 percent of the energy used at 60 of our stores throughout Texas.

“**Target Corporation leads the retail sector with more than 1,400 ENERGY STAR certified buildings across the nation. From innovative programs that leverage building automation and energy systems to their dedication to portfolio-wide energy efficiency improvements, Target is leading the way toward creating a cleaner, healthier environment for us all.**

- Jean Lupinacci, Chief,  
ENERGY STAR Commercial and  
Industrial Branch, Environmental  
Protection Agency



”  
Target was also named an ENERGY STAR Partner of the Year in 2016, the highest honor from the Environmental Protection Agency (EPA) for energy-efficient companies. It was one of nine industry awards that we were honored to receive for operational efficiency and sustainability from the Department of Energy, EPA and Intelligent Buildings Conference. By the end of 2016, 76 percent of our buildings were ENERGY STAR certified – more than any other retailer.

## Recycling and repurposing

Closed loop recycling is a process in which post-consumer waste is collected, recycled and used to make new products. It's one way to help divert waste from landfill. "I am so pleased we have surpassed our 2020 diversion goal," said Kelli Kolquist, Senior Director of Property Management at Target. "We will continue focusing on efforts proven successful in the past, like closed loop recycling, and continue to strive for more aggressive goals in the future."

Target has implemented closed loop solutions – from creating new hangers out of old ones to giving plastic bags our guests recycle at Target stores a new life as composite decking.

We also piloted a child [car seat take-back program](#) in Houston and Minneapolis. The event allowed guests to exchange a used car seat for a discount off a new car seat, booster or travel system. We worked with TerraCycle, the global leader in collecting and repurposing hard-to-recycle waste, to make sure the car seats were recycled. And in alignment with Earth Month 2017, we hosted another trade-in event at Target stores nationwide.

## Using water wisely

The global pressures on water resources are growing as evidenced by the consistent ranking of water crises among the top risks highlighted in the World Economic Forum's annual Global Risk Report. 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. As a global company with operations in more than 48 countries, water is critically 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 water stewardship efforts in areas and on issues where our influence and support can help deliver the greatest impact. See more details on [page 39](#).

Many of our stores are designed with storm water systems in the parking lot and grounds to collect and clean rainwater before it flows into the ground. We complement the native landscapes with features like rain gardens that naturally slow and clean storm water runoff and mitigate flooding. In 2016, we continued to work toward incorporating native landscaping in 75 percent of the landscape areas of all new

U.S. stores, work that began in 2015. Realizing the potential for changes to water availability around the world, we also set a goal to reduce our water consumption by 10 percent per square foot for our stores in the U.S. by 2020.



Photo by Christian McBeth

## Commitment to Transparency

We updated our Standards of Vendor Engagement (SOVE) to include six foundations of environmental oversight; environmental management, water stewardship, waste reduction and disposal, energy management, air emissions and environmental permits.

In addition to being the first retailer to publish all of our Tier 1 owned-brand vendors, in 2016 we took this a step further by publishing our apparel Tier 2 facilities.

We are ranked fourth in the textile industry out of many textile brands for transparency by the Institute of Public and Environmental Affairs (IPE), an NGO that calls on brands to employ green procurement to improve their suppliers' environmental performance.

## Clean by Design

Since 2012, Target has partnered with the Natural Resources Defense Council (NRDC) to implement Clean by Design, a program to reduce the environmental footprint of textile mills. In 2016, Target suppliers reduced water use by more than 960,000 tons.

[Learn More](#)

“

From the time a guest enters a Target store, through the time that guest finishes using a product, simplicity at every turn directly translates into more material recovered. Success requires clear on-package labeling, hassle-free curbside recycling service, and solid education on local programs. Target’s leadership and support in creating an improved recycling system for households and underserved communities across America with The Recycling Partnership cannot be understated. We are stronger together.

- Keefe Harrison, CEO,  
The Recycling Partnership

”

## Waste Diversion Efforts

We have made a commitment to divert 70 percent of retail waste from landfills by 2020. In 2016, we surpassed the goal by diverting 72.3 percent of our retail waste.

🕒 [Read more about our goal](#)

## Higg Verification

The Higg Index is a standardized supply chain measurement tool developed by the Sustainable Apparel Coalition (SAC). In 2016, Target:

- Led the industry with the highest number of Higg verifications for supply chain audits
- Accounted for 20 percent of all industry verifications
- Reached the highest level of achievement for a SAC member

🕒 [Learn More](#)

## Helping Target guests make recycling a way of life



The idea is simple: the easier recycling is for our guests, the more likely they are to recycle. However, only slightly more than half of the U.S. population have easy access to curbside recycling. This is why we joined The Recycling Partnership to

help extend curbside recycling to underserved communities.

We are encouraging recycling in other ways, including engaging and supporting:

**Materials Recovery Facility of the Future**, a collaboration of thought leading companies across the packaging value chain committed to developing ways to sort flexible plastic packaging for recovery effectively. Target supports the initiative’s vision that one day all packaging can be recycled.

**Beyond 34**, a pilot project from the U.S. Chamber of Commerce Foundation to break through the current 34 percent national average recycling rate and achieve a circular economy. Target supports this effort as another way to help our guests recycle.

**How2Recycle™ Label**, a clear, simple way to communicate to our guests what is recyclable and what isn’t. Developed by the Sustainable Packaging Coalition, the label is now on more than 1,700 owned-brand items in our stores.

## Driving meaningful reductions in food waste

In the U.S., [40 percent](#) of food produced goes uneaten. Reducing this food waste by 15 percent could feed 25 million people every year. Through the efforts of our store teams, Target provided food to support the well-being of our communities, and surpassed our overall 2020 retail waste diversion goal in part by taking the following steps:

**General Waste and Food Audits.** We performed two rounds of waste stream audits, as well as specific food audits,

including 11 stores and four distribution centers, including two food distribution centers and two regional distribution centers, to understand what is being sent to landfills. We continue to audit locations on an ongoing basis to measure progress in line with our waste minimization goals. Target will use the data from these audits, along with other data points, to implement robust reporting to drive execution of our programs. Additionally, Target will be reviewing

processes at our distribution centers to identify areas of improvement and gaps.

**Food Donations.** In 2016, we donated 61.8 million pounds of food to Feeding America. This not only kept food out of landfills, but also resulted in 51.5 million meals donated to those in need. In 2017, Target will provide donations reporting at a store level to drive stronger participation. Learn more about our food waste efforts on [page 46](#).

## Putting a focus on sustainable raw materials



We are on a journey to derive all key raw materials from ethical and sustainable sources by championing responsibly grown and harvested cotton, and by [replacing conventional polyester in Target owned-brand apparel](#), accessories and home products with polyester made from recycled plastic.

We are committed to be an early adopter of a program with Evrnu, a technology company that developed a sustainable technology to regenerate fibers from post-consumer cotton garment waste. We are excited to be piloting a revolutionary way to create great products with less impact.

# What's Next

## Climate & Energy

**Science-based goal for emissions:** We will establish science-based targets to work toward the goal of limiting the increase in the global average temperature to below 2°C across Scopes 1, 2 and 3.

**Properties and renewable energy:** We are exploring the use of new battery storage technology to reduce our use of traditional energy on Target properties.

**Having a positive impact on forests:** We have established policies for sourcing sustainable palm oil, paper-based packaging and forest products. We are analyzing the environmental and social impacts of our supply chain on deforestation during fiscal 2017 with additional commodity-specific policies to follow, where appropriate, and have the ambition of zero deforestation. We also developed a new [Forest Products Policy](#), guiding us toward sourcing all of the wood, fiber and paper used in Target's owned-brand products and packaging from forests that are well-managed and credibly certified – and whenever possible, from post-consumer recycled materials. Read more about our approach to zero deforestation and palm oil on [page 39](#).

**Small format stores strategy:** We plan to open hundreds of small format stores tailored to their locations, bringing new life to dense, urban areas and college towns. One recent example is our new Packards Square store near Boston University. It's about a tenth the size of some of our larger stores, which helps us reduce our environmental footprint. As the designs come together, we continue to focus on responsible growth – opening stores in previously developed sites – in the surrounding areas where our guests live and work, and near mass transit.

## Waste & Sustainable Consumption

We recognize the growing guest demand for purposeful purchasing that provides both joy and responsible consumption effortlessly. At the same time, our business recognizes the rising costs and environmental impacts of

waste throughout our value chain. Therefore, we are working toward driving positive impact through a waste-free world where our guest and our business have maximized financial and societal impact through circulating materials at their highest value. We are exploring ways for Target to design for circularity, aim for zero operational waste, empower our guests to lead waste-free lives and close more loops in society through new business models and infrastructure.

**Food and operational zero waste mindset:** We are moving forward in our management and reporting of food waste, including working with World Wildlife Fund (WWF) to help with food waste measurement, goal setting and pilot programs. We are also exploring ways to accomplish zero-waste at our small format store locations.

**Food waste/compost recycling:** At the end of 2016, there were 31 stores with an organic recycling program in place. In 2017, we plan to launch an organics program to stores and distribution centers in California, with more to come as we expand the program to other properties (HQ, DCs and Stores) throughout the chain.

**Update on polystyrene:** A challenging material to recycle easily, Target is working to move away from expanded polystyrene, including Styrofoam, in our owned-brand packaging. This move is part of our new broader and ambitious sustainable packaging goals, which include our principles to source packaging materials responsibly, utilize renewable materials and design for recyclability. [Learn more about our packaging goals.](#)

**Exploring a circular economy:** We believe we can uncover growth opportunities and drive innovation by exploring circular economy principles. A circular economy is restorative by design and circulates materials at their highest value. It also runs on renewable energy and produces zero waste.

## Water

**Water positive/restorative:** We will collaborate with NGOs, including WWF, to further our water conservation efforts. We are starting with the development of a more

cohesive and comprehensive strategy on water and will begin to test the ability to scale local supply chain efforts through joint work on textiles in China's Taihu basin. We also will be developing a draft company Water Profile statement, in accordance with the CEO Water Mandate Guidance, based on current state and incorporation of opportunities for meaningful action on water.



“

**We are honored to have been recognized for our success in increasing the efficiency of our properties and lowering our environmental impact. Through continued investments in renewables, and setting ambitious new targets, we know we can make great progress. For example, we have committed to installing solar panels on a total of 500 of our buildings by 2020.”**

- John Leisen, Vice President  
of Property Management

”



# Reporting & Additional Information



## Materiality Process

🕒 [Learn More](#)

## Stakeholder Engagement

🕒 [Learn More](#)

## Goals

🕒 [Learn More](#)

## For More Information, Contact

[CSR@target.com](mailto:CSR@target.com)

# About the Report

## Structure

Our report is organized in three main sections. We start with a discussion of our corporate social responsibility (CSR) materiality results, our approach to stakeholder engagement and our goals. Then, we share stories and initiatives in four broad focus areas of **Products, Team, Communities** and **Planet** that highlight our progress aligned with our CSR focus areas.

The third section is organized by the Global Reporting Initiative (GRI) Standards and includes additional information on our most significant achievements and challenges in 2016, with links to more information on our corporate site.

We believe this format best conveys our current CSR approach and our commitment to creating a strong business and building a better world.

## Scope

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

This report represents Target's global operations as of FYE 2016. 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 2017 and reflects our activities and performance for FY 2016 (Jan. 31, 2016 – Jan. 28, 2017) and includes forward-looking statements about our business plans, initiatives and objectives. These business plans, initiatives and objectives may change based on subsequent developments. Our last report, [2015 CSR Report](#), was published in July 2016.

## Reporting Standards

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

## GRI Standards Content Index

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>General Disclosures</b>			
<b>GRI 102</b>	<b>Name of the organization</b>	102-1	Target Corporation
	<b>Activities, brands, products and services</b>	102-2	<a href="#">2017 10-K: Business, p. 2</a> Target does not intentionally sell items that are banned in certain markets.
	<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="#">2017 10-K: Business, p. 2-3, 11</a> <a href="#">Responsible Sourcing, Global Factory List</a>
	<b>Ownership and legal form</b>	102-5	<a href="#">2017 10-K: Business, p. 2, 11</a> Target Corporation is a publicly held Minnesota corporation that is listed on the New York Stock Exchange.
	<b>Markets served</b>	102-6	<a href="#">2017 10-K: Business, p. 2, 11</a>
	<b>Scale of the organization</b>	102-7	Total Number of Employees: <a href="#">2017 10-K: Business, p. 3</a> Total Number of Operations: <a href="#">2017 10-K: Business, p. 2; Segment Reporting, p. 57</a> Net Sales: <a href="#">2017 10-K: Selected Financial Data, p. 16</a> Quantity of Products or Services Provided: <a href="#">2017 10-K: Business, p. 2</a>
	<b>Information on employees and other workers</b>	102-8	<a href="#">2017 10-K: Employees, p. 3</a> Read more about Target's diverse workforce by viewing our <a href="#">Workforce Diversity Report</a> .
	<b>Supply chain</b>	102-9	<p>We sell a wide assortment of general merchandise and food. The majority of our general merchandise stores offer an edited food assortment, including perishables, dry grocery, dairy and frozen items. Nearly all of our stores larger than 170,000 square feet offer a full line of food items comparable to traditional supermarkets. Our small, flexible format stores, generally smaller than 50,000 square feet, offer edited general merchandise and food assortments.</p> <p>Our digital channels include a wide assortment of general merchandise, including many items found in our stores, along with a complementary assortment, such as additional sizes and colors sold only online. A significant portion of our sales is from national brand merchandise.</p> <p>Approximately one-third of our 2016 sales were related to our owned and exclusive brands. The Target Sourcing Services team sources Target-brand merchandise from all over the world. We source Target brand products from 3,008 registered manufacturing facilities in 48 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.</p> <p>The vast majority of merchandise is distributed to our stores through our network of 40 distribution centers. Common carriers ship general merchandise to and from our distribution centers. Vendors or third-party distributors ship certain food items and other merchandise directly to our stores.</p> <p>Merchandise sold through our digital sales channels is distributed to our guests via common carriers from our distribution centers, from vendors or third-party distributors, from our stores or through guest pick-up at our stores. Using our stores as fulfillment points allows for improved product availability and delivery times and also reduces shipping costs.</p>
	<b>Significant changes to the organization and its supply chain</b>	102-10	<a href="#">2017 10-K: Business p. 2</a>
	<b>Precautionary Principle or approach</b>	102-11	Target does not have an official policy as it pertains to the precautionary principle. Refer to <a href="#">GRI 102-12</a> for a list of internal and external standards.

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>General Disclosures</b>			
	<b>External initiatives</b>	102-12	<ul style="list-style-type: none"> <li>• <a href="#">Target Sustainable Product Index</a></li> <li>• <a href="#">Target Sustainable Product Standard</a></li> <li>• <a href="#">Standards of Vendor Engagement (SOVE)</a></li> <li>• <a href="#">Conflict Minerals Policy</a></li> <li>• <a href="#">Chemical Policy and Goals</a></li> <li>• <a href="#">Higg Index</a></li> <li>• <a href="#">Leadership in Energy and Environmental Design (LEED)</a></li> <li>• <a href="#">Clean Air Act</a></li> </ul>
	<b>Membership of associations</b>	102-13	<a href="#">Trade Association and Policy-Based Organization Support</a>
	<b>Statement from senior decision-maker</b>	102-14	<a href="#">CEO Letter, p. 3</a>
	<b>Key impacts, risks and opportunities</b>	102-15	<a href="#">CEO Letter, p. 3</a> <a href="#">Vice President of Corporate Social Responsibility Q&amp;A, 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	The Board of Directors maintains oversight responsibility over Target's reputation and corporate social responsibility efforts. It has the authority to delegate any of its responsibilities to subcommittees of one or more persons, including persons who are not directors. <a href="#">Read more.</a>
	<b>Executive-level responsibility for economic, environmental and social topics</b>	102-20	<p>High-Level Accountability For Sustainability Topics:</p> <p>In 2016, Laysha Ward served as Executive Vice President and Chief Corporate Social Responsibility (CSR) Officer at Target, a position overseeing CSR approach across the enterprise.</p> <p>In 2017, there was a leadership change in CSR and Jennifer Silberman is now overseeing CSR across Target as the Vice President of CSR. She reports to Rick Gomez, Executive Vice President and Chief Marketing Officer at Target.</p> <p><a href="#">Vice President of Corporate Social Responsibility Q&amp;A, p. 4</a></p>
	<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 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="#">Read more</a> about the organizations we engage with and how we are responding to key topics and concerns.</p> <p><a href="#">Stakeholder Engagement, p. 6</a>  <a href="#">2017 Proxy Statement, p. 13-14</a></p>
	<b>Composition of the highest governance body and its committees</b>	102-22	<a href="#">2017 Proxy Statement, p. 8-10</a> <a href="#">Board of Directors</a> <a href="#">Board Committees</a> <a href="#">Diversity of Governance Bodies, p. 49</a>

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>General Disclosures</b>			
	<b>Chair of the highest governance body</b>	102-23	<a href="#">2017 10-K: Executive Officers, p. 13</a> <a href="#">2017 Proxy Statement, p. 8</a>
	<b>Nominating and selecting the highest governance body</b>	102-24	<a href="#">2017 Proxy Statement, p. 15-23</a>
	<b>Conflicts of interest</b>	102-25	<a href="#">2017 Proxy Statement, p. 13-14</a>
	<b>Role of highest governance body in setting purpose, values and strategy</b>	102-26	The Board retains oversight responsibility over the Corporation's key strategic risks, as well as the Corporation's reputation and CSR efforts. Target recognizes that environmental, social and governance issues are of increasing importance to many investors. The Vice President of CSR and CSR team work with functional leaders across the company to determine strategies, policies and goals related to sustainability. <a href="#">2017 Proxy Statement, p. 11, 13</a>
	<b>Collective knowledge of highest governance body</b>	102-27	<a href="#">2017 Proxy Statement, p. 17-23</a> Target's Vice President of CSR presents to the Board annually on CSR-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 CSR priorities and progress.
	<b>Effectiveness of risk management processes</b>	102-30	<a href="#">2017 Proxy Statement: Board Risk &amp; Compliance Committee, p. 10</a> <a href="#">2017 Proxy Statement: Risk Oversight, p. 11</a> <a href="#">2017 Proxy Statement: Communications with Directors and Shareholder Outreach, p. 14</a>
	<b>Review of economic, environmental and social topics</b>	102-31	The Board of Directors' review of sustainability is part of the broader annual update on all corporate social responsibility priorities and progress. This happens independently of our financial reporting process.
	<b>Highest governance body's role in sustainability reporting</b>	102-32	The Vice President of CSR at Target is responsible for monitoring and managing the organization's sustainability performance and providing final review of the sustainability report with the support of key executives across the company.
	<b>Communicating critical concerns</b>	102-33	<a href="#">2017 Proxy Statement: Business Ethics and Conduct, p. 14</a> <a href="#">Governance Guidelines</a> <a href="#">Business Conduct Guide</a> There are multiple methods for communicating critical concerns to the Board of Directors including through Target's CEO, who also serves as Chariman 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.
	<b>Remuneration policies</b>	102-35	<a href="#">2017 Proxy Statement, p. 28-54</a>
	<b>Process for determining remuneration</b>	102-36	<a href="#">2017 Proxy Statement, p. 28-41</a>
	<b>Stakeholders' involvement in remuneration</b>	102-37	<a href="#">2017 Proxy Statement: Communications with Directors and Shareholder Outreach, p. 14</a> <a href="#">2017 Proxy Statement: Shareholder Support for Our 2016 Advisory Vote on Executive Compensation and Shareholder Outreach Program, p. 29</a>
	<b>List of stakeholder groups</b>	102-40	<a href="#">Stakeholder Engagement</a> <a href="#">Stakeholder Engagement, p. 6</a>
	<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	<a href="#">Stakeholder Engagement</a> <a href="#">Stakeholder Engagement, p. 6</a>

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>General Disclosures</b>			
	<b>Approach to stakeholder engagement</b>	102-43	<a href="#">Stakeholder Engagement, p. 6</a> 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 complete confidential interviews with key stakeholders to gather specific feedback around Target's overall reputation and efforts related to our corporate responsibility focus areas.
	<b>Key topics and concerns raised</b>	102-44	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.
	<b>Entities included in the consolidated financial statements</b>	102-45	<a href="#">Target's Significant Subsidiaries</a>
	<b>Defining report content and topic boundaries</b>	102-46	<a href="#">CEO Letter, p. 3</a> <a href="#">Vice President of Corporate Social Responsibility Q&amp;A, p. 4</a> <a href="#">Materiality Process, p. 5</a> <a href="#">About the Report, p. 33</a>
	<b>List of material topics</b>	102-47	<a href="#">Materiality Process, p. 5</a>
	<b>Restatements of information</b>	102-48	The numbers reported in 306-2 are a consolidated total weight of electronic waste recycled through our operational and guest-facing recycling programs. Previous submissions have only included the guest-facing total.
	<b>Reporting period</b>	102-50	<a href="#">About the Report, p. 33</a>
	<b>Date of most recent report</b>	102-51	<a href="#">About the Report, p. 33</a>
	<b>Reporting cycle</b>	102-52	<a href="#">About the Report, p. 33</a>
	<b>Contact point for questions regarding the report</b>	102-53	<a href="mailto:csr@target.com">csr@target.com</a>
	<b>Claims of reporting in accordance with the GRI Standards</b>	102-54	<a href="#">About the Report, p. 33</a>
	<b>GRI content index</b>	102-55	<a href="#">GRI Content Index, starting on p. 34</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.
<b>Economic Performance</b>			
<b>GRI 103: Management Approach 2016</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	Learn more about Target's management approach to economic material issues in our <a href="#">2017 10-K: Risk Factors, p. 5</a>
<b>GRI 201: Economic Performance 2016</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 Responses</a> : Climate Change, Water, Forest
	<b>Defined benefit plan obligations and other retirement plans</b>	201-3	<a href="#">2017 10-K: Employees, p. 3</a>

GRI Standard	Disclosure Title	Disclosure Number	Target Response										
<b>Indirect Economic Impacts</b>													
<b>GRI 203:</b> Indirect Economic Impacts 2016	<b>Infrastructure investments and services supported</b>	203-1	<p><b>Goals:</b></p> <ul style="list-style-type: none"> <li><a href="#">Volunteer hours</a></li> </ul> <p><b>Total amount given for corporate philanthropy: \$209.7M</b></p> <ul style="list-style-type: none"> <li>Amount provided in cash to community programs: \$93.4M</li> <li>Value of in-kind donations: \$116.2M (In-kind donations include food donations made to Feeding America affiliates.) <ul style="list-style-type: none"> <li>In 2016, Target gave more than 61.8 million pounds of food, which equals more than 51.5 million meals through programs like our store food donations to Feeding America affiliates across the country and our Meals for Minds school food pantry program.</li> </ul> </li> </ul> <p><b>Additional Contributions</b></p> <ul style="list-style-type: none"> <li>Total number of volunteer hours: 1.1M</li> <li>Team member participation in the Employee Giving Campaign: 94%</li> <li>Total donated to the United Way and other organizations our team members support: \$12.6M</li> </ul> <p><b>Total Giving Amount (cash and in-kind)</b></p> <table border="1"> <thead> <tr> <th>2016</th> <th>2015</th> <th>2014</th> <th>2013</th> <th>2012</th> </tr> </thead> <tbody> <tr> <td>\$210M</td> <td>\$216M</td> <td>\$244M</td> <td>\$246M</td> <td>\$223M</td> </tr> </tbody> </table> <p><b>All of our stores and distribution centers have community giving and volunteerism funds to use in their local communities.</b></p> <ul style="list-style-type: none"> <li>In 2016, 90 percent or \$189.6 million of our giving went to local community programs and organizations.</li> <li>Disaster Preparedness and Response: \$2.5M in disaster response</li> <li>International Giving: \$2.6M</li> </ul> <p><a href="#">Disaster Preparedness and Response</a></p>	2016	2015	2014	2013	2012	\$210M	\$216M	\$244M	\$246M	\$223M
2016	2015	2014	2013	2012									
\$210M	\$216M	\$244M	\$246M	\$223M									
	<b>Significant indirect economic impacts</b>	203-2	<p><b>Goals:</b></p> <ul style="list-style-type: none"> <li><a href="#">UN Sustainable Development Goals p. 8</a></li> </ul>										
<b>Procurement Practices</b>													
<b>GRI 103:</b> Management Approach 2016	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<a href="#">Responsible Sourcing</a>										
<b>GRI 204:</b> Indirect Economic Impacts 2016	<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%</p> <ul style="list-style-type: none"> <li>We define local as our Itasca project – which includes all of Minnesota and three counties in Western Wisconsin (Polk, St. Croix and Pierce).</li> <li>At this time we are basing significant locations of operation off of the home state of our international headquarters.</li> </ul>										
<b>Food Animal Welfare</b> (Cage-free eggs, anti-biotics and gestational crates) <b>GRI 103:</b> Management Approach 2016	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p>We released our food animal welfare policy in 2016. 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. Additionally, 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 ensure adherence to our standards. We are continuing to work to achieve 100 percent sustainably sourced seafood and are currently at 95 percent.</p> <p><a href="#">Food Animal Welfare Policy</a></p> <p><a href="#">Reel Talk: How Target and Partners Teamed Up to Make Seafood Sourcing More Sustainable</a></p>										

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>Anti-Corruption</b>			
<b>GRI 205: Anti-corruption 2016</b>	<b>Operations assessed for risks related to corruption</b>	205-1	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. <a href="#">Target Business Conduct Guide</a>
	<b>Communication and training about anti-corruption policies and procedures</b>	205-2	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. <a href="#">Target Business Conduct Guide</a>
<b>Materials, Energy, Water &amp; Emissions</b>			
<b>Materials, Energy, Water &amp; Emissions GRI 103: Management Approach 2016</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	Target's management approach to environmental responsibility focuses on reducing resource use (water, energy, fuel), as well as waste and carbon emissions output. <a href="#">Target CDP Responses: Climate Change, Water, Forest</a> We believe that 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. As a global company with operations in more than 48 countries, water is critically 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 water stewardship efforts in areas and on issues where our influence and support can help deliver the greatest impact. <a href="#">Sustainable Operations, see sections on: Conserving Water and Stormwater Management Systems</a>
<b>GRI 301: Materials 2016</b>	<b>Materials used by weight or volume</b>	301-1	Recycled polyester programs in Apparel and Accessories (A&A). Bottle counts are as follows: <ul style="list-style-type: none"> <li>Swim (27 bottles/lb): 89,880,765</li> <li>Back Packs (27 bottles/lb): 3,214,350</li> <li>All other A&amp;A Categories (22 bottles/lb): 112,755,626</li> </ul>
<b>Deforestation GRI 103: Management Approach 2016</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	Target received a shareholder resolution from Green Century Capital Management and First Affirmative Financial Network asking the company to issue annual reports on its supply chain impacts on deforestation. We have established policies for sourcing sustainable palm oil, fiber-based packaging and forest products. We are conducting an analysis of the environmental and social impacts of our supply chain on deforestation during fiscal 2017 with additional commodity specific policies to follow, where appropriate, and have the ambition of zero deforestation. 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. <a href="#">Branching Out: Target Announces New Forest Products Policy</a> <a href="#">Target CDP Response: Forest</a>
<b>Palm Oil GRI 103: Management Approach 2016</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	Target engages its vendors on the implementation of Target's responsible palm oil sourcing commitment, notably 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 certificates, Mass Balance and/or Segregation. Our commitment, and thus our survey, captures 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.

*Continued on page 40*

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

**Palm Oil Management Approach (103-1, 103-2, 103-3) continued**  
**GRI 103: Management Approach 2016**

103

- In 2016, Target engaged its owned-brand vendor base to:
- Determine volume of palm and palm kernel oil used in the owned-brand products covered by its commitment;
  - Determine percentage of palm oil supply that is certified, broken out by the different supply chain mechanisms;
  - Evaluate our vendors' sustainability programs and claims, led by our partner, Proforest;
  - Conduct webinars for our vendors, in conjunction with Proforest, to highlight the importance of Target's commitment and expectations;
  - Collect traceability information about our supply chains. Target is one of the first retailers in the U.S. to embark upon supply chain traceability for palm oil, and this has involved awareness raising and training efforts with our vendors on how to trace back through their own supply chains;
  - Share tools, training materials and guidance documents to aid commitment implementation.

Target has customized our approach to each of our vendors based on product type, volume, direct/indirect sourcing of materials and progress on sustainability. In 2017, we are prioritizing work that will increase physical certified volumes in our supply chain and continuing to build our vendor engagement programs.

Target continues to work with Proforest, an independent nonprofit organization that supports companies, governments and other organizations to implement their commitments to the responsible production and sourcing of agriculture commodities and forest products, to guide our vendor engagement. Target also joined the Roundtable on Sustainable Palm Oil (RSPO) as a member in February 2016.

- **Total volume of crude palm oil:** 532.47 tonnes (crude and refined)
- **Total volume of palm kernel oil:** 240.84 tonnes (crude and refined)
- **Total volume of other palm oil derivatives and fractions:** 2732.69 tonnes
- **Total volume of all palm oil and palm oil derived products:** 3506 tonnes

*Note: Total volume includes 143.6 tonnes of unspecified volume.*

Certification model: Green Palm

**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	195.27	7.73		656.30
Mass Balance				
Segregated				
Identity Preserved				
Total volume of palm oil used that is RSPO-certified:			859.30	



GRI Standard	Disclosure Title	Disclosure Number	Target Response
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**Materials, Energy, Water & Emissions (continued)**

<b>GRI 302: Energy 2016</b>	<b>Energy consumption within the organization</b>	302-1	<p><b>Goals</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Achieve ENERGY STAR Certifications in 80 percent of our buildings by 2020</a></li> <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 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> </ul>
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[Target CDP Response: Climate Change](#)

**Direct Energy Use (U.S. only)\***

- Nonrenewable:
  - Total: 3,926,948 GJ
  - Natural Gas: 3,414,395 GJ (32,363,930 Therms)
  - Propane: 32,756 GJ (340,143 Gallons)
  - Stationary Diesel: 26,629 GJ (192,961 Gallons)
  - Mobile Diesel: 453,169 GJ (3,283,830 Gallons)

**Indirect Energy Use (U.S. only)\***

- Nonrenewable:
  - Electricity: 15,853,742 GJ (4,403,817 MWh)
  - Steam: 62,161 GJ (58,920 MMBtue)
  - Chilled Water: 26,033 GJ (7,231 MWh)
- Renewable:
  - Solar: 174,128 GJ (48,369 MWh)
  - Offsite Wind: 237,391 GJ (65,942 MWh)

**Energy Consumption\***

- Total: 16,353,456 GJ
- Electricity (Location): 16,265,262 GJ
- Heating: 0 GJ
- Cooling (Chilled Water): 26,033 GJ
- Steam: 62,161 GJ

**Total energy consumption (Renewable/Nonrenewable)\*:** 20,280,404 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	32,363,930	Therms	0.1055	3,414,395
Propane	340,143	Gallons	0.0963	32,756
Stationary Diesel	192,961	Gallons	0.138	26,629
Mobile Diesel	3,283,830	Gallons	0.138	453,169
Indirect Energy Use				
Non-Renewable	Activity Data	Units	Conversion Factor	GJ
Electricity	4,403,817	MWh	3.6	15,853,742
Steam	58,920	MMBtue	1.055	62,161
Chilled Water	7,231	MWh	3.6	26,033
Renewable	Activity Data	Units	Conversion Factor	GJ
Solar	48,369	MWh	3.6	174,128
Offsite Wind	65,942	MWh	3.6	237,391

Solar: We added solar panels to 157 facilities in 2016, bringing our total sites to 350. Solar power is capable of offsetting 15 to 40 percent of each site's energy for our locations with solar installations. We were recognized as the top corporate solar installer in the U.S. by the Solar Energy Industries Association for adding more solar than any other U.S. retailer in 2016.

*Continued on page 42*

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>Materials, Energy, Water &amp; Emissions (continued)</b>			
<b>GRI 302: Energy 2016</b>	<b>Energy consumption within the organization (continued)</b>	302-1	<p><a href="#">Energy Awards and Recognition</a></p> <ul style="list-style-type: none"> <li>• Environmental Protection Agency (EPA) ENERGY STAR Partner of the Year Award</li> <li>• Department of Energy (DOE) Interior Lighting Campaign Award for Highest Absolute Annual Savings for Troffer Lighting New Construction - Medium Project</li> <li>• Department of Energy (DOE) Interior Lighting Campaign Award for Highest Absolute Annual Savings for Troffer Lighting New Construction - Large Project</li> <li>• Department of Energy (DOE) Interior Lighting Campaign Award for Highest Percentage of Annual Savings for Troffer Lighting New Construction - Medium Project</li> <li>• Department of Energy (DOE) Interior Lighting Campaign Award for Highest Percentage of Annual Savings for Troffer Lighting New Construction - Large Project</li> <li>• Department of Energy (DOE) Interior Lighting Campaign Award for Special Recognition Categories - Largest Portfolio-wide Annual Absolute Energy Savings</li> <li>• Environmental Protection Agency (EPA) GreenChill Distinguished Partner Award</li> <li>• Department of Energy (DOE) Advanced RTU Campaign Award for upgrading 532 RTUs, resulting in an estimated savings of 10 million Kw annually. This is the most innovative, comprehensive RTU operations approach by a partner for enabling large reductions in installed capacity and includes centralized and optimized control of RTUs</li> <li>• 2016 IBcon (Intelligent Buildings Conference) Digie Award for Most Intelligent Building Projects – Retail</li> </ul> <p><b>Transportation and Emissions</b></p> <ul style="list-style-type: none"> <li>• In 2016, approximately one-third of the food trailers moved to more eco-friendly units (313 units).</li> <li>• New design of refrigerated trailer is more electrically based versus diesel based.</li> <li>• Projection of a 18 percent reduction in diesel fuel and 25 percent reduction in refrigerant use.</li> <li>• Trailers projected to use 57,000 less gallons of diesel fuel in 2017.</li> </ul>
	<b>Energy intensity</b>	302-3	<p><b>Goals</b></p> <p><a href="#">Reduce the energy intensity per square foot in our stores by 10 percent by 2020*</a></p> <p><b>Energy*</b></p> <ul style="list-style-type: none"> <li>• Energy intensity ratio: 16.72</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>
	<b>Reduction of energy consumption</b>	302-4	<p><b>Reductions in Energy Consumption*</b></p> <p>a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives: 35,661 GJ</p> <p>b. Types of energy included in the reductions: Electric, Heating, Cooling</p> <p>c. Basis for calculating reductions in energy consumption such as base year or baseline: Annual value (2016 Fiscal Year)</p> <p><i>Engineering calculations based on MWh reductions converted into GJ</i></p> <p><a href="#">Sustainable Operations</a> <a href="#">Sustainable Business Operations p. 28</a></p>

GRI Standard	Disclosure Title	Disclosure Number	Target Response																																			
<b>Materials, Energy, Water &amp; Emissions (continued)</b>																																						
<b>GRI 303: Water 2016</b>	<b>Water withdrawals by source</b>	303-1	<p><b>Goals</b></p> <ul style="list-style-type: none"> <li>Reduce water use by 10 percent per square foot in our stores by 2020</li> </ul> <p><a href="#">Target CDP Response: Water</a></p> <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 the water use by withdrawal at the handful of locations that utilize well water.</p>																																			
	<b>Water sources significantly affected by withdrawal of water</b>	303-2	We are not aware of any water sources significantly affected by our withdrawal of water. Our approach is to achieve milestones in our business by eliminating waste and minimizing our water consumption.																																			
	<b>Water recycled and reused</b>	303-3	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.																																			
<b>GRI 304: Biodiversity</b>	<b>IUCN Red List species and national conservation list species with habitats in areas affected by operations</b>	304-4	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.																																			
<b>GRI 305: Emissions 2016</b>	<b>Direct (Scope 1) GHG emissions</b>	305-1	<p><b>GHG Emissions: Direct Emissions (U.S.)*</b></p> <table border="1"> <thead> <tr> <th>Direct Emissions</th> <th>Activity Data</th> <th>Units</th> <th>Conversion Factor</th> <th>Emissions (MTCO2e)</th> </tr> </thead> <tbody> <tr> <td>Natural Gas</td> <td>32,363,930</td> <td>Therms</td> <td>0.00532</td> <td>172,200</td> </tr> <tr> <td>Propane</td> <td>340,143</td> <td>Gallons</td> <td>0.0057</td> <td>1,938</td> </tr> <tr> <td>Stationary Diesel</td> <td>192,961</td> <td>Gallons</td> <td>0.01027</td> <td>1,982</td> </tr> <tr> <td>Mobile Diesel</td> <td>3,283,830</td> <td>Gallons</td> <td>0.01021</td> <td>33,522</td> </tr> <tr> <td>Refrigerants</td> <td>163,009</td> <td>Kgs</td> <td>Varies</td> <td>521,205</td> </tr> <tr> <td colspan="4">TOTAL (Scope 1)</td> <td>730,846</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Gases included in the calculation: CO2, CH4, N2O, HFCs</li> <li>Biogenic CO2 emissions in metric tons of CO2 equivalent separately from the gross direct GHG emissions: 0</li> <li>Source of the emission factors and the global warming potential (GWP) rates used: AR4 Emission Factors; 2017-TCR-Default-EF-March-2017</li> <li>Chosen consolidation approach for emissions: Operational Control</li> </ul> <p><i>Standards, methodologies and assumptions used: AR4 Emission Factors; 2017-TCR-Default-EF-March-2017.</i></p>	Direct Emissions	Activity Data	Units	Conversion Factor	Emissions (MTCO2e)	Natural Gas	32,363,930	Therms	0.00532	172,200	Propane	340,143	Gallons	0.0057	1,938	Stationary Diesel	192,961	Gallons	0.01027	1,982	Mobile Diesel	3,283,830	Gallons	0.01021	33,522	Refrigerants	163,009	Kgs	Varies	521,205	TOTAL (Scope 1)				730,846
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	<b>Energy indirect (Scope 2) GHG emissions</b>	305-2	<p><b>GHG Emissions: Indirect Emissions (U.S.)*</b></p> <table border="1"> <thead> <tr> <th>Indirect Emissions</th> <th>Activity Data</th> <th>Units</th> <th>Conversion Factor</th> <th>Emissions (MTCO2e)</th> </tr> </thead> <tbody> <tr> <td>Electric (Market)</td> <td>4,518,128,341</td> <td>MWh</td> <td>0.00048</td> <td>2,150,598</td> </tr> <tr> <td>Electric (Location)</td> <td>4,518,128,341</td> <td>MWh</td> <td>0.00048</td> <td>2,182,127</td> </tr> <tr> <td>Steam</td> <td>58,920</td> <td>MMBtue</td> <td>0.05334</td> <td>3,143</td> </tr> <tr> <td>Chilled Water</td> <td>7,231</td> <td>MWh</td> <td>0.27963</td> <td>2,022</td> </tr> <tr> <td colspan="4">TOTAL (Market)</td> <td>2,155,763</td> </tr> <tr> <td colspan="4">TOTAL (Location)</td> <td>2,187,292</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Gases included in the calculation: CO2, CH4, N2O, HFCs</li> <li>Source of the emission factors and the global warming potential (GWP) rates used: AR4 Emission Factors; 2017-TCR-Default-EF-March-2017; eGRID2014v2 Subregion File; eGRID2014v2</li> <li>Consolidation approach for emissions: Operational Control</li> </ul>	Indirect Emissions	Activity Data	Units	Conversion Factor	Emissions (MTCO2e)	Electric (Market)	4,518,128,341	MWh	0.00048	2,150,598	Electric (Location)	4,518,128,341	MWh	0.00048	2,182,127	Steam	58,920	MMBtue	0.05334	3,143	Chilled Water	7,231	MWh	0.27963	2,022	TOTAL (Market)				2,155,763	TOTAL (Location)				2,187,292
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GRI Standard	Disclosure Title	Disclosure Number	Target Response																																			
<b>Materials, Energy, Water &amp; Emissions (continued)</b>																																						
	<b>Other indirect (Scope 3) GHG emissions</b>	305-3	<p>Our business travel emissions estimate includes passenger miles on commercial airlines. We used emissions factors from U.S. EPA Climate Leaders Business Travel 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 (U.S.)*</b></p> <ul style="list-style-type: none"> <li>Business Travel: 12,564 MTCO<sub>2</sub>e</li> </ul> <p><i>These data only include corporate employee air travel. Gases included in the calculation include CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O*.</i></p>																																			
	<b>GHG emissions intensity</b>	305-4	<ul style="list-style-type: none"> <li>GHG emissions intensity ratio: 9.69 (Market-based)*</li> <li>Organization-specific metric (the ratio denominator) chosen to calculate the ratio: MTCO<sub>2</sub>e/SF*</li> <li>Types of GHG emissions included in the intensity ratio: direct (Scope 1), energy indirect (Scope 2)*</li> <li>Gases included in the calculation: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs*</li> </ul>																																			
	<b>Reduction of GHG emissions</b>	305-5	<p><b>GHG Emissions Reduction Project (U.S.)*</b></p> <table border="1"> <thead> <tr> <th>Improvement</th> <th>Activity Data</th> <th>Units</th> <th>Conversion Factor</th> <th>Emissions (MTCO<sub>2</sub>e)</th> </tr> </thead> <tbody> <tr> <td>Sales Floor LED</td> <td>7,641</td> <td>MWh</td> <td>0.4883</td> <td>3,731</td> </tr> <tr> <td>DC Exterior LED</td> <td>652</td> <td>MWh</td> <td>0.4883</td> <td>318</td> </tr> <tr> <td>Refrigeration LED</td> <td>917</td> <td>MWh</td> <td>0.4883</td> <td>448</td> </tr> <tr> <td>HVAC ERV</td> <td>222</td> <td>MWh</td> <td>0.4883</td> <td>108</td> </tr> <tr> <td>HVAC VFD</td> <td>474</td> <td>MWh</td> <td>0.4883</td> <td>231</td> </tr> <tr> <td>TOTAL</td> <td>9,906</td> <td>MWh</td> <td></td> <td>4,837</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Gases included in the calculation: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs*</li> <li>Chosen base year or baseline: Annual Value (2016 Fiscal Year)*</li> </ul> <p><i>Engineering calculations based on MWh reductions converted into GJ. The reductions in GHG emissions occurred in direct (Scope 1) and energy indirect (Scope 2) emissions.*</i></p>	Improvement	Activity Data	Units	Conversion Factor	Emissions (MTCO <sub>2</sub> e)	Sales Floor LED	7,641	MWh	0.4883	3,731	DC Exterior LED	652	MWh	0.4883	318	Refrigeration LED	917	MWh	0.4883	448	HVAC ERV	222	MWh	0.4883	108	HVAC VFD	474	MWh	0.4883	231	TOTAL	9,906	MWh		4,837
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<b>Effluents &amp; Waste</b>			
<b>GRI 103: Management Approach 2016</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<a href="#">Sustainable Products, see sections on: Improving Packaging Sustainability, Our Reusable Bag Program, Recycling in Our Stores, Clear On-package instructions [for Recycling], More Local Recycling</a>

GRI Standard	Disclosure Title	Disclosure Number	Target Response			
<b>Effluents &amp; Waste (continued)</b>						
<b>GRI 306: Effluents &amp; Waste 2016</b>	<b>Waste by type and disposal method</b>	306-2	<p><b>Goals</b></p> <ul style="list-style-type: none"> <li>Enhance at least 50 owned-brand packaging designs to be more sustainable by 2016</li> <li>Divert 70 percent of our retail waste from landfills through reuse or recycle programs by 2020</li> </ul> <p>In 2016, Target supported the recycling of more than 1,280 tons of plastic bags.</p> <p>In 2016, 6,333,460.14 pounds of electronic waste was recycled and diverted from landfills.</p> <p>In 2016, Target diverted 52 percent of our construction waste (3,570 tons) from landfills. The remaining 48 percent was landfilled or non-recycled.</p> <p><b>Electronics Recycling</b></p> <ul style="list-style-type: none"> <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> <li>2012: 6,858,253 lbs</li> </ul> <p>The above numbers are a consolidated total weight of electronic waste recycled through our operational and guest-facing recycling programs. Previous submissions have only included the guest-facing total.</p> <p>The distinct decline from 2014 onward can be attributed to disposition optimization where electronics have been shifted to other diversionary streams.</p> <table border="0"> <tr> <td> <p><b>Diversion (U.S.)</b></p> <ul style="list-style-type: none"> <li>Cardboard: 482,871 tons</li> <li>Plastic Bags and Shrink Wrap: 8,357 tons</li> <li>Plastic, Glass and Aluminum Cans and Bottles: 2,426 tons</li> <li>Electronics Recycling: 3,166 tons</li> <li>Donations: 30,676 tons</li> <li>Salvage: 91,393 tons</li> <li>Metal: 9,984 tons</li> <li>Paper: 5,851 tons</li> <li>Hangers: 11,888 tons</li> <li>Used Cooking Oil: 208 tons</li> <li>ESIM (Non-Hazardous Only): 929 tons</li> <li>Other: 99 tons</li> </ul> </td> <td> <p><b>Where Our Waste Goes (U.S.)</b></p> <ul style="list-style-type: none"> <li>Recycle: 515,116 tons</li> <li>Landfill: 249,039 tons</li> <li>Reuse: 134,165 tons</li> </ul> </td> <td> <p><b>Total weight of hazardous waste, with a breakdown by the following disposal methods where applicable:</b></p> <ul style="list-style-type: none"> <li>Reuse: N/A</li> <li>Recycling: 181,322 lbs.</li> <li>Composting: N/A</li> <li>Recovery, including energy recovery: 1,039,513 lbs.</li> <li>Incineration (mass burn): 1,644,045 lbs.</li> <li>Deep well injection: N/A</li> <li>Landfill: 152,798 lbs.</li> <li>On-site storage: N/A</li> <li>Waste Water Treatment: 189 lbs.</li> </ul> </td> </tr> </table> <p>We have 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 Environmentally Sensitive Item Management program (ESIM), 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>	<p><b>Diversion (U.S.)</b></p> <ul style="list-style-type: none"> <li>Cardboard: 482,871 tons</li> <li>Plastic Bags and Shrink Wrap: 8,357 tons</li> <li>Plastic, Glass and Aluminum Cans and Bottles: 2,426 tons</li> <li>Electronics Recycling: 3,166 tons</li> <li>Donations: 30,676 tons</li> <li>Salvage: 91,393 tons</li> <li>Metal: 9,984 tons</li> <li>Paper: 5,851 tons</li> <li>Hangers: 11,888 tons</li> <li>Used Cooking Oil: 208 tons</li> <li>ESIM (Non-Hazardous Only): 929 tons</li> <li>Other: 99 tons</li> </ul>	<p><b>Where Our Waste Goes (U.S.)</b></p> <ul style="list-style-type: none"> <li>Recycle: 515,116 tons</li> <li>Landfill: 249,039 tons</li> <li>Reuse: 134,165 tons</li> </ul>	<p><b>Total weight of hazardous waste, with a breakdown by the following disposal methods where applicable:</b></p> <ul style="list-style-type: none"> <li>Reuse: N/A</li> <li>Recycling: 181,322 lbs.</li> <li>Composting: N/A</li> <li>Recovery, including energy recovery: 1,039,513 lbs.</li> <li>Incineration (mass burn): 1,644,045 lbs.</li> <li>Deep well injection: N/A</li> <li>Landfill: 152,798 lbs.</li> <li>On-site storage: N/A</li> <li>Waste Water Treatment: 189 lbs.</li> </ul>
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	<b>Transport of hazardous waste</b>	306-4	<p><b>Transport of Hazardous Waste</b></p> <p>a. Total weight for each of the following (in lbs):</p> <ul style="list-style-type: none"> <li>Hazardous waste transported: Reference 306-2.</li> <li>Hazardous waste imported: N/A</li> <li>Hazardous waste exported: None</li> <li>Hazardous waste treated: Reference 306-2</li> </ul> <p>b. Percentage of hazardous waste shipped internationally: None</p> <p>c. Standards, methodologies, and assumptions used.</p> <ul style="list-style-type: none"> <li>Industry standard methods of transportation, treatment and disposal are required by our vendors to meet regulatory requirements.</li> </ul>			

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>Effluents &amp; Waste (continued)</b>			
<b>Food Waste</b> <b>GRI 103:</b> <b>Management</b> <b>Approach2016</b>	<b>Management Approach</b> <b>(103-1, 103-2, 103-3)</b>	103	<p>Number of stores with Organics recycling: 28  Waste Stream audit sites: 11 stores, 4 distributions centers</p> <p><b>Waste Audit Story</b></p> <ul style="list-style-type: none"> <li>In 2016, Target performed two rounds of Waste Stream audits to understand what is being sent to landfill. Stores were selected based on store type, volume, geography, and trash volumes to ensure there was a representative sample of full Target chain. Round one of the audits consisted of 11 stores, two regional distribution centers and two food distribution centers. Round two consisted of five stores and one distribution center from round one to compare seasonality changes, and were locations that showed room for significant improvement. Target will continue to audit locations on an ongoing basis to measure progress in line with the Waste Minimization goals. Target will use the data from these audits, along with other data points to implement robust reporting to drive execution of our programs.</li> </ul> <p><b>Donations</b></p> <ul style="list-style-type: none"> <li>In 2016, Target donated over 61.8 million pounds of food (51.5 million meals) to Feeding America partners. In 2017, Target will deliver donations reporting at a store level to drive stronger participation, and look to expand the scope of donatable items.</li> </ul> <p><b>Organics Recycling Rollout Info</b></p> <ul style="list-style-type: none"> <li>In early 2016, an Organics program was in place at 20 Target Store locations; by the end of 2016, the program expanded to an additional eight stores in Boulder and Austin. Building upon the learnings from those locations, in 2017 Target plans to launch an Organics program to stores and DC's in California. Target will continue to explore expanding the program to other locations throughout the chain.</li> </ul> <p><b>Technology</b></p> <ul style="list-style-type: none"> <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 will continue to explore and pilot technology to deliver store-level data.</li> </ul> <p><b>What did we learn in 2016 and how are we using this</b></p> <ul style="list-style-type: none"> <li>In 2016, 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 aspirational goal 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.</li> </ul>
<b>Polystyrene</b> <b>GRI 103:</b> <b>Management</b> <b>Approach 2016</b>	<b>Management Approach</b> <b>(103-1, 103-2, 103-3)</b>	103	<p>Target is concerned with the limited availability of recycling options for polystyrene for our guests and distribution centers. As a key 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 polystyrene is a challenge that will take time. We plan to identify the presence of foam packaging used across the enterprise and develop solutions to shift away from it on a case-by-case basis by testing alternatives which ensure we are making the best decision for both guests and Target. We will partner with our internal teams, vendors and industry peers to find acceptable, more environmentally sustainable replacements that do not create unacceptable cost or performance trade-offs. We are committed to working toward eliminating polystyrene from our owned-brand packaging by 2022.</p>

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>Environmental Compliance</b>			
<b>GRI 307: Environmental Compliance 2016</b>	<b>Non-compliance with environmental laws and regulations</b>	307-1	<a href="#">2017 10-K: Legal Proceedings, p. 12</a>
<b>Product Responsibility Performance GRI 103: Management Approach 2016</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="#">Increase organic food offerings by 25 percent by 2017</a></li> <li>• <a href="#">By the end of 2018, remove artificial flavors, preservatives, sweeteners and colors from all of our owned-brand childrens' items</a></li> </ul> <p><b>Target's approach to product responsibility spans the lifecycle of our products, from design to end of life:</b></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 fast.</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>Employment</b>			
<b>GRI 103: Management Approach 2016</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p><a href="#">Team Member Wellness</a>  <a href="#">Diversity &amp; Inclusion</a></p> <p>The Diversity &amp; Inclusion Business Councils foster Target's inclusive culture by connecting team members to corporate initiatives in onboarding, development, community relations, well-being and business insight. There are six Diversity &amp; Inclusion Business Councils at Target including: African-American Business Council, Asian Business Council, Hispanic Business Council, LGBTQA Business Council, Military Business Council and Women's Business Council.</p> <p>More than 5,100 team members participate in these groups.</p> <p>There are additional employee resource groups serving over 8,300 team members with shared interest across themes including Alumni; Health &amp; Wellness; Professional; Interests &amp; Hobbies; and Life &amp; Family.</p> <p><a href="#">Inclusive Guest Experiences, p. 15</a>  <a href="#">Diverse &amp; Inclusive Work Environment, p. 19-20</a></p>
	<b>Benefits provided to full-time employees that are not provided to temporary or part-time employees</b>	401-2	<p><b>Benefits provided to full-time employees:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">2017 10-K: Employees, p. 3</a></li> <li>• <a href="#">Employee Benefits</a></li> <li>• <a href="#">Team Member Wellness</a></li> </ul>
	<b>Parental leave</b>	401-3	<p>Target offers parental leave to birthing moms, partners/spouses of birthing moms, parents who are adopting, parents via surrogacy and foster parents.</p> <p><a href="#">Careers &amp; Benefits</a></p>

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>Occupational Health &amp; Safety</b>			
<b>GRI 403:</b> Occupational Health & Safety 2016	<b>Workers represented in formal joint management-worker health and safety committees</b>	403-1	<p>Target received a 2016 Teddy Award for serving as an advocate for its workers, pre- and post-injury, across each of its many operations.</p> <p>Target has leaders in charge of safety and formal joint management-worker Safety Committees, which meet monthly in all store and distribution center 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 formal joint management-worker health and safety committees.</p> <p>Approximately 5 percent of team members across all of our stores and supply chain 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 &amp; Education</b>			
<b>GRI 103:</b> Management Approach 2016	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<a href="#">Team Members, see section on: Career Development and Planning Skills-based volunteerism, p. 20</a>
<b>GRI 404:</b> Training & Education 2016	<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 development reviews</b>	404-3	All team members participate in a formal performance review process once a year.



GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>Diversity &amp; Equal Opportunity</b>			
<b>GRI 103: Management Approach 2016</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<a href="#">Diversity &amp; Inclusion</a>
<b>GRI 405: Diversity &amp; Equal Opportunity 2016</b>	<b>Diversity of governance bodies and employees</b>	405-1	<p>Total Target Workforce: Racial/Ethnic Diversity (U.S. Target vs. U.S. population)</p> <ul style="list-style-type: none"> <li>• Target: 46%</li> <li>• U.S.: 36%</li> </ul> <p>Target Total Workforce (U.S.): Gender Diversity</p> <ul style="list-style-type: none"> <li>• Female: 56%</li> <li>• Male: 44%</li> </ul> <p>Target Total Workforce (Global including the U.S.): Gender Diversity</p> <ul style="list-style-type: none"> <li>• Female: 56%</li> <li>• Male: 44%</li> </ul> <p>Target Total Workforce (Global excluding the U.S.): Gender Diversity</p> <ul style="list-style-type: none"> <li>• Female: 39%</li> <li>• Male: 61%</li> </ul> <p><i>See footnote for list of countries</i></p> <p>Target's Manager Workforce: Racial/Ethnic Diversity</p> <ul style="list-style-type: none"> <li>• Diverse: 32%</li> <li>• Non-Diverse: 68%</li> </ul> <p>Target's Manager Workforce: Gender Diversity</p> <ul style="list-style-type: none"> <li>• Female: 54%</li> <li>• Male: 46%</li> </ul> <p>Target Leadership Team: Racial/Ethnic Diversity</p> <ul style="list-style-type: none"> <li>• Diverse: 25%</li> <li>• Non-Diverse: 75%</li> </ul> <p>Target Leadership Team: Gender Diversity</p> <ul style="list-style-type: none"> <li>• Female: 42%</li> <li>• Male: 58%</li> </ul> <p>Target Board of Directors: Racial/Ethnic Diversity</p> <ul style="list-style-type: none"> <li>• Diverse: 38%</li> <li>• Non-Diverse: 62%</li> </ul> <p>Target Board of Directors: Gender Diversity</p> <ul style="list-style-type: none"> <li>• Female: 38%</li> <li>• Male: 62%</li> </ul> <p><a href="#">Workforce Diversity Report</a></p> <p><i>Global without the U.S. includes the following countries: Bangladesh, China, Cambodia, Guatemala, Hong Kong, Indonesia, India, South Korea, Pakistan, Thailand, Taiwan, Vietnam</i></p>

<b>Forced or Compulsory Labor</b>													
<b>GRI 103: Management Approach 2016</b>	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<a href="#">Human Rights Assessment Management Approach, p. 50</a>										
<b>Forced or Compulsory Labor</b>	<b>Operations and suppliers at significant risk for incidents of forced or compulsory labor</b>	409-1	<p><b>Number of factories audited and remediated for labor and human rights issues: 1,370</b></p> <table border="1"> <thead> <tr> <th>2016</th> <th>2015</th> <th>2014</th> <th>2013</th> <th>2012</th> </tr> </thead> <tbody> <tr> <td>1,370</td> <td>1,131</td> <td>1,684</td> <td>1,619</td> <td>1,491</td> </tr> </tbody> </table>	2016	2015	2014	2013	2012	1,370	1,131	1,684	1,619	1,491
2016	2015	2014	2013	2012									
1,370	1,131	1,684	1,619	1,491									

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>Human Rights Assessment</b>			

**GRI 103: Management Approach (103-1, 103-2, 103-3)** **Management Approach 2016** 103

Learn more about Target’s management approach to Human Rights, Global Livelihoods, and Resilient & Vibrant Communities by visiting:

- [Labor and Human Rights Policies](#)
- [Social Compliance Audit Process](#)
- [Standards of Vendor Engagement \(SOVE\)](#)

Target social compliance audits of factories producing Target-Brand Merchandise as of the end of fiscal year 2016.

**Number and location of Registered Manufacturing Facilities Producing Target Brand Merchandise**

We focus our audits on factories we consider to be at the highest risk for noncompliance. 3,008 facilities in 48 countries

FYE	China	Southeast Asia	The Americas	India, Bangladesh, Pakistan, Egypt and Turkey	Other
2016	1,285	239	1,263	146	75

**Percentage of Audits with Acceptable Results by Country/Region**

FYE	China	Southeast Asia	The Americas	India, Bangladesh, Pakistan, Egypt and Turkey
2016	68%	64%	96%	77%
2015	61%	53%	76%	58%
2014	53%	45%	58%	56%
2013	46%	53%	50%	53%
2012	50%	59%	83%	54%

**Percentage of Critical Issues Identified by Country/Region**

FYE	China	Southeast Asia	The Americas	India, Bangladesh, Pakistan, Egypt and Turkey
2016	13%	27%	28%	25%
2015	10%	25%	26%	17%
2014	11%	24%	22%	17%
2013	14%	23%	21%	21%
2012	14%	22%	19%	19%

**Average Number of Health and Safety Issues per Audit**

FYE	China	Southeast Asia	The Americas	India, Bangladesh, Pakistan, Egypt and Turkey
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
2012	6.5	2.6	1.2	4.3

Continued on page 51

GRI Standard	Disclosure Title	Disclosure Number	Target Response
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**Human Rights Assessment**

**GRI 103: Management Approach (103-1, 103-2, 103-3) continued**

103

**Percentage of Audits with Working Hours and Time-Off Issues**

FYE	China	Southeast Asia	The Americas	India, Bangladesh, Pakistan, Egypt and Turkey
2016	12%	34%	13%	19%
2015	12%	29%	18%	15%
2014	16%	25%	12%	17%
2013	24%	22%	35%	12%
2012	26%	20%	8%	20%

**Percentage of Audits with Wage Issues**

FYE	China	Southeast Asia	The Americas	India, Bangladesh, Pakistan, Egypt and Turkey
2016	72%	56%	24%	41%
2015	63%	54%	22%	36%
2014	61%	52%	18%	36%
2013	63%	44%	26%	34%
2012	65%	49%	8%	39%

**Unannounced Audits**

FYE	Number of Unannounced Audits
2016	1,697
2015	1,597
2014	1,964
2013	1,949

**Denied Audits**

FYE	Percentage
2016	1.2%
2015	1.5%
2014	0.8%
2013	0.6%

Continued on page 52

GRI Standard	Disclosure Title	Disclosure Number	Target Response					
<b>Human Rights Assessment (continued)</b>								
<b>GRI 103: Management Approach 2016</b>	<b>Management Approach (103-1, 103-2, 103-3) continued</b>	103	<b>Audits with “Noncompliant” Results 1-Year Noncompliant</b>			<b>Audits with “Noncompliant” Results Zero Tolerance</b>		
			FYE	Percentage		FYE	Percentage	
			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

Because Target doesn’t own its factories, our global sourcing offices are the only operations we own. These 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.

Total number and percentage of operations in 2016 that have been subject to human rights reviews of human rights impact assessments, by country:

**North America: 33**

Country	Number	% of total
Mexico	33	1.09%

**Central and South America: 19**

Country	Number	% of total
Brazil	2	0.07%
Dominican Republic	2	0.07%
El Salvador	2	0.07%
Guatemala	5	0.17%
Haiti	1	0.03%
Honduras	1	0.03%
Nicaragua	6	0.20%

**Europe: 2**

Country	Number	% of total
Turkey	2	0.07%

**Middle East and Africa: 3**

Country	Number	% of total
Egypt	3	0.10%

**Asia and Pacific Region: 1,542**

Country	Number	% of total
Bangladesh	39	1.29%
Cambodia	26	0.86%
China	1160	38.30%
India	77	2.54%
Indonesia	28	0.92%
Malaysia	3	0.10%
Pakistan	22	0.73%
Philippines	10	0.33%
Taiwan	35	1.16%
Thailand	15	0.50%
Vietnam	127	4.19%

GRI Standard	Disclosure Title	Disclosure Number	Target Response
<b>Local Communities</b>			
<b>GRI 103:</b> Management Approach 2016	<b>Management Approach</b> (103-1, 103-2, 103-3)	103	Learn more about Target's management approach to societal material issues by visiting: <ul style="list-style-type: none"> <li>• <a href="#">Suppliers</a></li> <li>• <a href="#">Social Compliance</a></li> </ul> <p><a href="#">Product Sustainability &amp; Responsible Sourcing, p. 13-14</a></p> <p><b>Supplier Diversity</b></p> <ul style="list-style-type: none"> <li>• Number of Diverse Suppliers in 2016: 545</li> <li>• New Diverse Suppliers: 35</li> <li>• First-Tier Spending with Diverse Suppliers: \$858,896,072</li> <li>• Second-Tier Spending with Diverse Suppliers: \$112,038,945</li> <li>• Spending with Diverse Suppliers: 8.4% decrease over 2015</li> <li>• Diversity Spending 2011-2016 Compound Annual Growth Rate: -25%</li> <li>• Percentage of Diverse Supplier Bid Inclusion: 19.2%</li> </ul>
<b>GRI 413:</b> Local Communities 2016	<b>Operations with local community engagement, impact assessments and development programs</b>	413-1	Refer to <a href="#">GRI 203-1</a> for more information on community engagement efforts. In 2016, 90 percent or \$189.6 million of our giving went to local community programs and organizations.
<b>Supplier Social Assessment</b>			
<b>GRI 103:</b> Management Approach 2016	<b>Management Approach</b> (103-1, 103-2, 103-3)	103	<a href="#">Social Compliance</a> <a href="#">Supply Chain Sustainability, see section on Sustainable Apparel Coalition</a>
<b>GRI 414:</b> Supplier Social Assessment 2016	<b>New suppliers that were screened using social criteria</b>	414-1	Percentage of new suppliers that were screened using social criteria: 44.5%
<b>Public Policy</b>			
<b>GRI 415:</b> Public Policy 2016	<b>Political contributions</b>	415-1	This data is based on the calendar year for 2016 as that is what is required for legal filings. <p><a href="#">Political Engagement</a> <a href="#">Issue Advocacy</a></p> <p>Target Citizens PAC Contributions</p> <ul style="list-style-type: none"> <li>• Democratic: \$120,000 (49%)</li> <li>• Bipartisan: \$5,000 (2%)</li> <li>• Republican: \$122,000 (49%)</li> </ul> <p>Trade Association and Policy-Based Organization Support</p> <p>The aggregate amount of financial support is \$3.3 million, 42 percent of which supports non-deductible lobbying activities (58 percent deductible).</p> <p><i>Continued on page 54</i></p>

GRI Standard	Disclosure Title	Disclosure Number	
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**Public Policy (continued)**

<b>GRI 415:</b> Public Policy 2016	<b>Political contributions continued</b>	415-1	<p>Corporate Political Contributions</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> <ul style="list-style-type: none"> <li>• California Business Properties Association PAC: \$7,200</li> <li>• California Chamber of Commerce PAC: \$7,000</li> <li>• Californians for Jobs and a Strong Economy PAC: \$10,000</li> <li>• California Retailers Association Good Government Council: \$7,000</li> <li>• Chicagoland Chamber of Commerce PAC: \$10,000</li> <li>• Community Leaders of America: \$5,000</li> <li>• DC Chamber PAC: \$5,000</li> <li>• Defeat the Tax on Oregon Sales: \$150,000</li> <li>• Democratic Legislative Campaign Committee: \$12,000</li> <li>• Democratic Party of Illinois: \$5,000</li> <li>• Florida Retail Federation Political Committee: \$15,000</li> <li>• Future Majority Project (RLCC): \$10,000</li> <li>• House Republican Organization (IL): \$5,000</li> <li>• Illinois Merchants Political Action Committee Team: \$21,600</li> <li>• Interested Merchants Political Action Committee Team: \$7,200</li> <li>• National Conference of Democratic Mayors: \$5,000</li> <li>• New York Retailers for Effective Government: \$5,000</li> <li>• New York State Democratic Assembly Campaign Committee: \$15,000</li> <li>• New York State Senate Republican Campaign Committee: \$15,000</li> <li>• Republican Legislative Campaign Committee: \$12,000</li> <li>• Republican State Senate Campaign Committee (IL): \$5,000</li> <li>• Senate Democratic Victory Fund (IL): \$5,000</li> <li>• Tennessee Retail Association PAC: \$10,000</li> <li>• Women in California Leadership: \$10,000</li> <li>• Women in Power PAC (CA): \$5,000</li> </ul> <p>Corporate Political Contributions</p> <p>Target is also a member of national organizations. Our team members attend conferences and other events hosted by these organizations to learn about elected officials' policy priorities and initiatives and to share a retail perspective. Target expressly requires our funds are used only to support educational and association management activities and not for campaign contributions. Because these organizations also engage in political efforts, we disclose our memberships as political contributions.</p> <ul style="list-style-type: none"> <li>• Democratic Governors Association: \$50,000</li> <li>• Republican Governors Association: \$50,000</li> </ul>
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**Marketing & Labeling**

<b>GRI 103:</b> Management Approach 2016	<b>Management Approach (103-1, 103-2, 103-3)</b>	103	<p><a href="#">Business Conduct Guide: See sections on Protecting Information, p. 16; Guest Privacy, p. 23; Responsible Advertising, p. 24</a></p>
<b>GRI 417:</b> Marketing & Labeling 2016	<b>Incidents of non-compliance concerning marketing communications</b>	417-3	<p>Target understands the importance of our guests' privacy and is committed to treating personal information with care and respect. <a href="#">Target's Privacy Policy</a> is designed to provide transparency into our privacy principles and standards.</p> <p>Target is committed to conducting business in an ethical manner. <a href="#">Target's Business Conduct Guide</a> provides guidance to our teams and they are expected to understand and follow these guidelines.</p>