

Welcome to your CDP Forests Questionnaire 2023

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

Target Corporation (Target, the Corporation, or the Company) was incorporated in Minnesota in 1902. Our corporate purpose is to help all families discover the joy of everyday life. We offer to our customers, referred to as "guests," everyday essentials and fashionable, differentiated merchandise at discounted prices. We operate as a single segment designed to enable guests to purchase products seamlessly in stores or through our digital channels. Since 1946, we have given 5 percent of our profit to communities. Our team, technology, and operations enable us to serve guests, fulfil our purpose, and drive business results through a durable, growth-focused enterprise strategy that differentiates Target in the marketplace.

The six pillars of our strategy are:

- Differentiating from our competition with our assortment of unique owned brands and curated leading national brands;
- Investing to create an engaging, convenient, safe, and differentiated shopping experience for our guests;
- Leveraging our stores as fulfilment hubs to efficiently meet our guests' needs, whether they purchase online or in-store;
- Engaging with our guests through programs like Target Circle and RedCard to maintain and enhance our relevancy;
- Delivering affordability to our guests; and
- Leveraging our size and scale to benefit people, the planet, and our business, primarily through Target Forward, our enterprise sustainability strategy.

Target's definition for net zero emissions is: Achieved when a company's Scope 1, 2, and 3 emissions are reduced to a level that is consistent with a 1.5°C pathway and any residual emissions are removed from the atmosphere through either nature-based or technological carbon removal solutions (e.g., forestry, regenerative agriculture, carbon capture technology), by no later than 2050. Target has committed to being a Net Zero enterprise by 2040 – zero waste to landfill in US operations and net zero emissions across both our operations and supply chain, inclusive of Scope 1, 2 and 3. Target's responses in this report on matters that relate to the degree of risk or impact should not be viewed as an indication that such risks or impacts could be "material" as such term is used for SEC reporting purposes. Target's responses to this questionnaire contain forward-looking statements, which are based on our current assumptions and expectations. These statements are typically accompanied by the words "commit," "seek," "expect," "may," "could," "believe," "would," "might," "anticipates" or

similar words. The principal forward-looking statements in this report include our sustainability goals, commitments and programs; our business plans, initiatives and objectives; our assumptions and expectations; the scope and impact of corporate responsibility risks and opportunities; and standards and expectations of third parties. All such forward-looking statements are intended to enjoy the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, as amended. Although we believe there is a reasonable basis for the forward-looking statements, our actual results could be materially different. The most important factors that could cause our actual results to differ from our forward-looking statements are set forth in our description of risk factors included in Part I, Item 1A, Risk Factors of our Form 10-K for the fiscal year ended January 28, 2023, which should be read in conjunction with the forward-looking statements in this report. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update any forward-looking statement.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	January 31, 2022	January 30, 2023

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

USD

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization’s area of operation.

Timber products

Commodity disclosure

Disclosing

Stage of the value chain

Retailing

Are you disclosing information on embedded commodities?

Yes

Palm oil

Commodity disclosure

Disclosing

Stage of the value chain

Retailing

Are you disclosing information on embedded commodities?

Yes

Cattle products

Commodity disclosure

Not disclosing

Stage of the value chain

Retailing

Explanation if not disclosing

We are not disclosing due to data constraints, but will be assessing future opportunities to disclose

Soy

Commodity disclosure

Not disclosing

Stage of the value chain

Retailing

Explanation if not disclosing

We are not disclosing due to data constraints, but will be assessing future opportunities to disclose

Other - Rubber

Commodity disclosure

Not disclosing

Stage of the value chain

Retailing

Explanation if not disclosing

We are not disclosing due to data constraints, but will be assessing future opportunities to disclose

Other - Cocoa

Commodity disclosure

Not disclosing

Stage of the value chain

Retailing

Explanation if not disclosing

We are not disclosing due to data constraints, but will be assessing future opportunities to disclose

Other - Coffee

Commodity disclosure

Not disclosing

Stage of the value chain

Retailing

Explanation if not disclosing

We are not disclosing due to data constraints, but will be assessing future opportunities to disclose

F0.5

(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported

Operational control

F0.6

(F0.6) Select the countries/areas in which you operate.

United States of America

F0.7

(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

Yes

F0.7a

(F0.7a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.

Forest risk commodity

Palm oil

Value chain stage

Direct operations

Exclusion

Specific product line(s)

Description of exclusion

We have a curated selection of National Brands, Owned Brands, and exclusive National Brands that we sell to our guests. At this time, we do not disclose national brands product lines.

% of volume excluded

Don't know

Potential for forests-related risk

Potential for forests-related risk but not evaluated

Please explain

We do not have direct influence and data knowledge into our national brands forest-related risks but we know that we sell national brand products that contain palm oil, timber, soy, cattle products, and more forest-related commodities

F0.8

(F0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker Symbol	TGT

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

Retailing/onward sale of commodity or product containing commodity

Form of commodity

- Sawn timber, veneer, chips
- Pulp
- Paper
- Boards, plywood, engineered wood
- Primary packaging
- Secondary packaging
- Cellulose-based textile fiber

Source

Contracted suppliers (manufacturers)

Country/Area of origin

China
India
Indonesia
Italy
Thailand
Turkey
United States of America
Viet Nam

% of procurement spend

1-5%

Comment

Data is reflective of wood, paper and regenerated cellulose only.
For Target branded products our estimate is \$2.6B in retail sales across products containing wood, paper and regenerated cellulose fiber. This represents about 2.3% of total retail sales at Target.

Palm oil

Activity

Retailing/onward sale of commodity or product containing commodity

Form of commodity

Refined palm oil
Palm oil derivatives
Palm kernel oil derivatives

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Brazil
Cambodia
Cameroon
Colombia
Costa Rica
Côte d'Ivoire
Ecuador
Gabon
Germany
Ghana
Guatemala
Honduras
India
Indonesia
Liberia
Malaysia
Mexico

Nicaragua
 Panama
 Papua New Guinea
 Peru
 Philippines
 Solomon Islands
 Thailand
 Venezuela (Bolivarian Republic of)

% of procurement spend

Don't know

Comment

We don't directly procure palm oil, so it is more difficult to extrapolate the amount of revenue/spend tied to just palm oil.

F1.2

(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	1-5%	Data is reflective of wood, paper and regenerated cellulose only. For Target branded products our estimate is \$2.6B in retail sales across products containing wood, paper and regenerated cellulose fiber. This represents about 2.3% of total retail sales at Target.
Palm oil	Don't know	

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Palm oil	Consumption data available, disclosing

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

Forest risk commodity

Palm oil

Data type

Consumption data

Commodity production/ consumption volume

8,005

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Partial commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

No, but we are planning to verify volumes as deforestation- and/or conversion-free in the next two years

% of reported volume verified as deforestation- and/or conversion-free

Please explain

Our commitment covers all owned brand products, but does not currently cover national brand items.

Forest risk commodity

Timber products

Data type

Consumption data

Commodity production/ consumption volume

317,000

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Partial commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

No, but we are planning to verify volumes as deforestation- and/or conversion-free in the next two years

% of reported volume verified as deforestation- and/or conversion-free

Please explain

This data represents wood, paper, and regenerated cellulose in Owned Brands. Target uses certifications such as FSC, SFI and PEFC as a proxy for deforestation free. At this time we do not have a comprehensive estimate for the % certified in our Owned Brands. Estimating 317,000 metric tons consumption in owned brands across wood, paper, and regenerated cellulose.

F1.5c

(F1.5c) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

21.9

Please explain

United States is not available in the drop down. These countries represent the point of manufacture for final goods. Not the point of forest origin. Consumption only represents Target branded product use of regenerated cellulose fiber. Wood and paper consumption is not yet available due to inability to accurately measure material consumption in mixed material products outside of apparel. These calculations are based on order quantities, item weights and item material mix. This data is readily available in our apparel businesses. We require all owned brand suppliers to adhere to the Canopy pledge for regenerated cellulose fibers. Canopy audits help ensure that fiber producers are not sourcing from ancient and endangered forests as well as causing deforestation.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

14.5

Please explain

China is not available in the drop down. These countries represent the point of manufacture for final goods. Not the point of forest origin.

Consumption only represents Target branded product use of regenerated cellulose fiber. Wood and paper consumption is not yet available due to inability to accurately measure material consumption in mixed material products outside of apparel. These calculations are based on order quantities, item weights and item material mix. This data is readily available in our apparel businesses. We require all owned brand suppliers to adhere to the Canopy pledge for regenerated cellulose fibers. Canopy audits help ensure that fiber producers are not sourcing from ancient and endangered forests as well as causing deforestation.

Forest risk commodity

Timber products

Country/Area of origin

Thailand

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

12.2

Please explain

These countries represent the point of manufacture for final goods. Not the point of forest origin.

Consumption only represents Target branded product use of regenerated cellulose fiber. Wood and paper consumption is not yet available due to inability to accurately measure material consumption in mixed material products outside of apparel. These calculations are based on order quantities, item weights and item material mix. This data is readily available in our apparel businesses. We require all owned brand suppliers to adhere to the Canopy pledge for regenerated cellulose fibers. Canopy audits help ensure that fiber producers are not sourcing from ancient and endangered forests as well as causing deforestation.

Forest risk commodity

Timber products

Country/Area of origin

Viet Nam

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

11.4

Please explain

These countries represent the point of manufacture for final goods. Not the point of forest origin.

Consumption only represents Target branded product use of regenerated cellulose fiber. Wood and paper consumption is not yet available due to inability to accurately measure material consumption in mixed material products outside of apparel. These calculations are based on order quantities, item weights and item material mix. This data is readily available in our apparel businesses. We require all owned brand suppliers to adhere to the Canopy pledge for regenerated cellulose fibers. Canopy audits help ensure that fiber producers are not sourcing from ancient and endangered forests as well as causing deforestation.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

10.5

Please explain

Italy is not in the drop down. These countries represent the point of manufacture for final goods. Not the point of forest origin.

Consumption only represents Target branded product use of regenerated cellulose fiber. Wood and paper consumption is not yet available due to inability to accurately measure material consumption in mixed material products outside of apparel. These calculations are based on order quantities, item weights and item material mix. This data is readily available in our apparel businesses. We require all owned brand suppliers to adhere to the Canopy pledge for regenerated cellulose fibers. Canopy audits help ensure that fiber producers are not sourcing from ancient and endangered forests as well as causing deforestation.

Forest risk commodity

Timber products

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

6.2

Please explain

These countries represent the point of manufacture for final goods. Not the point of forest origin.

Consumption only represents Target branded product use of regenerated cellulose fiber. Wood and paper consumption is not yet available due to inability to accurately measure material consumption in mixed material products outside of apparel. These calculations are based on order quantities, item weights and item material mix. This data is readily available in our apparel businesses. We require all owned brand suppliers to adhere to the Canopy pledge for regenerated cellulose fibers. Canopy audits help ensure that fiber producers are not sourcing from ancient and endangered forests as well as causing deforestation.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

5.6

Please explain

Turkey is not in the drop down. These countries represent the point of manufacture for final goods. Not the point of forest origin.

Consumption only represents Target branded product use of regenerated cellulose fiber. Wood and paper consumption is not yet available due to inability to accurately measure material consumption in mixed material products outside of apparel. These calculations are based on order quantities, item weights and item material mix. This data is readily available in our apparel businesses. We require all owned brand suppliers to adhere to the Canopy pledge for regenerated cellulose fibers. Canopy audits help ensure that fiber producers are not sourcing from ancient and endangered forests as well as causing deforestation.

Forest risk commodity

Timber products

Country/Area of origin

India

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

3.5

Please explain

These countries represent the point of manufacture for final goods. Not the point of forest origin.

Consumption only represents Target branded product use of regenerated cellulose fiber. Wood and paper consumption is not yet available due to inability to accurately measure material consumption in mixed material products outside of apparel. These calculations are based on order quantities, item weights and item material mix. This data is readily available in our apparel businesses. We require all owned brand suppliers to adhere to the Canopy pledge for regenerated cellulose fibers. Canopy audits help ensure that fiber producers are not sourcing from ancient and endangered forests as well as causing deforestation.

Forest risk commodity

Palm oil

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

Please explain

We are aware of the countries where our volume of palm oil comes from but we do not yet feel comfortable sharing numbers before verification

F1.5f

(F1.5f) How does your organization produce or consume biofuel derived from palm oil?

Does your organization produce or consume biofuel derived from palm oil?

No

Data type

Volume produced/consumed

Metric

Country/Area of origin

State or equivalent jurisdiction

% of total production/consumption volume

Does the source of your organization's biofuel material come from smallholders?

Comment

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

No

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity

Timber products

Have you monitored or estimated your deforestation/conversion footprint?

No, but we plan to monitor or estimate our deforestation/conversion footprint in the next two years

Coverage

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Known or estimated deforestation/ conversion footprint (hectares)

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

Forest risk commodity

Palm oil

Have you monitored or estimated your deforestation/conversion footprint?

No, but we plan to monitor or estimate our deforestation/conversion footprint in the next two years

Coverage

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Known or estimated deforestation/ conversion footprint (hectares)

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Supply chain

Coverage

Partial

Risk assessment procedure

Assessed in an environmental risk assessment

Frequency of assessment

Not defined

How far into the future are risks considered?

1 to 3 years

Tools and methods used

External consultants

Issues considered

Impact of activity on the status of ecosystems and habitats

Stakeholders considered

NGOs

Suppliers

Please explain

Risk assessments we have performed have been used to determine compliance with our Forest Products policy when uncertified materials are being used. The risk assessment was desktop/paperwork based and supported by Preferred By Nature. The goal was to determine forest management practices at the beginning of the supply chain. This was by no means an exhaustive risk assessment, the primary purpose was to understand the challenges in supply chain mapping as well as document collection and validation in a select portion of our product assortment. The results were inconclusive as we found that field validation is necessary to fill the gaps in documentation. At this time, we do not have plans to perform field validation of this risk assessment. Our primary tool for risk assessment remains 3rd party certifications

Palm oil

Value chain stage

Supply chain

Coverage

Partial

Risk assessment procedure

Assessed in an environmental risk assessment

Frequency of assessment

Every two years

How far into the future are risks considered?

1 to 3 years

Tools and methods used

- Internal company methods
- External consultants
- Sustainability Policy Transparency Toolkit (SPOTT)
- Jurisdictional/landscape assessment

Issues considered

- Availability of forest risk commodities
- Quality of forests risk commodities
- Impact of activity on the status of ecosystems and habitats
- Regulation
- Climate change
- Social impacts

Stakeholders considered

- Customers
- Employees
- Investors
- Local communities
- NGOs
- Other forest risk commodity users/producers at a local level
- Regulators
- Suppliers

Please explain

Our risk assessment procedure includes working with our consultant, Earthworm Foundation to trace palm oil to a mill and then overlay that data with outstanding grievances associated with those mills. We chose both “internal company methods” and “external consultants” as tools used because we survey suppliers internally, compile that data and overlay it with Earthworm Foundation’s internal data sets.

We consider the impact of activity on the status of ecosystems and habitats to be the most significant to Target.

We currently only retain partial coverage of data because we do not include national brands as part of this work.

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

	Value chain mapping	Primary reason for not mapping your value chain	Explain why your organization does not map its value chain and outline any plans to introduce it

Timber products	No, and we do not plan to map the value chain within the next two years	Important, but not an immediate business priority	Timber traceability and supply chain mapping is not yet a priority compared to other commodities.
Palm oil	Yes, we have partially mapped the value chain		

F2.2a

(F2.2a) Provide details of your organization’s value chain mapping for its disclosed commodity(ies).

Forest risk commodity

Palm oil

Scope of value chain mapping

Own operations

Tier 1 suppliers

Tier 2 suppliers

Tier 3 suppliers

Tier 4+ suppliers

% of total suppliers covered within selected tier(s)

Description of mapping process and coverage

We have mapped the palm oil included in our own brand food and beverage, essentials, beauty, and candles products to mill. We can't verify % of total suppliers covered within selected tier(s) yet.

All suppliers complete a traceability declaration document providing us with these details.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

0

Your suppliers’ production and primary processing sites: attach a list of names and locations (optional)

0

F2.3

(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?

Use of a classification system to determine deforestation and/or conversion risk of sourcing areas	
1	No, but we plan to in the next two years

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Palm oil	Yes

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

We consider multiple factors in evaluating risk. Importantly, something that has a "substantive financial or strategic impact on our business" is not necessarily "material" to investors as defined by the Securities and Exchange Commission (SEC).

In the context of climate-related issues and this response, Target leverages both the TCFD framework and our internal Enterprise Risk Management Framework. We consider a number of factors including, but not limited to: financial, team, guest, operations, and reputation impact; likelihood of potential events occurrence over time; and our ability to mitigate potential risks.

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber products

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Brand damage

Company-specific description

Target stakeholders (guests, investors, etc.) expect that we are acting responsibly and have oversight of our supply chain as related to timber. If there were a discovery that we had not completed our due diligence in this endeavor, we would expect significant brand and/or reputational damage. We support responsibly managed forests, and to that end, introduced our Responsible Sourcing Policy for Forest Products in 2017. This policy helps us on our long-term intention that all wood, paper, paper-based packaging, and wood-based fiber used in the products we purchase and sell is sourced from well-managed forests that have been credibly certified and/or are from post-consumer recycled materials. We are starting with owned brand products containing wood or paper-based materials, like paper towels, wrapping paper, furniture, and rayon used in apparel.

Timeframe

1-3 years

Magnitude of potential impact

Medium-low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Financial impact is most apparent when considering risk mitigation measures related to supplier engagement. It may be possible to determine the financial impact related to certification status of products, but that analysis has not been performed due to the significantly manual nature of determining cost impact at the item level.

Primary response to risk

Engagement with suppliers

Description of response

Our primary approach to mitigating risk in forest product supply chains is to use 3rd party certifications. We report against this progress publicly in our annual ESG report as a percentage in compliance. Uncertified forest products remain a risk, thus our approach is to continue conversion of any uncertified materials to certified. This approach to risk mitigation is only as good as the certifications we use. Which is why we have a preference for FSC certification, but also use SFI and PEFC when needed

Cost of response

100,000

Explanation of cost of response

The financial impact of this work is difficult to quantify outside of some specific examples where 3rd party consultants were paid for support to analyze and mitigate risk. Financial impact comes in many forms: additional verification efforts, vendor training and support, some increases in raw material costs across a wide variety of vendors and wood-based materials. Forest policy implementation exceeds \$100,000 per year when considering all of these factors.

Forest risk commodity

Palm oil

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Brand damage

Company-specific description

Target stakeholders (guests, investors, etc.) expect that we are acting responsibly and have oversight of our supply chain as related to palm oil. If there were a discovery that we had not completed our due diligence in this endeavor, we would expect significant brand and/or reputational damage. To address this risk, Target requires owned brand suppliers of Food & Beverage, Essentials & Beauty, and Candles covered by our palm oil commitment to supply palm oil ingredients that comply with by one of the four RSPO trading models (Book and Claim, Mass Balance, Segregated, or Identity Preserved). In 2022, our certification breakdown was 6% identity preserved, 15% segregated, 56% mass balance, and 12% Book & Claim. Target will continue to collaborate with companies in our supply chain and industry stakeholders to leverage our collective

scale, influence and expertise to promote sustainable palm oil. We will also continue to report annually on our progress

Timeframe

1-3 years

Magnitude of potential impact

Medium-low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

The impact has not been quantified financially

Primary response to risk

Engagement with suppliers

Description of response

Target continuously engages with our suppliers to ensure they are using sustainably sourced palm oil. We engage with any supplier who is not in compliance with our sustainable palm oil expectations. Engagements with suppliers include, but not limited to, training on Target's palm oil commitment and annual surveys.

Cost of response

Explanation of cost of response

Cost of response not quantified at corporate level

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	Yes
Palm oil	Yes

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Timber products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Supply chain

Other parts of the value chain

Primary forests-related opportunity

Increased demand for certified materials

Company-specific description

In 2017 Target launched an Owned Brand Forest Products policy. This policy impacts a wide variety of Target's businesses and therefore a large number of products as well as the factories in which they are produced. Ensuring that the policy is met is first and foremost a communications and education challenge across Target team members as well as suppliers. This is particularly challenging for a mass retailer that does not own factories and must create change through product specifications, even when those purchases may not represent a significant portion of a factory's business. Suppliers have well established supply chains and converting those supply chains to certified takes a significant amount of work and change.

Since the launch of Target's forest products policy, our team has been working with suppliers to grow the number of factories that are capable of producing FSC certified products. Certification requires that factories become independently audited to ensure that the FSC standard is being met. This certification allows the factory sell Target FSC certified finished goods.

Target has provided educational resources for any vendors interested. A series of training videos were created to help vendors understand the requirements of certification. These 10 videos provide 2.5 hours of training videos and documents to help vendors through the certification process. The documents have been translated to Mandarin to reach a broader supplier base. Additionally our team members in sourcing and product development are becoming much more adept at designing into and around the challenges presented by the change to certified materials.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium-low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

We do not currently quantify the financial impact of this opportunity.

Cost to realize opportunity

Strategy to realize opportunity

Forest risk commodity

Palm oil

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Increased demand for certified materials

Company-specific description

As a retailer purchasing goods from manufacturers, we are able to use our leverage to create demand for certified materials. To that end, we are using our purchasing of owned brand products to increase demand from our suppliers for palm oil that is produced more sustainably and increase our level of transparency. In 2019, Target announced a new Palm Oil Sustainability Commitment with two specific ambitions: 1) All owned brand suppliers would be Roundtable on Sustainable Palm Oil (RSPO) physically certified products by the end of 2022 2) We are working to trace all palm oil to mill by the end of 2022. In addition to these more ambitious goals, the new commitment covered a much broader array of products across the food and beverage, essentials and beauty,

and candles divisions to ensure we were actively engaging with all of the areas of store that have notable palm oil usage.

Achieving these goals required working with our internal teams and suppliers in three distinct parts of the business, each representing a variety of different industries: food, beverage, household cleaning, personal care, baby care, beauty, cosmetics, and candles.

Beginning in 2018, our teams have been educating our vendors on the requirements of certification and supporting them through the process of getting certified. As we engaged in the traceability to mill level work, the Target team as well as our partners at the Earthworm Foundation provided regular technical support to our suppliers. The vast majority of our suppliers were not being asked to provide this level of data to their other retail customers which increased the level of complexity for them to get access to the data we requested. These suppliers now have this level of data available which we hope will help to boost the level palm traceability in the North American market.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Medium-low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

We do not currently quantify the financial impact of this opportunity.

Cost to realize opportunity

Strategy to realize opportunity

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual or committee	Responsibilities for forest-related issues
Board-level committee	Board-level Committee: The full Board has an important role in overseeing the development, periodic review, and ongoing monitoring of our strategy, which includes Target Forward, our enterprise sustainability strategy that leverages our size and scale to benefit people, the planet, and our business. As part of Target Forward, we have specific, time-bound goals that support our sustainability ambitions, which include forest related issues

F4.1b

(F4.1b) Provide further details on the board’s oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy	Given the breadth of ESG matters for a company of our size and scale, oversight of those issues is allocated throughout the Board and its Committees. The full Board has oversight over Sustainability and ESG strategy and risks (through oversight of our business strategy, annual strategic priorities, and top enterprise risks). The Governance & Sustainability Committee of our Board is responsible for oversight of environmental stewardship practices (including climate and energy, among others). The Audit & Risk Committee having oversight over certain supply chain ESG matters. Our Executive Vice President & Chief

			Communications Officer and Senior Vice President of Corporate Responsibility regularly engages with the Governance & Sustainability Committee of the Board and the full Board on ESG-related topics, which includes our implementation and execution plans and activities related to Target Forward, the sustainability component of our overall business strategy, and our Target Forward goals and commitments.
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F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

Yes

Criteria used to assess competence on forests-related issues

As part of our Board and Committee evaluation process, individual director performance and subject matter competence is regularly reviewed.

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain
Other, please specify Senior Vice President, Corporate Responsibility	Monitoring progress against forests-related corporate targets	As important matters arise	The Senior Vice President of Corporate Responsibility oversees corporate responsibility across Target. They report to the Executive Vice President and Chief Communications Officer at Target.
Other, please specify Vice President, Responsible Sourcing & Sustainability	Monitoring progress against forests-related corporate targets	As important matters arise	The Vice President of Responsible Sourcing & Sustainability oversees our

			global commitment to manufacturing our goods and services in a responsible and sustainable manner. The Vice President of Responsible Sourcing & Sustainability reports to our SVP & President of Owned Brand Sourcing.
Other, please specify Vice President of Product Insights, Strategy & Responsible Design	Monitoring progress against forests-related corporate targets	As important matters arise	The Vice President of Product Insights, Strategy & Responsible Design oversees our global commitment to designing our owned brand products in a responsible and sustainable manner. They report to our SVP of Product Design & Packaging

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

No, and we have no plans to do so

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

Row 1

Scope

Company-wide

Commodity coverage

Palm oil

Timber products

Content

Commitment to eliminate deforestation

Commitment to protect rights and livelihoods of local communities

Commitments beyond regulatory compliance

Commitment to align with the SDGs

Recognition of the overall importance of forests and other natural ecosystems

Description of business dependency on forests

List of timebound milestones and targets

Document attachment

 Materials & Deforestation _ Target.pdf

Please explain

Timber: Target recognizes that the ecosystem services provided by forests around the world are irreplaceable. Forests are critical to mitigating climate change, providing a carbon sink, fostering habitat for biodiversity, protecting water supplies, providing livelihoods for communities, and are a renewable resource for products and packaging throughout our supply chain. We commit to working with our owned brand suppliers to protect forests by eliminating deforestation and forest degradation from our value chain. More specifically, we will focus on eliminating deforestation of primary forests and areas of High Conservation Value, as well as High Carbon Stock forest areas and peatlands (regardless of depth). As a retailer with a wide variety of products, we understand the responsibility we have to protect forests around the world. We are committed to aiding in the global effort to end deforestation and forest degradation, and focus our efforts in the places we can have the most positive impact today – specifically palm oil and wood-based materials. We are committed to sustainably sourcing wood, paper, and wood-based fibers in our priority owned brands; palm in all of our owned brands; and wood-based fibers in our owned brand packaging. We will build on our existing priority raw material commitments by evaluating high-risk commodities – including soy, leather, and rubber – and their material significance to Target. Our policy does not currently cover National Brand products as we have the greatest insight as well as influence over our owned-brand portfolio and supply chain.

Palm oil: This commitment applies to palm oil, palm kernel oil, and derivatives in Target's owned brand food, household cleaning, personal care, baby care, beauty, cosmetics, and candle products. We plan to update this policy in 2023. As a next step in Target's multi-year endeavor to responsibly source palm oil, Target commits to

moving beyond the use of a credit system toward the use of physically certified palm oil. Our goal is for palm oil in our products to be certified by the Roundtable on Sustainable Palm Oil (RSPO) or an equivalent standard

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Forest risk commodity	Public commitments made
Timber products	Yes
Palm oil	Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

- Other, please specify
- Canopy Pledge

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Timber products

Criteria

- No conversion of natural ecosystems
- No conversion of High Conservation Value areas
- No sourcing of illegally produced and/or traded forest risk commodities

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

No cutoff date

Forest risk countries/areas that the cutoff date applies to

Reason for selecting cutoff date

Commitment target date

2026-2030

Please explain

The scope of this disclosure covers Target's Owned Brands. Our goal is to have the following brands meeting the policy by end of 2022: (Spritz, Cat&Jack, up&up, Threshold, Smith&Hawken, Pillowfort). After that date, we are expanding the goal as part of our commitment to make all Leading Materials recycled, regenerative or sustainably sourced by 2030. This broader goal will help hold the progress we have made while also expanding to all brands. This approach was utilized to help us make progress on our largest wood and paper product brands while also learning how to scale up the approach to all Owned Brands

Forest risk commodity

Palm oil

Criteria

- No new development on peat regardless of depth
- No conversion of High Carbon Stock forests
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2019

Forest risk countries/areas that the cutoff date applies to

Applied globally

Reason for selecting cutoff date

Specific to commitment

Commitment target date

2021-25

Please explain

Target has engaged with suppliers and participated in initiatives to increase the sustainability of its palm oil supply chain over the past 7 years. Target also aims to increase the portion of segregated and identity preserved palm oil used in its owned brand products over time.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	5-10	<p>Timber: The 5-10 year time horizon was chosen to align with our 2030 leading materials goal. Which includes wood and paper.</p> <p>Responsible Sourcing & Sustainability is an integral part of Target's business strategy. In 2016, we launched our 2020 Responsible Sourcing Aspirations which included a commitment to sustainably managed forests and palm oil. At Target, we also understand that our guest expects sustainable forest products. One way we communicate this commitment is by being an FSC trademark license holder. The FSC trademark license allows Target to use the Forest Stewardship Council's logo in marketing (on Target.com, in store, and in our weekly ad) to both support FSC's approach to sustainable forestry as well as to help educate our guest about sustainable forest management. The use of the FSC logo in marketing is supported across Target's owned brands and appears on over 1,500 of products at Target.</p> <p>Palm oil: Responsible Sourcing & Sustainability is an integral part of Target's business strategy. In 2016, we launched our 2020 Responsible Sourcing Aspirations which included a commitment to sustainably managed forests and palm oil. At Target, we also understand that our guest expects sustainable forest products. On the palm oil side, we require that all owned brand products are physically certified by RSPO and are aiming to increase the percentage of palm oil that is Segregated or Identity Preserved from there. We selected this time horizon because we sought to balance the scarcity of physically certified sources in the North American market for certain ingredients with an ambitious target that would create a demand signal for the industry.</p>

			<p>Please reference the following links: Target's Deforestation Page: https://corporate.target.com/sustainability-esg/environment/materials-and-deforestation Target's Palm Oil commitments: https://corporate.target.com/sustainability-esg/environment/materials-and-deforestation/palm-oil</p>
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	<p>Our palm oil strategy is to commit to time bound goals to achieve greater levels of sustainability through the RSPO certification program, work with suppliers to meet our palm oil commitment, and engagement in NASPON to support the further progress of sustainable palm oil in the North American market.</p> <p>Please reference the following links</p> <p>Target's Deforestation Page: https://corporate.target.com/corporate-responsibility/planet/deforestation</p> <p>Target's Palm Oil commitments: https://corporate.target.com/corporate-responsibility/planet/deforestation/palm-oil-commitment</p>
Financial planning	Yes, forests-related issues are integrated	5-10	<p>Target has included cost impacts due to increased raw material costs from converting our supply chain to more certified forest products in the company's financial planning processes.</p>

F6. Implementation

F6.1

(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.

Target reference number

Target 1

Forest risk commodity

Timber products

Year target was set

Target coverage

Business division

Target category

Third-party certification

Metric

Other, please specify

of Owned brand paper-based packaging from sustainably managed forests

Traceability point

Third-party certification scheme

FSC (any type)

PEFC (any type)

SFI Chain of Custody

SFI Fiber Sourcing certification

Base year

2017

Base year figure

0

Target year

2022

Target year figure

100

Reporting year figure

90

% of target achieved relative to base year [auto-calculated]

90

Target status in reporting year

Underway

Is this target linked to a commitment?

Other environmental commitments

Please explain

Source all owned-brand, paper-based packaging from sustainably managed forests by 2022. In 2022 we reached 90%.

Target reference number

Target 2

Forest risk commodity

Timber products

Year target was set

2017

Target coverage

Product level

Target category

Other, please specify

Compliance with forests policy

Metric

Other, please specify

In compliance (yes/no) -- %

Traceability point

Third-party certification scheme

Base year

2017

Base year figure

0

Target year

2022

Target year figure

100

Reporting year figure

47

% of target achieved relative to base year [auto-calculated]

47

Target status in reporting year

Underway

Is this target linked to a commitment?

Other environmental commitments

Please explain

By the end of 2022, the Threshold and Smith & Hawken brands will be fully compliant with our forest products policy. In 2022 we reached 47%.

Target reference number

Target 1

Forest risk commodity

Palm oil

Year target was set

2018

Target coverage

Target category

Third-party certification

Metric

% of volume third-party certified

Traceability point

Third-party certification scheme

RSPO Identity Preserved
RSPO Segregated
RSPO Mass Balance
RSPO Book and Claim

Base year

2015

Base year figure

0

Target year

2022

Target year figure

100

Reporting year figure

89

% of target achieved relative to base year [auto-calculated]

89

Target status in reporting year

Underway

Is this target linked to a commitment?

Other environmental commitments

Please explain

In 2022, 56% of our volumes were certified mass balance, 15% segregated, 12% book & claim, 6% identity preserved.

Target reference number

Target 2

Forest risk commodity

Timber products

Year target was set

2019

Target coverage

Product level

Target category

Traceability

Metric

% of volume traceable to traceability point

Traceability point

Mill

Third-party certification scheme

Base year

2019

Base year figure

Target year

2022

Target year figure

Reporting year figure

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

Underway

Is this target linked to a commitment?

Other environmental commitments

Please explain

In 2021, we traced 87% of our palm oil to importer. We expect this number for 2022 to show a significant increase. We are still in the process of validating and verifying our data for reporting.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Supply chain coverage	Description of traceability system	Exclusions	Description of exclusion
Timber products	No				
Palm oil	Yes	Volume from direct and indirect suppliers	Supplier survey with third party partner analysis	Specific supplier(s)	We have more insight, oversight, as well as influence over our owned-brand portfolio and supply chain, thus we are excluding national brand and store operations. All owned brand food, beverage, essentials, beauty, and candle products are included within our traceability system.

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Palm oil	Mill		

F6.2b

(F6.2b) Why do you not have system(s) in place to track and monitor the origin of your disclosed commodity(ies) and what are your plans to develop these in the future?

Forest risk commodity

Timber products

Primary reason

Important, but not an immediate business priority

Please explain

We use 3rd part chain of custody certifications for our forest products for assurance. However, we understand the limitations and shortcomings of these certifications. Target performs audits on all suppliers providing certified materials to ensure their validity. Traceability of forest products is not our priority at this time as other commodities are piloting traceability systems first.

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	74
Palm oil	Yes	100

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Timber products

Third-party certification scheme

FSC (any type)

Chain-of-custody model used

% of total production/consumption volume certified

90

Form of commodity

Other, please specify
wood and paper

Volume of production/ consumption certified

Metric for volume

Is this certified by more than one scheme?

No

Please explain

We measure our forest products based on sales volume and number of items/units and do not currently track based on physical volume of material (metric tons, cubic meters, etc). Total does not equal 100%, in some cases I have confirmation that there is a certification, but do not know the certification type

Forest risk commodity

Timber products

Third-party certification scheme

PEFC (any type)

Chain-of-custody model used

% of total production/consumption volume certified

5

Form of commodity

Other, please specify
wood and paper

Volume of production/ consumption certified

Metric for volume

Is this certified by more than one scheme?

No

Please explain

We measure our forest products based on sales volume and number of items/units and do not currently track based on physical volume of material (metric tons, cubic meters, etc). Total does not equal 100%, in some cases I have confirmation that there is a certification, but do not know the certification type

Forest risk commodity

Timber products

Third-party certification scheme

Other, please specify

SFI Chain of Custody and SFI Fiber Sourcing certification

Chain-of-custody model used

% of total production/consumption volume certified

3

Form of commodity

Other, please specify

wood and paper

Volume of production/ consumption certified

Metric for volume

Is this certified by more than one scheme?

No

Please explain

We measure our forest products based on sales volume and number of items/units and do not currently track based on physical volume of material (metric tons, cubic meters, etc). Total does not equal 100%, in some cases I have confirmation that there is a certification, but do not know the certification type

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Identity Preserved

Chain-of-custody model used

% of total production/consumption volume certified

6

Form of commodity

- Crude palm oil (CPO)
- Crude palm kernel oil (CPKO)
- Refined palm oil
- Palm oil derivatives
- Palm kernel oil derivatives

Volume of production/ consumption certified

480

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Target will continue to collaborate with supply chain partners and industry stakeholders to leverage our collective scale, influence, and expertise to promote sustainable palm oil. We will also continue to report annually on our progress. As a next step in Target's multi-year endeavor to responsibly source palm oil, Target commits to moving beyond the use of a credit system toward the use of physically certified palm oil. Our goal is for palm oil in our owned brand products to be certified by the Roundtable on Sustainable Palm Oil (RSPO) or an equivalent standard with a mass balance, segregated, or identity preserved supply chain certification by the end of 2022. Target also aims to increase the portion of segregated and identity preserved palm oil used in its owned brand products over time. Target continues to engage its suppliers on the implementation of Target's responsible palm oil sourcing commitment through an annual survey to determine the volume of palm oil and derivatives and palm kernel oil and derivatives used in the owned-brand products covered by its commitment, including the percentage that is certified as sustainable, classified across Palm Trace Credits, MassBalance and Segregated. Our commitment covers palm volumes purchased directly by our suppliers for use in owned-brand products, suppliers that source palm oil indirectly through finished product components and suppliers that source palm oil and kernel derivatives in household and personal care products. 8005 tons of palm oil, palm kernel oil, and derivatives were used in products covered in our commitment.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Segregated

Chain-of-custody model used

% of total production/consumption volume certified

15

Form of commodity

Crude palm oil (CPO)
Crude palm kernel oil (CPKO)
Refined palm oil
Palm oil derivatives
Palm kernel oil derivatives

Volume of production/ consumption certified

1,200

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Target will continue to collaborate with supply chain partners and industry stakeholders to leverage our collective scale, influence, and expertise to promote sustainable palm oil. We will also continue to report annually on our progress. As a next step in Target's multi-year endeavor to responsibly source palm oil, Target commits to moving beyond the use of a credit system toward the use of physically certified palm oil. Our goal is for palm oil in our owned brand products to be certified by the Roundtable on Sustainable Palm Oil (RSPO) or an equivalent standard with a mass balance, segregated, or identity preserved supply chain certification by the end of 2022. Target also aims to increase the portion of segregated and identity preserved palm oil used in its owned brand products over time. Target continues to engage its suppliers on the implementation of Target's responsible palm oil sourcing commitment through an annual survey to determine the volume of palm oil and derivatives and palm kernel oil and derivatives used in the owned-brand products covered by its commitment, including the percentage that is certified as sustainable, classified across Palm Trace Credits, MassBalance and Segregated. Our commitment covers palm volumes purchased directly by our suppliers for use in owned-brand products, suppliers that source palm oil indirectly through finished product components and suppliers that source palm oil and kernel derivatives in household and personal care products. 8005 tons of palm oil, palm kernel oil, and derivatives were used in products covered in our commitment.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Mass Balance

Chain-of-custody model used



% of total production/consumption volume certified

56

Form of commodity

- Crude palm oil (CPO)
- Refined palm oil
- Palm oil derivatives
- Palm kernel oil derivatives

Volume of production/ consumption certified

4,482

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Target will continue to collaborate with supply chain partners and industry stakeholders to leverage our collective scale, influence, and expertise to promote sustainable palm oil. We will also continue to report annually on our progress. As a next step in Target's multi-year endeavor to responsibly source palm oil, Target commits to moving beyond the use of a credit system toward the use of physically certified palm oil. Our goal is for palm oil in our owned brand products to be certified by the Roundtable on Sustainable Palm Oil (RSPO) or an equivalent standard with a mass balance, segregated, or identity preserved supply chain certification by the end of 2022. Target also aims to increase the portion of segregated and identity preserved palm oil used in its owned brand products over time. Target continues to engage its suppliers on the implementation of Target's responsible palm oil sourcing commitment through an annual survey to determine the volume of palm oil and derivatives and palm kernel oil and derivatives used in the owned-brand products covered by its commitment, including the percentage that is certified as sustainable, classified across Palm Trace Credits, MassBalance and Segregated. Our commitment covers palm volumes purchased directly by our suppliers for use in owned-brand products, suppliers that source palm oil indirectly through finished product components and suppliers that source palm oil and kernel derivatives in household and personal care products. 8005 tons of palm oil, palm kernel oil, and derivatives were used in products covered in our commitment.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance	Comment
Timber products	No	
Palm oil	No	

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations	Comment
Timber products	No, we do not assess legal compliance	
Palm oil	Yes, from suppliers	

F6.6a

(F6.6a) For your disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.

Palm oil

Procedure to ensure legal compliance

We require that all of our suppliers are in compliance with the legal compliance principles that are part of the RSPO standard. Our suppliers must demonstrate their compliance with the following principles through our annual survey. Palm oil cultivation must not cause deforestation of primary forests, areas of High Conservation Value or High Carbon Stock forest areas. Palm oil developments must not be planted on peat lands regardless of depth . Land prepared for the planting or replanting of palm trees must not be prepared by burning

Palm oil developments must proceed on the basis of Free, Prior, and Informed Consent Workers, including women and migrant workers, must be provided wages, benefits and working conditions that are fair and in accordance with local law .Suppliers must provide a safe and healthy working environment that complies with local laws and minimizes occupational hazards .All workers have the right to engage in work willingly, without surrendering identification and without the payment of fees. Suppliers must comply with all age-related working restrictions as set by local law and adhere to international standards as defined by the International Labor Organization regarding age-appropriate work

Country/Area of origin

Brazil
 Cambodia
 Colombia
 Côte d'Ivoire
 Gabon
 Guatemala
 India
 Indonesia
 Malaysia
 Papua New Guinea
 Philippines

Thailand

Law and/or mandatory standard(s)

Other, please specify
RSPO

Comment

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Please explain
Timber products	No, not working with smallholders	
Palm oil	No, not working with smallholders	

F6.8

(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.

Forest risk commodity

Timber products

Are you working with direct suppliers?

No, not working with direct suppliers

Action(s) on forests-related issues driven by engagement

Type of engagement

Details of engagement

Description of engagement

% of suppliers engaged by procurement spend covered by engagement

Explain the impact of your engagement on the selected action

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Does this engagement contribute to achieving a reported target?

Forest risk commodity

Palm oil

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Other, please specify
help to improve traceability

Type of engagement

Supply chain mapping
Capacity building
Innovation and collaboration

Details of engagement

Collaborate with suppliers on innovations to reduce forest-related impacts in products and services

Description of engagement

Target is working with our suppliers to help them achieve physically certified palm oil ingredients in our owned brand products and working with suppliers to trace palm oil back to the importer.

% of suppliers engaged by procurement spend covered by engagement

100

Explain the impact of your engagement on the selected action

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Unknown

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s)
Palm oil traceability target

F6.9

(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.

Forest risk commodity

Timber products

Are you working beyond first tier?

No, not working beyond the first tier

Action(s) on forest-related issues driven by engagement

Type of engagement

Details of engagement

Description of engagement

Explain the impact of your engagement on the selected action

Does this engagement contribute to achieving a reported target?

Forest risk commodity

Palm oil

Are you working beyond first tier?

Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement

Other, please specify

Type of engagement

Supply chain mapping

Details of engagement

Description of engagement

Target is working with our suppliers of food and beverage, essentials and beauty, and candles to help them achieve physically certified palm oil ingredients in our owned brand products and working with suppliers to trace palm oil back to the mill. We are working with our suppliers to conduct detailed traceability exercises in order to be able to trace all palm oil in Target owned brand products to all mills it may have been processed by

Explain the impact of your engagement on the selected action

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s)

Palm Oil traceability target

F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

Do you engage in landscape/jurisdictional approaches?	
Row 1	Yes, we engage in landscape/ jurisdictional approaches

F6.10a

(F6.10a) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.

	Criteria for prioritizing landscapes/jurisdictions for engagement	Explain your process for prioritizing landscapes/jurisdictions for engagement
Row 1	Commodity sourcing footprint Current and future sourcing risk Opportunity to build resilience at scale Opportunity to increase market access for smallholders and local communities Opportunity for increased human well-being in area Opportunity to participate in new markets or financing mechanisms for the agricultural sector Opportunity to protect and restore natural ecosystems Recognized as priority landscape by credible multi-stakeholder groups	

F6.10b

(F6.10b) Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year.

Landscape/Jurisdiction ID

Country/Area

Indonesia

Name of landscape or jurisdiction area

Riau

Types of partners engaged in the initiative design and implementation

- National government
- Subnational government
- International civil society organization(s)
- National civil society organization(s)
- Local civil society organization(s)
- Financial institution(s)
- Local forest/rural associations
- Indigenous peoples
- Local communities
- Local producers/smallholder
- International company(ies)
- National/local company(ies)
- Direct supplier(s)
- Indirect supplier(s)
- Academics/ researchers
- External consultants
- Workers union(s)

Type of engagement

- Partner: Shared responsibility in the implementation of multiple goals
- Supporter: Implement activities to support at least one goal
- Funder: Provides full or partial financial support

Goals supported by engagement

- Improved rate of carbon sequestration (e.g., through restoration)
- Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate
- Increased and/or maintained protected areas
- Natural ecosystems conserved and/or restored
- Promotion of transparency, participation, inclusion, and coordination in landscape policy, planning, and management
- Governance forums that represent all relevant stakeholders in place and maintained
- Respect, protect, and fulfil human rights
- Rights to land and resources recognized and protected, and related conflicts reduced
- Improved standard of living, especially for vulnerable and/or marginalized groups
- Reliable commodity traceability and landscape monitoring/data collection system(s)

Company actions supporting approach

- Other, please specify
Funding projects in our supplier regions)

Description of engagement

We contribute funding and partnership to Earthworm to aid in the implementation of community-based palm oil engagements in Riau, Indonesia and the South Central Forest Spine in Malaysia. Both of which are within our supply chain regions.

Engagement start year

2021

Engagement end year

Please specify

2025

Estimated investment over the project period (currency)

Is a collective monitoring framework used to measure progress?

Yes, progress is collectively monitored using a shared external framework, please specify

State the achievements of your engagement so far, and how progress is monitored

Progress is monitored and reported on quarterly by the local teams from the Earthworm Foundation running each initiative.

<https://www.earthworm.org/our-work/projects/riau-indonesia>

Landscape/Jurisdiction ID

Country/Area

Malaysia

Name of landscape or jurisdiction area

Southern Central Forest Spine

Types of partners engaged in the initiative design and implementation

National government
Subnational government
International civil society organization(s)
National civil society organization(s)
Local civil society organization(s)
Financial institution(s)
Local forest/rural associations
Indigenous peoples
Local communities
Local producers/smallholder
International company(ies)
National/local company(ies)
Direct supplier(s)

Indirect supplier(s)
Academics/ researchers
External consultants
Workers union(s)

Type of engagement

Partner: Shared responsibility in the implementation of multiple goals
Supporter: Implement activities to support at least one goal
Funder: Provides full or partial financial support

Goals supported by engagement

Improved rate of carbon sequestration (e.g., through restoration)
Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate
Increased and/or maintained protected areas
Natural ecosystems conserved and/or restored
Promotion of transparency, participation, inclusion, and coordination in landscape policy, planning, and management
Governance forums that represent all relevant stakeholders in place and maintained
Respect, protect, and fulfil human rights
Rights to land and resources recognized and protected, and related conflicts reduced
Improved standard of living, especially for vulnerable and/or marginalized groups
Reliable commodity traceability and landscape monitoring/data collection system(s)

Company actions supporting approach

Other, please specify
Funding projects in our supplier regions

Description of engagement

We contribute funding and partnership to Earthworm to aid in the implementation of community-based palm oil engagements in Riau, Indonesia and the South Central Forest Spine in Malaysia. Both of which are within our supply chain regions.

Engagement start year

2021

Engagement end year

Please specify
2025

Estimated investment over the project period (currency)

Is a collective monitoring framework used to measure progress?

Yes, progress is collectively monitored using a shared external framework, please specify

State the achievements of your engagement so far, and how progress is monitored

Progress is monitored and reported on quarterly by the local teams from the Earthworm Foundation running each initiative.

<https://www.earthworm.org/our-work/projects/scfs-malaysia>

F6.10c

(F6.10c) For each of your disclosed commodities, provide details of the production/consumption volumes from each of the jurisdictions/landscapes you engage in.

Indicate landscape/jurisdiction ID	Does any of your commodity production/consumption volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume?	Commodity	% of total production/consumption volume from this landscape/jurisdiction
	Yes, we do produce/consume from this landscape/jurisdiction, but we are not able/willing to disclose volume data		

F6.11

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Engaging with non-governmental organizations

Country/Area

Other, please specify

List created from forest risk commodities selected in F0.4

Subnational area

Initiatives

Please explain

Initiatives: Forest Stewardship Council (FSC).

Target will continue to work in multi-stakeholder collaborations and initiatives like The Consumer Goods Forum and other industry initiatives that are developing industry-wide approaches to deforestation. Target's Forest Products Policy:

<https://corporate.target.com/sustainability-ESG/environment/materials-and-deforestation/forest-products>

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Other, please specify

Brazil Cambodia Colombia Côte d'Ivoire Gabon Guatemala India
Indonesia Malaysia Papua New Guinea Philippines Thailand

Subnational area

Initiatives

Roundtable on Sustainable Palm Oil (RSPO)

Please explain

In 2017, Target joined the Roundtable on Sustainable Palm Oil's North American Sustainable Palm Oil Network, designed to facilitate cross-sector work in a pre-competitive space on the sourcing of Certified Sustainable Palm Oil (CSPO) in North America, foster collaboration, an impact programs in producing nations and share best practices. Target is also part of NASPON's working group focused on human rights in palm oil supply chains.

F6.12

(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?

Yes

F6.12a

(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Other, please specify

Forest ecosystem restoration, peatland protection & restoration, reforestation, natural regeneration, soil carbon sequestration, agriculture

Expected benefits of project

More inclusive, transparent, and empowering governance processes

Net gain in biodiversity and ecosystem integrity

Protection of human rights

Protection of land tenure

Reduce/halt biodiversity loss

Reduction of GHG emissions

Restoration of natural ecosystem(s)

Securing continued supply of agricultural commodities

Is this project originating any carbon credits?

No

Description of project

We are participating in a collaborative project run by the Earthworm Foundation. The first is the Southern Central Forest Spine Project in Malaysia which is focused on balancing sustainable production, forest conservation, resilient livelihoods, and good labor practices.

Where is the project taking place in relation to your value chain?

Project based in sourcing area(s)

Start year

Target year

2025

Project area to date (Hectares)

1,631,842

Project area in the target year (Hectares)

1,631,842

Country/Area

Malaysia

Latitude

Longitude

Monitoring frequency

Six-monthly or more frequently

Total investment over the project period (currency)

For which of your expected benefits are you monitoring progress?

Other, please specify

Forest Protection Farmer Resilience GHG Emissions Worker Well Being
Government Support and Capacity Building Community Rights

Please explain

To date, 98 out of 108 palm oil mills sourcing from the focal area have been engaged on NDPE [No Deforestation, No Peat and No Exploitation], of which 39 mills have submitted self assessments and are working on action plans to address NDPE issues. Preliminary spatial mapping has been completed to identify palm oil mills to engage with in order to achieve fresh fruit bunches (FFB) traceability. 42 mills have started collecting traceability data. And being a strategic bottleneck in the global supply chain, 16 out of 18 palm oil refineries operating in the landscape have adopted NDPE policies

Project reference

Project 2

Project type

Other, please specify

Forest ecosystem restoration, peatland protection & restoration, reforestation, natural regeneration, soil carbon sequestration, agriculture

Expected benefits of project

More inclusive, transparent, and empowering governance processes
Net gain in biodiversity and ecosystem integrity
Protection of human rights
Protection of land tenure
Reduce/halt biodiversity loss
Reduction of GHG emissions
Restoration of natural ecosystem(s)
Securing continued supply of agricultural commodities

Is this project originating any carbon credits?

No

Description of project

The second project is the Riau project in Indonesia which is focused on presenting a compelling case for balancing commodity production with forest conservation, sustainable livelihoods and the welfare of people at scale.

Where is the project taking place in relation to your value chain?

Project based in sourcing area(s)

Start year

Target year

2025

Project area to date (Hectares)

2,340,989

Project area in the target year (Hectares)

2,340,989

Country/Area

Indonesia

Latitude

0.293347

Longitude

101.706825

Monitoring frequency

Six-monthly or more frequently

Total investment over the project period (currency)

For which of your expected benefits are you monitoring progress?

Other, please specify

Forest Protection Farmer Resilience GHG Emissions Worker Well Being
Government Support and Capacity Building Community Rights

Please explain

To date, with companies, local government and communities, the project is working to protect 91,687 ha of forest. Through collaboration with the Riau government, we helped 603 farmers begin to replant 1,104 ha of oil palm plantations. So far, have worked with government agencies and 11 communities on land-use planning and conflict resolution.

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

Yes

F7.1a

(F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module

F6. Implementation

Data points verified

Target verifies the RSPO membership of suppliers and volume of palm oil used in products that are in scope of policy.

Verification standard

RSPO certification status is verified by our external consultant who confirms all RSPO certification numbers our suppliers provide to us with the RSPO website.

Please explain

Target monitors supplier compliance via the RSPO website and an annual supplier survey. We also participate in an annual RSPO member audit on our processes.

Disclosure module

F6. Implementation

Data points verified

Target verifies the certification status for all products labeled with FSC/SFI/PEFC logos.

Verification standard

FSC, SFI, and PEFC certification status is verified by comparing certification documents with standards organization website. This verifies good standing as well as expiration date of the certification. Additionally, scope of certification can be verified this way as well. This verifies that the goods being sold under the certificate match what is being produced.

Our PSQA team verifies this under an audit created by the RMA (Raw Material Assurance) team. RMA team is responsible for managing claimed materials audits.

Please explain

Target monitors compliance to 3rd party certification by validating the certification status as well as performing audits on site to verify compliance with these standards.

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Value chain complexity

Comment

Our primary challenge is that we rely upon the remainder of companies within our supply chain when impacting change through policies and goals. As a retailer, we rarely have visibility beyond our first tier of suppliers, let alone control over sourcing, procurement, or manufacturing processes beyond what we specify for a finished product. Additionally, since we don't source these commodities directly, and we only use them in small amounts, we rely on others to collect accurate data and information. Due to these facts, we also have some reliance upon certification, which is often more expensive, laborious, and difficult to achieve for our suppliers. Finally, as a mass retailer active in many categories of consumer goods, our supply chain is wide and shallow, meaning we have many suppliers with small amounts of business, thus making data collection, enforcement of policies, and impact on deforestation difficult to achieve.

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Value chain complexity

Comment

Our primary challenge is that we rely upon upstream companies within our supply chain when impacting change through policies and goals. As a retailer, we rarely have visibility beyond our first tier of suppliers, let alone control over sourcing, procurement, or manufacturing processes beyond what we specify for a finished product. Additionally, since we don't source these commodities directly, and we only use them in small amounts, we rely on others to collect accurate data and information. Finally, as a mass retailer active in many categories of consumer goods, our supply chain is wide and shallow, meaning we have many suppliers with small amounts of business, thus making data collection, enforcement of policies and impact on de forestation difficult to achieve.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Improvement in data collection and quality

Comment

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Improvement in data collection and quality

Comment

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Senior Vice President, Corporate Responsibility	Other, please specify Senior Vice President, Corporate Responsibility

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms