



CONTRIBUTING TO A HAPPY



HEALTHY FAIR SUSTAINABLE



CLEAN SMART ACCOUNTABLE SAFE

ETHICAL EFFICIENT INCLUSIVE RESPONSIBLE

CARING BETTER-DESIGNED MORE LIVABLE WORLD.

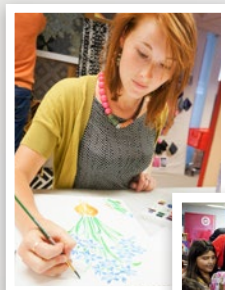




DEAR STAKEHOLDERS, PARTNERS AND TEAM MEMBERS



FYE 2013



At Target, sustainability is a principle that drives the decisions we make across our business. It's not about "going green." It's about making sure the partnerships we take, the processes we follow and the products we sell are helping us create long-term value that goes beyond Target and into the communities we serve.

We believe that investing in the ongoing well-being of our guests, team, shareholders and communities is the ultimate definition of a sustainable business. Even during a time of growth and challenges, that investment remained a priority in 2013:

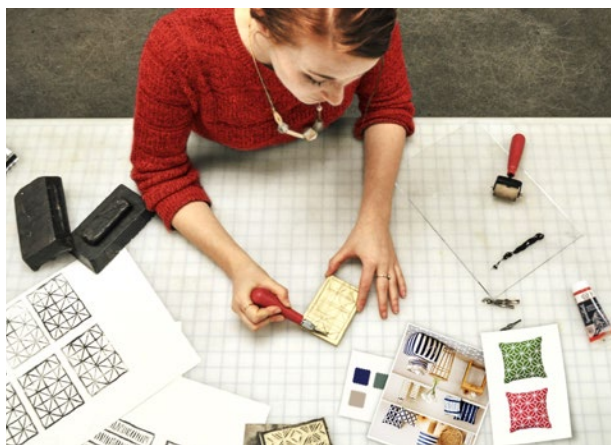
- We introduced the **Target Sustainable Product Standard** and launched the **Simply Balanced** product line to meet guests' growing demand for more responsibly sourced, wellness-focused food.
- Our teams began leveraging the **Higg Index** to assess the sustainability of thousands of vendor partner facilities, and significantly reduced water and electricity usage within our supply chain through the **Clean By Design** pilot.
- We're seeking **LEED certification** for each of the 124 stores we opened in Canada, further signaling our commitment to quality and socially responsible standards in a new market.

- And we're sharing our experience and learnings from the data breach to help the industry proactively **address and prevent crime in the digital space**.

I'm proud that the Target team understands, and accepts, our responsibility to be a conscientious corporate citizen. We know it's a journey of continuous improvement. And because accountability is the key to progress, we regularly report on the milestones we've hit and the goals we're still working to achieve. By being open about where we stand, we hold ourselves accountable to what we've promised.

Our stakeholders have every reason to expect that we'll stay focused on becoming a stronger, better company. As we look to the work we have yet to do, we'll continue embracing new ideas, always looking for ways to make a **meaningful, positive and lasting impact** in our business, communities and the world we all share.

JOHN MULLIGAN
Interim President and CEO
EVP and Chief Financial Officer
Target Corporation



**DESIGNING TOMORROW'S TARGET:
THE VALUES IN OUR VALUE CHAIN**

7

**BUILDING COMMUNITY:
SAFETY, SCHOOLS AND SERVICE**

50

**CREATING A GREAT WORKPLACE:
WORKING WELL, WORKING SMART**

68

ABOUT THIS REPORT

85

GRI INDEX

86

RECOGNITION

98

Diving deeper: About the links in this report

To provide detail and context for certain subjects, we've linked parts of this report to Target.com and other websites. Clicking these links could open a web page in your web browser and take you out of this PDF. But please come back and continue your reading experience.



DESIGNING TOMORROW'S TARGET:

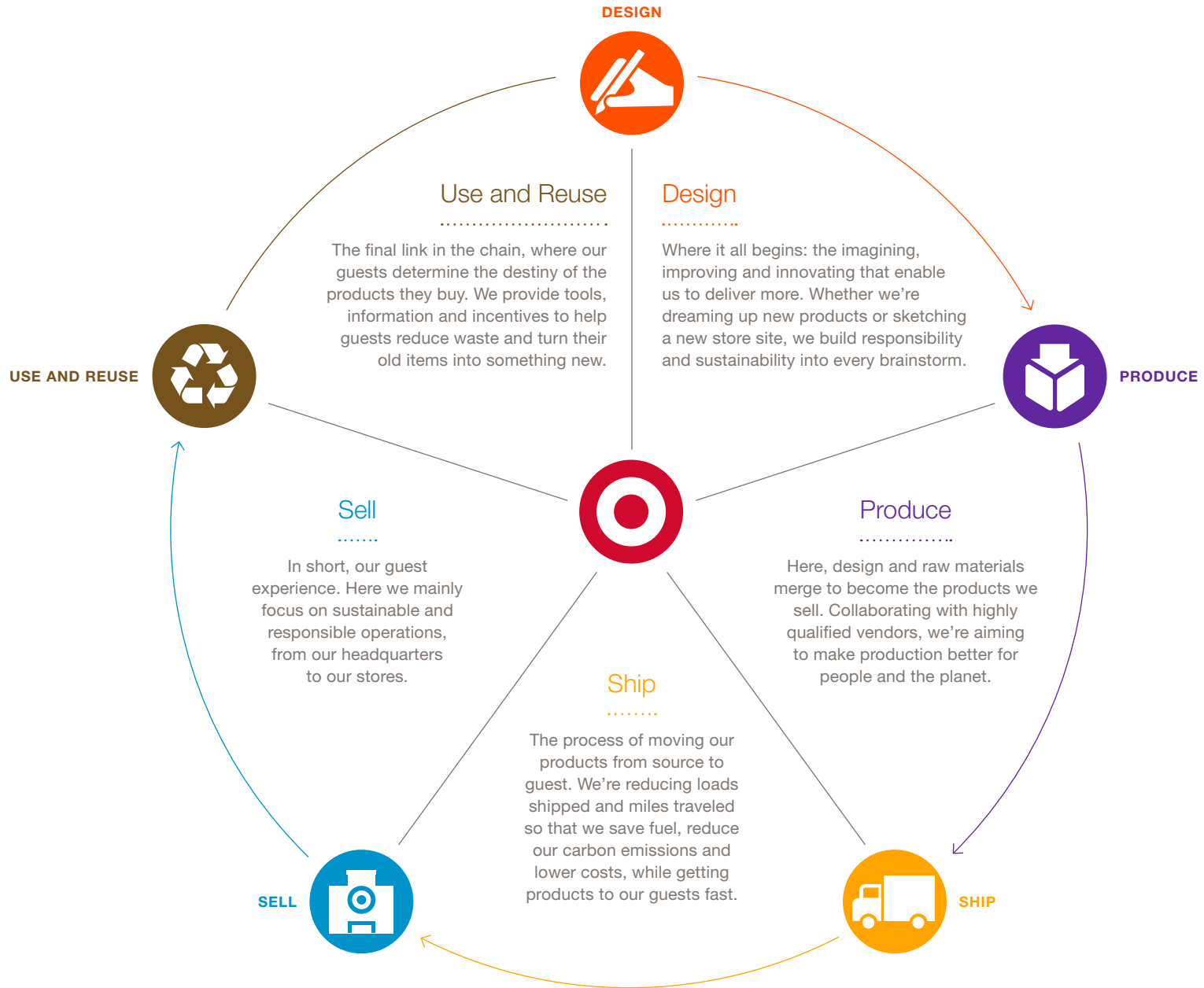


THE VALUES IN OUR VALUE CHAIN

Target is a retail company, but we think like designers. We consider the big picture, looking at how parts add up to the whole and endlessly exploring opportunities to innovate and improve. We apply a designer's eye to corporate responsibility by looking at our entire value chain — the connection of people and processes involved in every part of our business. From our sourcing to our reusable shopping bags, we're mindful of every impact. We think that's the best way to be sure we're living our values and leaving the world a little better than we found it.

[Explore our value chain →](#)

VALUE CHAIN





Where “Expect More” begins

Integrating responsibility in every idea

Design is at the heart of our business. It’s a way of thinking and seeing that we apply to everything we do. Whether we’re developing products, tackling logistics, managing a store or building a new one, we’re always exploring ways to do things better, with greater efficiency, style and smarts. We look for fresh ways to please, for the small surprises that delight. And just as considering the big picture, putting people first and imagining outcomes are all essential practices of good design, they are also essential to practicing

corporate responsibility. Design is where our promise to the world begins — and where our value chain begins, too.

Taking a step toward greater transparency

Our guests want more sustainable products. So we’re committed to expanding our assortment of sustainable products that balance price, performance and convenience. In late 2013, we introduced our Sustainable Product Standard, a tool that will help establish a common language, definition and process for qualifying what makes a product more sustainable. Using



“With the Target Sustainable Product Standard, Target will help push the industry toward consensus on what sustainable standards should be and create incentives for innovation in this highly competitive space, ultimately broadening the sustainable product selection for their guests.”

— Dara O’Rourke, Cofounder and Chief Sustainability Officer, GoodGuide



Wherever you look in our company, you’ll find **design in the details**. [Learn more.](#)



the **UL PurView Platform** powered by **GoodGuide**, we began collecting product information from vendors and evaluating it against specific criteria, which are based in part on what we’ve heard from our guests and other stakeholders. In this initial effort, we’re asking vendors representing 6,500 personal care and beauty products, household cleaners and baby personal care products — all products for which there is currently no widely accepted standard for sustainability — to complete the assessment. The Sustainable Product Standard will inform our merchandising and product-placement decisions for 2015 and beyond.

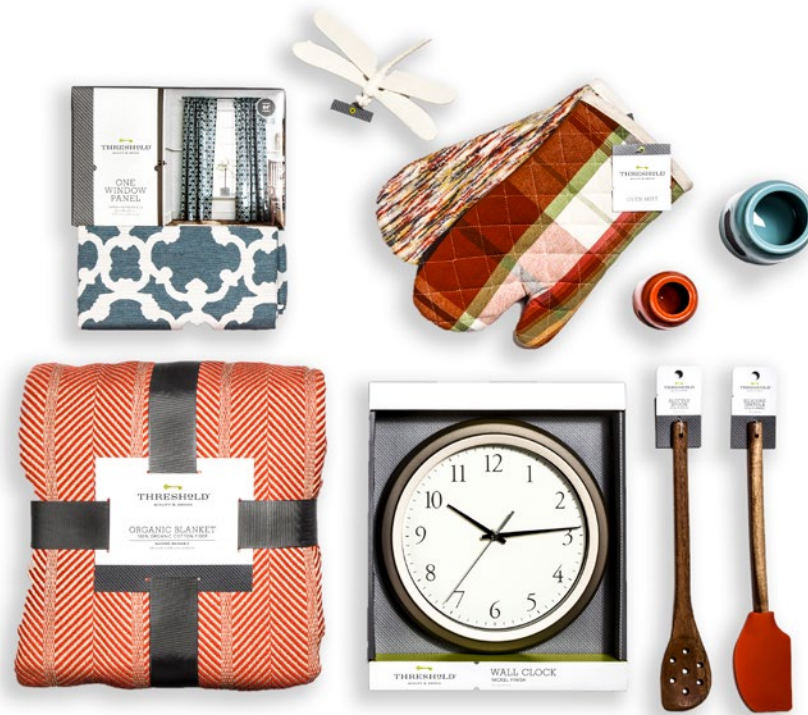
Imagining possibilities at our sustainability boot camps

In 2013, we brought together approximately 250 team members who design and develop Target-brand products for seven “boot camps” focused on sustainable design. The goal: to arm team members embarking on their next cycle of product development with insight into what our guests want in sustainable products. The boot camps were so inspiring that we’re planning additional sessions in 2014 for our sourcing and packaging teams.

Our boot camps were the next step in our journey to designing more sustainable products. In 2012, we introduced the results of a product lifecycle assessment by Deloitte. Empowering our designers with this kind of insight gives them the information they need to make our products more sustainable, one step at a time.

**2016 GOAL:
IMPROVED OWNED-BRAND
PACKAGING SUSTAINABILITY**

Enhance at least 50 owned-brand packaging designs to be more sustainable.

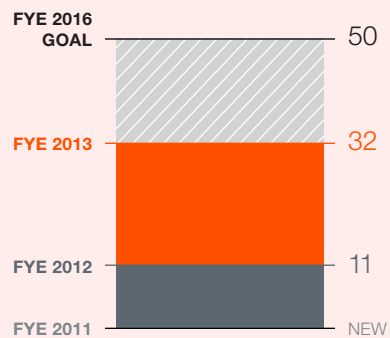


ON TRACK

2013 PROGRESS

32

Enhanced Packaging Designs



Gaining ground on our packaging goal

We design the packaging for Target-brand products, so their sustainability starts with us. Increasing packaging efficiency — decreasing size and materials and using recycled or renewable materials — helps reduce shipping, waste and costs. In 2012, we announced our goal of making at least

50 Target-brand packaging designs more sustainable by the end of fiscal 2016. For a package design to meet our goal, we require at least a 10 percent improvement in one of several attributes — either by reducing the overall material used, including more recycled or renewable content, or reducing product waste.

Our packaging team uses design metrics outlined in the [Global Protocol on Packaging Sustainability from the Consumer Goods Forum](#).

25%
lighter packaging



40%
recycled plastic



100%
renewable material packaging



15%
lighter packaging;
more recyclable materials



We've made **four clear commitments to sustainability:**

- Sustainable Living
- Sustainable Products
- Smart Development
- Efficient Operations

[Learn more.](#)

By the end of fiscal 2013, our team had improved the design of 32 packages, 21 of which were completed in 2013 alone. Among other improvements, we:

- Reduced the weight of our smaller packages of Archer Farms nuts and trail mixes by 75 percent by replacing the plastic jar with a pouch. We also reduced the weight of large Archer Farms nut and trail mix jars made of plastic by 25 percent.
- Redesigned the bottles for our Market Pantry water sold in Canada so that they contain 40 percent recycled plastic.

- Packaged up&up Epsom salts in a reclosable pouch instead of a carton, reducing package weight by 75 percent.
- Reduced the weight of our up&up petroleum jelly tub by 15 percent and began the transition to a package that is more likely to be recycled.
- Replaced the plastic packaging for our Threshold place card holders with 100 percent renewable material.
- Redesigned the plastic packaging for our Room Essentials pop-up hamper so that it's now made with 100 percent renewable material.

By using flexible envelopes instead of corrugated boxes to ship Target.com orders, we've reduced packaging by **89 percent** and expect to ship **50,000 fewer pounds of cardboard** each year.



Making it better

From apparel to groceries, ensuring integrity in our supply chain

Selling products at a lower price is only part of our promise. We also want the things we sell to be made with integrity by qualified vendors who treat workers well, who obey the law and whose processes minimize their effect on the environment. Are we 100 percent there? No. But we're making progress, with clear standards and expert teams who pursue these goals with a passion we're proud of. Around the world, we're partnering with vendors, peer companies,

nonprofits and governments to make ongoing improvements throughout our supply chain. Here's a look at our progress in 2013.

Collaborative relationships, clear expectations

Building strong working relationships with our vendors is essential to producing products with integrity. One way we forge those relationships is by making our expectations clear from the start through our [Standards of Vendor Engagement \(SOVE\)](#) — nine firm principles stating how we expect





We work with vendors to source products from more than **3,200 registered manufacturing facilities** in **51 countries** — all of which we require to follow our standards for how to treat workers and care for the environment.

vendors to treat workers and the environment. We require all vendors to follow our SOVE, and we monitor to ensure compliance.

In 2013, we added an explicit statement to our standards prohibiting vendors and factories from offering anything of value to influence an audit result or any other business decision. This prohibition has been a part of our [Business Conduct Guide](#) for years; adding it to our vendor standards underscores and emphasizes the importance of our policy. We expect our vendors and our team members to conduct themselves in accordance with

the highest standards and neither offer nor accept anything that might create a conflict of interest. Each vendor's policies and conduct must align with the law and with Target policy.

We also added an “integrity statement” to our standards, which provides an email address enabling workers or managers in our vendors' factories to contact us if they see a violation of our standards. We protect the anonymity of anyone who contacts us, and we have committed to follow up on all legitimate tips.

image © ILO-Better Work



Helping vendors meet our standards

Target-brand products are known for their great design and great value. We also want them to be made in ways that are good for workers, good for communities and good for the environment. As part of our strategy for ensuring responsible sourcing, we insist on a high degree of oversight of the factories that make our products and hold vendors to high standards, particularly in how they treat workers. We work closely with vendors to help them practice social responsibility and environmental sustainability. We provide them with training and

consultation and otherwise work with them as partners to proactively address any risk of not complying with our standards. We emphasize communication — before, during and after production of our products — to promote collaboration and to ensure that questions and challenges are addressed quickly.

To help vendors meet our standards, and to ensure that manufacturing operations reflect the values of our company and our guests, we conduct regular, **unannounced audits** of their factories. Currently, we audit against the social responsibility standards in our

SOVE, including standards regarding workplace safety, child labor, forced and compulsory labor, discrimination, fair wages and more. Our SOVE also includes an environmental standard that says we expect vendors to operate in compliance with environmental laws and minimize their impact on their surroundings and global resources. Since adding that standard in 2012, we have further developed our detailed environmental expectations. We plan to begin reviewing the environmental management performance of factories in 2015.

In 2013, we focused our audits on factories we considered to be at the

We've adopted clear **labor and human rights policies** that guide our business with vendors. [Learn more.](#)

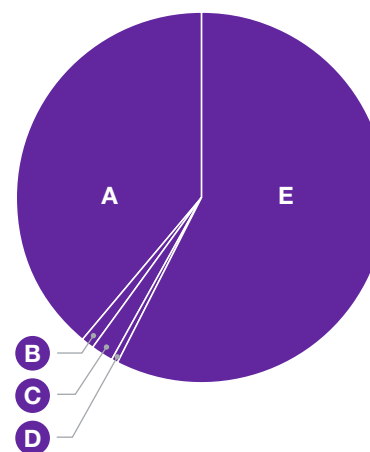
highest risk for noncompliance with our standards. As a result, we found more noncompliant factories and more severe violations of our standards than we did in 2012. We terminated our business relationships with the noncompliant factories [according to our policy.](#)

In 2014, we're planning to audit factories before production begins. This will enable us to avoid noncompliant factories and get a head start on any necessary improvements for factories that demonstrate commitment to our standards.



**FACTORIES PRODUCING TARGET-BRAND MERCHANDISE
AS OF APRIL 1, 2014**

FYE 2013 Total = 3,288 Factories



A. NORTH AMERICA

Canada	167
Mexico	30
United States	1,085
Total	1,282

B. CENTRAL AND SOUTH AMERICA

Argentina	2
Bolivia	1
Chile	2
Colombia	2
Dominican Republic	1
Ecuador	1
El Salvador	3
Guatemala	12
Haiti	1
Honduras	2
Nicaragua	9
Peru	1
Total	37

C. EUROPE

Belgium	2
Denmark	2
France	3
Germany	12
Greece	1
Hungary	1
Italy	20
Luxembourg	1
The Netherlands	2
Poland	2
Portugal	1
Spain	9
Sweden	1
Switzerland	2
Turkey	5
United Kingdom	4
Total	68

D. MIDDLE EAST AND AFRICA

Bahrain	1
Egypt	8
Israel	7
South Africa	1
Total	17

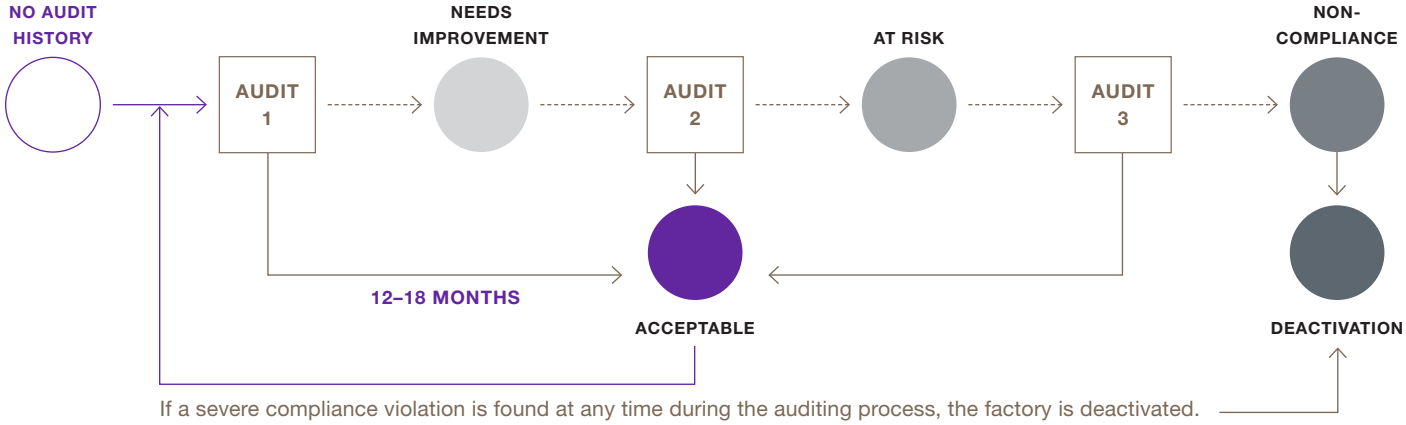
E. ASIA AND PACIFIC REGION

American Samoa	1
Bangladesh	32
Cambodia	29
China	1,506
Hong Kong	1
India	72
Indonesia	61
Malaysia	8
Pakistan	17
Philippines	14
South Korea	1
Sri Lanka	1
Taiwan	34
Thailand	33
Vietnam	74
Total	1,884

SOCIAL COMPLIANCE AUDIT CYCLE

Learn more about how our audit process works — and what we look for — [here](#).

FACTORY STATUS:

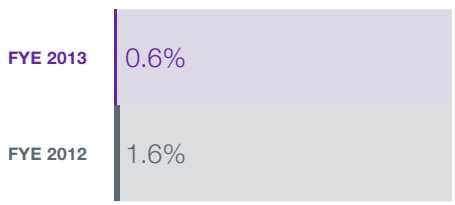


We publish **audit results** for our sourcing team members monthly so that they have the information they need to make sourcing decisions that align with our values.

UNANNOUNCED AUDITS

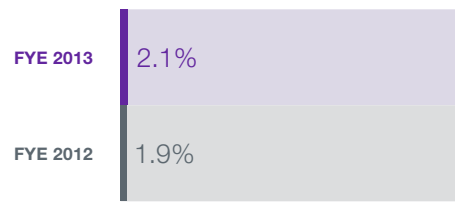


DENIED AUDITS



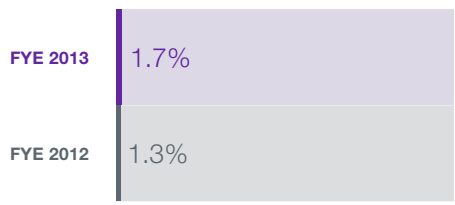
AUDITS WITH “NONCOMPLIANT” RESULTS

1-YEAR NONCOMPLIANT

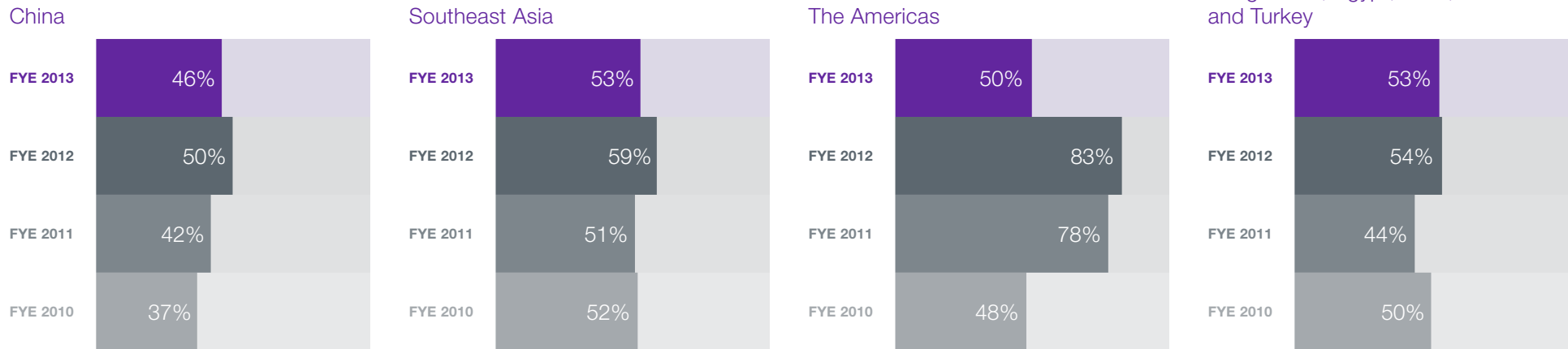


AUDITS WITH “NONCOMPLIANT” RESULTS

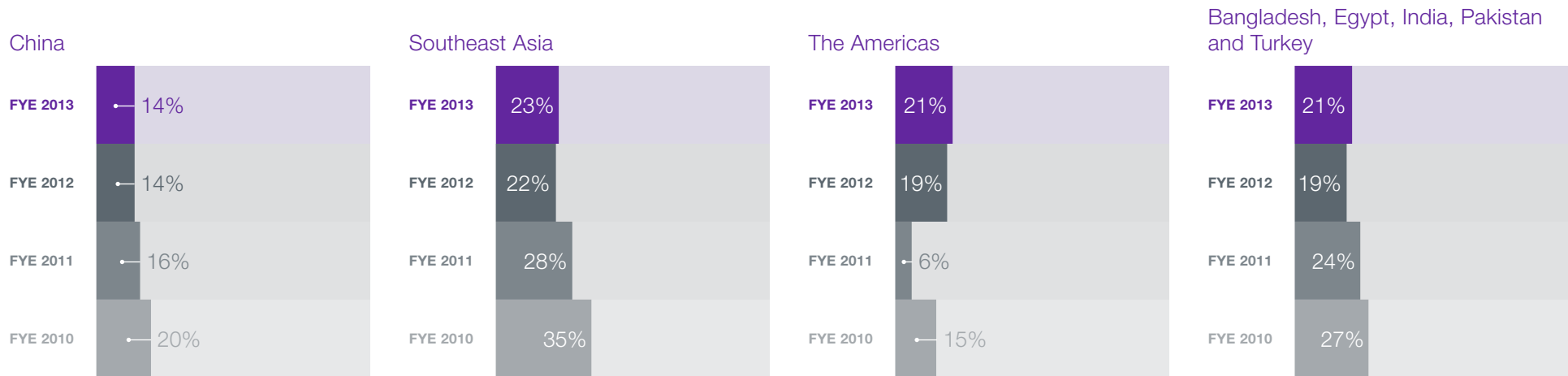
ZERO TOLERANCE



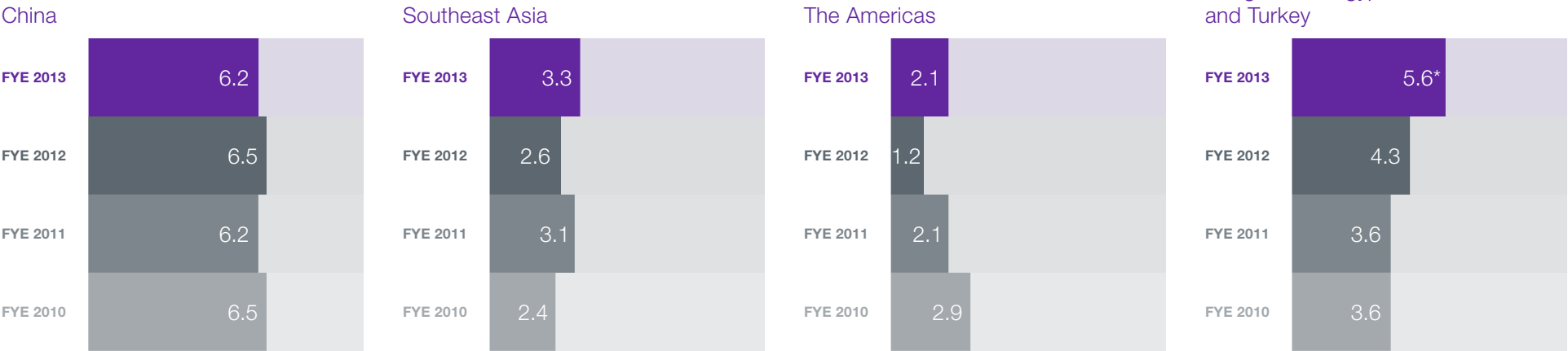
AUDITS WITH “ACCEPTABLE” RESULTS



“CRITICAL” ISSUES IDENTIFIED

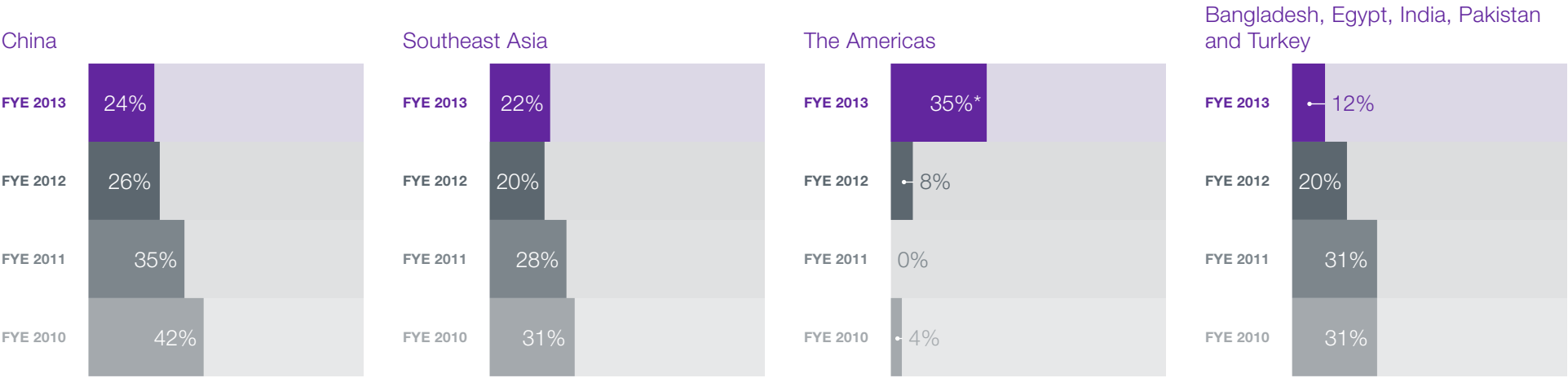


AVERAGE HEALTH AND SAFETY ISSUES PER AUDIT



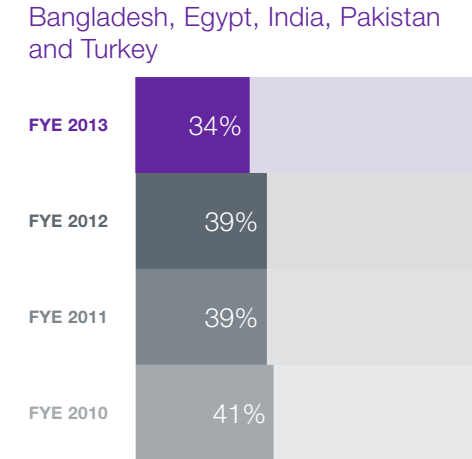
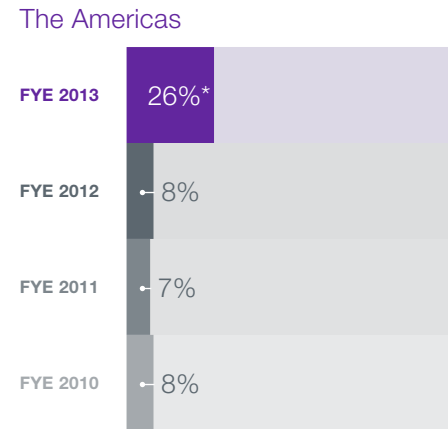
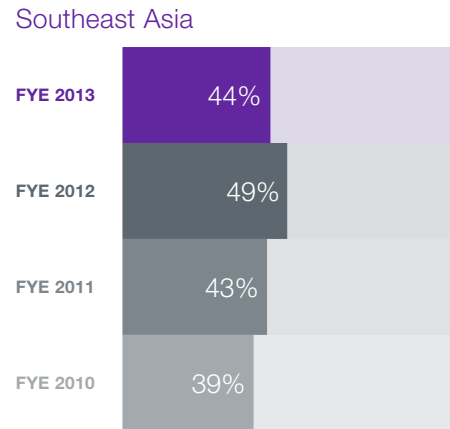
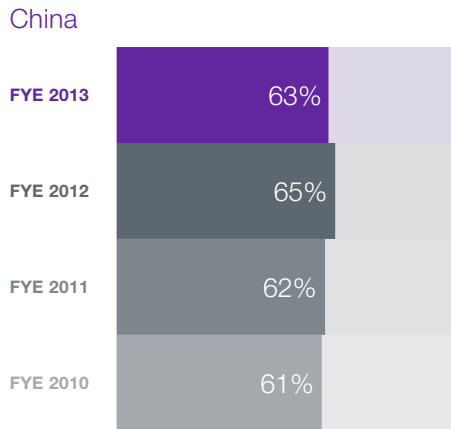
*In 2013, we increased the number of fire safety issues reviewed in Bangladesh which increased the total issue count.

AUDITS WITH WORKING HOURS AND TIME-OFF ISSUES



*We saw an increase in 2013 due to our focus on the highest-risk factories.

AUDITS WITH WAGE ISSUES



* We saw an increase in 2013 due to our focus on the highest-risk factories.

Taking steps against unauthorized subcontracting

Unauthorized subcontracting is a challenge for all companies that contract with vendors abroad. In 2013, we reaffirmed our stance against unauthorized subcontracting during our activities at all factories making Target-brand products. Team members who see risk for unauthorized subcontracting in our vendors' factories report their concerns directly to our headquarters via our anonymous

Integrity Hotline where a full investigation will be conducted by our global investigations team.



image © ILO-Better Work

Our hearts on our sleeves: Weaving responsibility into Target-brand apparel

We import Target-brand apparel products from around the world. We believe the global textile and garment industries provide jobs that are a source of pride and a path out of poverty for millions of people, many of them women. We also believe every one of those workers has a right to safe and fair working conditions. Making our clothes should have a positive effect on communities and minimal impact on the environment.

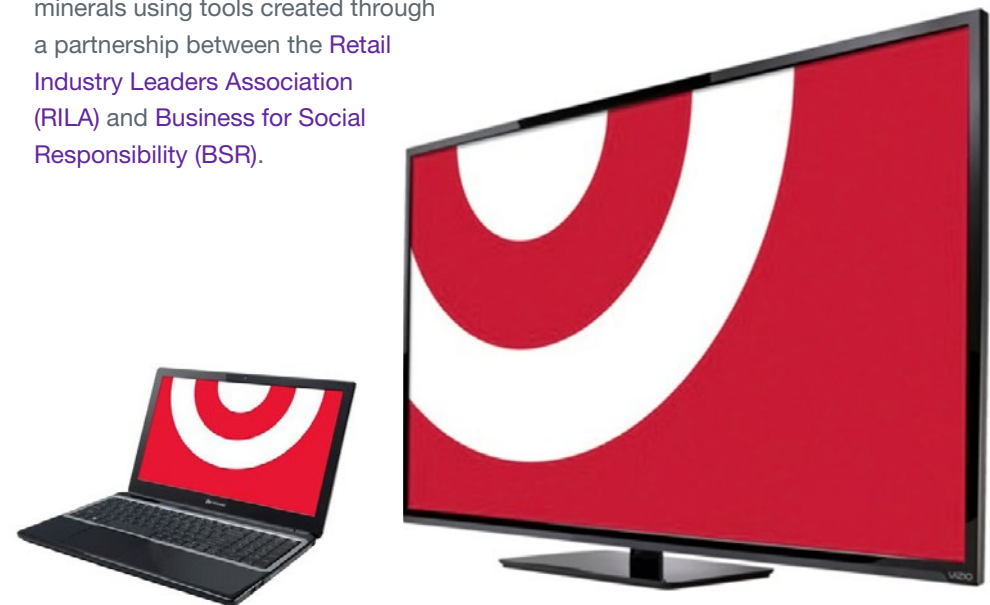


Saying no to conflict minerals

Like consumers and companies worldwide, we're concerned about conflict minerals — tin, tungsten, tantalum or gold mined in war-torn areas of the Democratic Republic of the Congo or neighboring countries by militia groups who use the proceeds to fund armed violence, including human rights abuses. Our [conflict minerals policy](#) makes our position clear: we will not knowingly sell products that contain conflict minerals.

Given the complexity of the global mineral supply chain, knowing the origins of minerals can be difficult. But we're committed to identifying and eliminating conflict minerals in our supply chain as necessary. As a step in that process, in 2013 we worked with [Source Intelligence](#), a supply-chain risk-management consultant, to survey vendors in merchandise categories with products that might contain tin, tungsten, tantalum or gold. Through our survey process, which aligns with due-diligence guidance from the [Organisation for Economic Co-operation and Development \(OECD\)](#), we're also educating suppliers about conflict

minerals using tools created through a partnership between the [Retail Industry Leaders Association \(RILA\)](#) and [Business for Social Responsibility \(BSR\)](#).





Over the past couple of years, we reduced the number of Bangladeshi factories making our products by nearly 50 percent while maintaining our overall sourcing volume from Bangladesh so that we could better monitor and manage safety conditions.

Bringing safety to garment workers in Bangladesh

The April 2013 collapse of Rana Plaza, a building housing garment factories in Dhaka, Bangladesh, was one more tragic consequence of unsafe working conditions for garment workers in the nation that is the world's second-largest exporter of apparel. We had no production history with the factories in Rana Plaza, and the percentage of our products produced in Bangladesh is relatively small. Faced with the choice of pulling our business from the country or joining the effort to

improve safety conditions there, we chose to remain in the country as a force for change.

Prior to Rana Plaza, over the past couple of years, we reduced the number of Bangladeshi factories making our products by nearly 50 percent while maintaining our overall sourcing volume from Bangladesh so that we could better monitor and manage safety conditions. We then worked with our remaining vendors and factories to ensure that they can maintain our standards and sufficiently protect the safety of their workers.

“It shows significant leadership to not just walk away from Bangladesh, where the garment industry is the country’s largest employer, but to commit to improve conditions so that the people of Bangladesh can have jobs that are safer and where companies can help improve conditions and make the industry more sustainable.”

— The Honorable Ellen O. Tauscher, Independent Chair of the Alliance for Bangladesh Worker Safety’s Board of Directors, former member of the U.S. House of Representatives (CA) and former Undersecretary of State for Arms Control and International Security Affairs

Because fire safety is a persistent challenge in Bangladeshi garment factories, we expanded our fire safety oversight. All factories in Bangladesh making Target-brand products received an advanced fire safety assessment in 2013. Significant remediation was achieved in all factories where concerns were identified. Target team members in Bangladesh continue to validate remediation efforts as they progress. In 2014, each factory also will be audited by the [Alliance for Bangladesh Worker Safety](#).

In addition to audits and remediation, fire training also plays a critical role in keeping workers safe. We offer

fire-safety training to vendors and factories, including training in the proper techniques and tools for preventing and extinguishing fires, as well as an emphasis on how to safely exit a building.

Though we’re committed to doing our part to improve the safety of Bangladeshi garment workers, we know there are limits to what we can do alone. Broad, lasting change requires a coordinated effort by business, government and civil society. So in July 2013, we joined 22 other North American brands and retailers in announcing the creation of the Alliance for Bangladesh Worker Safety. The

Alliance is a groundbreaking coalition of global apparel companies and their partners working with Bangladeshi stakeholders and others to dramatically improve fire and building safety in Bangladesh garment factories. We are a founding member of the Alliance and hold a seat on its board of directors.

To achieve its goals, the Alliance immediately launched the [Bangladesh Worker Safety Initiative](#), a five-year, legally binding, results-oriented plan to elevate safety conditions through measureable, sustainable actions. The Alliance is committed to:

- Inspection of 100 percent of the more than 600 Alliance-member factories by July 2014
- Implementation of a common standard for fire- and building-safety inspections, with results that are transparently shared
- Active support for the democratic election and successful operation of worker health and safety committees by all Alliance-member factories
- Establishment of tools and initiatives to protect workers, including a worker helpline where concerns about safety can be confidently shared and swiftly addressed

“A partnership between workers and factory management is critical for the Better Work model to be successful, and Target has been ensuring that suppliers are developing these partnerships and that workers are actively participating and solving issues.”

— Simon Field, Program Manager, Better Work, Indonesia

To help meet these objectives, Alliance members have committed nearly \$50 million to a worker safety fund. The Alliance is working with the Bangladeshi government, factory owners, garment workers, labor organizations and the international development community to ensure that safety improvements are swift, measurable and sustainable.

As it nears a year since its founding, the Alliance has achieved the following, among other accomplishments:

- Worked with the Bangladeshi government, the [International Labour Organization](#) and the [Accord on](#)

[Fire and Building Safety in Bangladesh](#) to develop common safety standards that go beyond those in the Bangladesh National Building Code

- Conducted a baseline workplace health and safety survey of 3,200 workers in 28 factories
- Inspected more than 500 of the 626 factories from which member companies source
- Provided safety training to workers and managers in more than 50 percent of Alliance factories with the goal of 1 million trained by July 2014

- Engaged with local and international labor organizations, government, civil society and think tanks to address the need for shared responsibility and long-term capacity building

[Read a complete report of the Alliance's first six months of work.](#)

Working closer with Better Work

Since 2009, we've been developing a growing relationship with [Better Work](#), a partnership between the International Labour Organization and the [International Finance Corporation](#). Better Work aims

to improve factory compliance with labor standards, providing country-specific programs as well as advisory services to factories. In Cambodia, Haiti, Indonesia, Nicaragua and Vietnam, we use the organization's monitoring services in place of our own factory audits.

In 2013, we became one of just two major retailers in the Better Work Partner Member program. This partnership demonstrates our commitment to the objectives of Better Work and enables us to have a more direct connection to Better Work leadership. Working more closely with the organization drives

The three factories piloting Clean by Design practices saved \$1.5 million in operating costs, 365,000 tons of water and 555,000 kilowatt-hours of electricity — about enough to supply the average annual energy use of 50 U.S. homes for one year.



Image © ILO-Better Work

better alignment of our efforts. It enables our organizations, plus vendors and factories, to work in a more coordinated, streamlined and focused way on remediation efforts and, ultimately, to more quickly provide a foundation for sustainable improvements for workers.

We're also localizing our relationship with Better Work. Reviews of Better Work reports and coordination of remediation efforts, once handled at our headquarters in Minneapolis, will now be handled "on the ground" by local team members in collaboration with Better Work personnel. This arrangement gives our local teams

greater insight into the challenges in individual factories and enables us to maximize our influence. We also expect this change to enable faster improvements for factories and workers.

Making our clothes a better fit for the planet

Improving safety and fair treatment of workers in the factories that make our apparel products is just one part of our responsibility. We also want to do our part to ensure a healthy planet and a clean environment in the communities that produce our products.

“Our engagement with Target feels like an even partnership. Target is all action! If a wrinkle comes up, they tackle it in a business-like way. From the identification of factories that can benefit to recognizing high-performing factories, Target has done everything extremely well.”

– Linda Greer, Health and Environment Program Director, Natural Resources Defense Council

Since 2011, we've been part of the [Natural Resources Defense Council's \(NRDC\) Clean by Design program](#), which leverages the buying power of multinational corporations to reduce environmental impact from textile manufacturing in countries without strong environmental laws. In 2012, we piloted [NRDC's 10 best practices](#) in three high-volume textile mills in China for one year and were encouraged by the savings our suppliers achieved in water (ranging from 1.5 to 12.5 percent) and energy (6 to 12 percent). In 2013, to speed adoption of the 10 best practices, we expanded our pilot to Guangzhou and Shoaxing, two Chinese cities with

high concentrations of fabric mills. (The four mills in the pilot produced fabric for 87 million garments in 2012.) We look forward to similarly positive results: less pollution, more efficiency, lower operating costs for the fabric mills and a framework for further expansion of the program.

“Target changed the perception of the tool to something that was viable and scalable that created comfort for the whole industry to use the tool. As a result, many other brands are using it to scale as well.”

— Jason Kibbey, CEO, Sustainable Apparel Coalition

In 2013, Target or independent third-party labs conducted:

- **2,367 evaluations** of factories that make Target-brand products
- **93,557 inspections** of products we sell
- **59,689 tests** of products we sell

Measuring sustainability with the Higg Index

In addition to partnering with NRDC, we’re also a member of the [Sustainable Apparel Coalition](#), an organization working to reduce the environmental and social impacts of apparel, textile and footwear products around the world and creators of [The Higg Index](#), a tool used to measure and improve environmental performance. We began asking vendors and their factories making Target-brand products to use the Higg Index in 2012, and the results of their self-assessments are part of our annual vendor scorecards. In 2013,

we completed our second round of surveys based on the index. Ninety-seven percent of our vendors and suppliers responded.

Since the Higg Index is a self-assessment, we verified what vendors told us through off-site data sampling techniques as well as a pilot program testing a new on-site verification process. We’re exploring options for further verification in 2014.

In 2013, we also played a key role in the development of the Higg Index 2.0, an update that adds capacity for reporting in greater detail along with an online

component that facilitates information-sharing and reduces redundant work for vendors and factories. We’re collaborating with other members of the Sustainable Apparel Coalition on a plan and process for implementing the new version of the index in 2014.

Besides being a useful measuring tool, the Higg Index gives us the information necessary to engage with our vendors and their factories so we can work with them to improve their environmental performance.

Safety first, last and always

We expect our vendors to ensure that the products we sell meet our high safety standards. Among other measures, we require vendors to test products at third-party laboratories to confirm that products — especially children’s and personal care products — meet the most stringent safety standards. [Read more about our approach to safety and quality assurance.](#)



Responsibility in the bag: More grocery choices for our guests

For many of our guests, where their food comes from and how it's made has become as important as how it tastes. So we're sourcing and developing food products that meet our guests' expectations as well as our own standards for social responsibility and sustainability.

In August 2013, we created our Food Social Responsibility (FSR) team, consolidating certain sourcing, development and marketing functions

that were previously distributed throughout our grocery business. The FSR team acts as a "center of excellence" and provides guidance on a wide range of emerging grocery issues. Team members will help us continue to meet guest demand for responsibly sourced groceries and take the guesswork out of some of the complicated questions that food consumers are facing.

A new, balanced approach to eating well

Our [Target-brand products](#) include an extensive line of grocery products. We

launched our newest grocery brand, [Simply Balanced](#), in 2013, introducing more than 200 products to our guests in the United States. Simply Balanced products make it easy to eat well. More than 40 percent of them are organic, and all are free of hydrogenated or partially hydrogenated oils, high-fructose corn syrup, synthetic colors, artificial preservatives, artificial flavors and artificial sweeteners. All Simply Balanced meat products are from animals raised without the use of antibiotics. And because many of our guests have told us they are interested in products made without genetically modified organisms (GMOs), the

majority of Simply Balanced products are GMO-free. Our goal is to eliminate all plant-based GMOs from the product line by the end of 2014. As of April 2014, we had submitted 239 products to the [Non-GMO Project](#) for verification, 50 of which are already verified and listed on the Non-GMO Project website. We expect verification for the majority of products to be complete by the end of fiscal 2014, when verified products will begin carrying the "Non-GMO Project Verified" seal.

**2017 GOAL:
INCREASE ORGANIC
FOOD OFFERINGS**

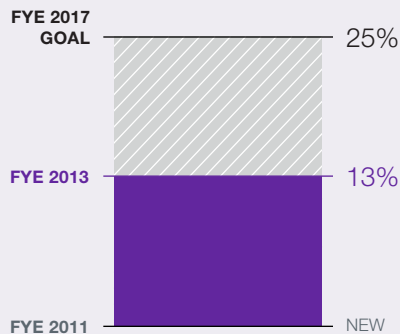
Increase organic food offerings by 25 percent.

ON TRACK

2013 PROGRESS

13%

Increase in Organic Food Offerings



We've compiled **a list of 100 ingredients you'll never find in a Simply Balanced product.** [See it](#) — along with answers to frequently asked questions about Simply Balanced — at [Target.com](#).

**Increasing organics:
Fresh and tasty progress**

According to the Organic Trade Association, more than 75 percent of U.S. families bought organic foods in 2011 and we continue to see guest demand for organic options grow. To help meet that demand, in 2006 our SuperTarget stores were certified by the U.S. Department of Agriculture as organic produce retailers. In 2012, we set the goal of increasing our offering of organic food and beverages, including nutrition supplement bars and baby food, by 25 percent by the end of fiscal 2017. We made strong progress toward

our goal in 2013, and in 2014 we'll be testing the sale of organic fruits and vegetables in a subset of our PFresh — expanded fresh food — stores, making it easier for guests to find and choose organic produce.

Eating well is about options, and so are we: we're showcasing **organic, certified cage-free and omega-3-enhanced eggs** under our Simply Balanced brand.



**2015 GOAL:
INCREASE SUSTAINABLE
SEAFOOD SELECTION**

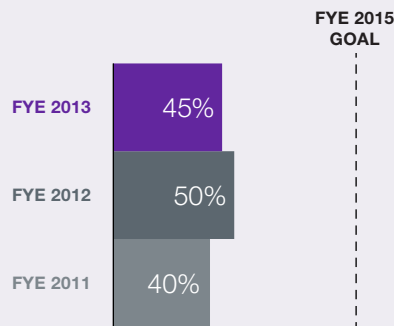
Ensure that our fresh and frozen seafood selection is 100 percent sustainable, traceable or in a time-bound improvement process.

ON TRACK

2013 PROGRESS

45%

of Seafood Selection is Sustainable



Defining our terms

Sustainable: Products that meet our Sustainable Seafood Guidelines are those rated Green or Yellow by the [Monterey Bay Aquarium’s \(MBA\) Seafood Watch Program](#) or that come from wild or farmed eco-certified sources that have been deemed equivalent to an MBA Yellow rating or better according to the results of the [2013 MBA Eco-Certification Benchmarking Project](#).

Traceable: Seafood that can be traced through the supply chain to its point of harvest or capture. Since we take possession of seafood at our distribution centers, we rely on our vendors to document traceability.

In a time-bound improvement process: Seafood that may not qualify as sustainable today but is part of a fishery improvement project — an effort to help a fishery become sustainable within a specific time frame.



**Sustainable seafood:
Navigating choppy waters**

Healthy oceans are essential for a healthy planet. With overfishing a concern in many fisheries around the world and the growing aquaculture industry contributing to habitat loss and water pollution, our goal is to sell only sustainable and traceable seafood — or seafood that is in a time-bound process for becoming sustainable and traceable — by the end of fiscal 2015.

To meet that goal, in 2013 we continued working with [FishWise](#), a nonprofit organization dedicated to the recovery

of ocean ecosystems, and with vendors, peers and seafood industry experts to evaluate our current seafood assortment. At the end of fiscal 2013, 45 percent (by weight) of the fresh and frozen seafood we sell in our U.S. stores met our goal criteria. Although that number is a 5 percent decrease from the 50 percent we reported in 2012, we learned in 2013 that we had overstated our 2012 progress due to errors in data validation. To ensure greater accuracy of our data in the future, we established a more rigorous verification process, along with a cross-functional group led by our Food Social Responsibility team (see “[Responsibility in the bag](#),” on

page 28) that will focus on the steps we need to take to meet our 2015 goal.

Based on our progress in 2013, we expect to meet our 2015 goal. Among our accomplishments:

- More than 90 percent of our [Simply Balanced](#)-brand seafood items met our goal criteria.
- 88 percent of new seafood items we introduced in 2013 met our criteria.
- We required more robust traceability and sustainability information from vendors supplying new Target-brand seafood products.

In 2013, we ranked **6th out of 20** companies on the [Greenpeace Seafood Retailer Scorecard](#).



In 2014, we're continuing to bring stakeholders together in an effort to eliminate confusion over the seafood industry's multiple sustainability certifications and to clarify which certification criteria match our own criteria for sustainability. We're focusing on shrimp and tilapia certification in particular, and achieving clarity and alignment in certification for those two species will make shopping sustainably easier for our guests while enabling us to make significant progress toward our 2015 sustainability goal.

Sourcing pork that tastes great without the crates

Animal welfare is important to our company and to our guests. We're committed to the humane treatment of animals and believe they should be raised in clean, safe environments, free from cruelty, abuse and neglect. That's why we've committed to sourcing pork products from vendors who are committed to eliminating the use of sow gestation crates by 2022.

In 2013, to measure our progress, we conducted an animal welfare assessment to learn how potential

Food safety and quality is a high priority for Target. [Read more](#) about our food safety processes.



suppliers are moving toward alignment with our animal welfare standards, including gestation crates. We'll use the assessments to inform our purchasing decisions, with preferential weighting given to vendors demonstrating a commitment to eliminating gestation crates from their supply chains. We expect that as we and other retailers buy more pork from crate-free sources, the supply will become more readily available.

We set 2022 as our target year in part because eliminating gestation crates is a large and challenging undertaking for our vendors, and one that will take time.

One challenge is the limited traceability of the pork supply chain. Another is the capital investment required for hog farmers to make the change to an alternative sow housing system. Because we have a more direct relationship with companies that supply our Target-brand grocery products, with more oversight of that supply chain, we are better able to determine which suppliers operate without gestation crates. As a result, we expect to offer crate-free products under our **Simply Balanced** product line sooner. In 2014, we'll initiate discussions with other key suppliers so that together we can map a feasible path for meeting our 2022 commitment.

Coffee should be a pick-me-up for all involved. So we're working directly with coffee farmers to source coffee that is sustainably grown, provides a fair price to farmers and improves communities. We offer [Fair Trade](#), [Direct Trade](#) and [organic coffees](#), and we're exploring other socially responsible, environmentally sustainable options as well.



Looking ahead: The challenging issue of palm oil

Without careful management, palm oil production can harm biodiversity, soil quality and the rights of local people. Ensuring that only sustainably produced palm oil is used in our products is complicated; standards for traceability and certification are evolving, and the global supply of sustainably produced palm oil is inconsistent. We are assessing which of our Target-brand food products contain palm oil and talking with vendors about the palm oil they use to inform our long-term sourcing strategies.



Nearly all of our stores offer tomatoes and peppers that are grown in greenhouses, which **produce 40 percent more per acre** and **require just 5 to 10 percent of the water** needed for conventional growing.

As of November 2013, **more than 90 percent** of the bananas on our shelves were [Rainforest Alliance](#)-certified.



786
diverse suppliers

76
new suppliers in our diverse-supplier portfolio

\$1.3B
in first-tier spending with diverse suppliers

\$495M
in second-tier spending with diverse suppliers

31%
increase over 2012 spending with diverse suppliers

Diverse suppliers: An increasing share of our sourcing

We see diversity as a strength in all aspects of our business. In 2013, we continued to engage with diverse suppliers — businesses owned by ethnic minorities, women, U.S. military veterans or lesbian, gay, bisexual or transgendered persons. Although the number of our suppliers qualifying as diverse decreased from 1,000 in 2012 to 786 in 2013, our spending with diverse suppliers increased 31 percent.

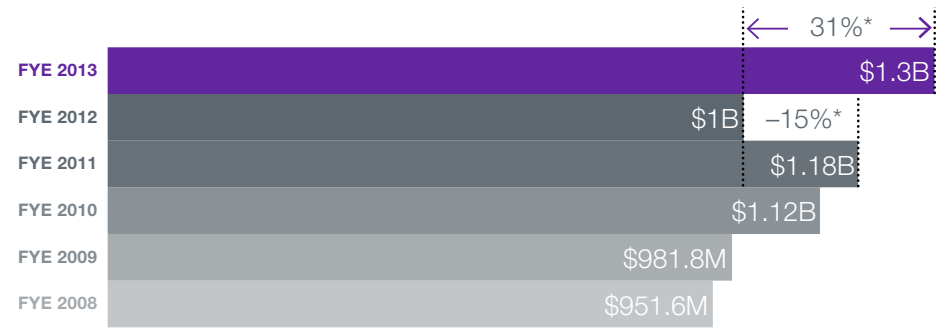
“Taking part in Target’s Supplier Diversity program resulted in our products being placed in 115 stores in 12 states. Working with Target has changed the trajectory of my business.”

— Ivette S. Mayo, Chief Creative Officer, Yo Soy Expressions

DIVERSITY SPENDING 2008–2013 COMPOUND ANNUAL GROWTH RATE

+7%

We’re aiming to increase our spending with diverse suppliers by **7 percent** in 2014.



*2012 spending reflects that our largest woman-owned vendor was acquired by a publicly owned company, which prevented us from counting the vendor as woman-owned. Spending otherwise increased that year.

In fiscal 2013, we aimed to solicit bids from at least one diverse supplier in **at least 15 percent of our bids** to procure indirect goods — goods we don't resell. By year-end, we included diverse suppliers in **31 percent** of those bids.

“It has been a pleasure watching our relationship with Target grow over the years. Our strong relationship is built on open, honest dialogue. We truly appreciate Target’s constant feedback and development and believe it has helped us grow into an even larger partner that is meeting Target’s energy needs.”

— David Hernandez, Cofounder and CEO, Liberty Power

We moved up 10 places on DiversityBusiness.com’s list of [Top Organizations for Multicultural Business Opportunities](#), ranking **18th out of 50**.

Extending a hand to women-owned business

In June 2013, we took part in our largest supplier-diversity event ever, joining The Coca-Cola Company in cosponsoring the Women’s Business Enterprise National Council’s annual convention. About 100 of our team members supported the effort, including several members of our executive leadership. We led creation of the conference’s first all-female executive panel on leadership, conducted workshops, showcased merchandising initiatives and met with dozens of women-owned suppliers to discuss doing business together.

Better data, better insight

We work with hundreds of suppliers, and tracking our business with them can be complicated. To gain a clearer and more dynamic understanding of how we spend with diverse suppliers, we made a number of improvements to our supplier-data-reporting systems in 2013. In 2014, we’re expanding our capabilities for reporting and analyzing that data so that, across our company, we can more accurately gauge progress toward our vision of a diverse supplier base.

In 2013, we were named a **Top Corporation for Women’s Business Enterprises** by the Women’s Business Enterprises National Council and named a **member of the Million Dollar Club** by the United States Hispanic Chamber of Commerce.



More efficiency in the way we roll

More cartons and fewer miles in 2013

Every year, around the world and across North America, planes, trains, trucks and ships move millions of tons of products bound for our stores and guests. Our challenge? To get our products into our guests' hands as fast as possible while still shipping efficiently, in ways that save fuel, reduce greenhouse gas emissions and lower costs. We're always working with our carriers, vendors and other partners to put more efficient processes in place. We've set goals for increasing the density of our shipping loads and reducing the number of miles our

carriers travel, and we've exceeded those goals every year since 2011.

In 2013, we reduced loads and miles by shipping more efficiently to our CityTarget stores and continuing to make upgrades to our transportation management system, which enables us to optimize deliveries. We expect to keep improving: in 2014, new Target food distribution centers in Ohio and California will reduce the number of miles necessary for delivering fresh food to our stores. We'll also improve the efficiency of product pickups from smaller vendors by our carrier partners, which account for about half of our load pickups overall.



**2015 GOAL:
IMPROVE TRANSPORTATION
EFFICIENCIES: INBOUND**

Improve the efficiency of general merchandise transportation inbound to distribution centers by 15 percent and support the adoption of cleaner and more fuel-efficient transportation practices.

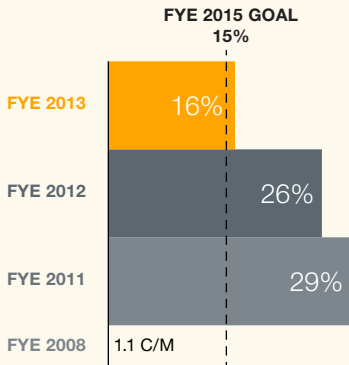
→ We've surpassed our goal early, but we'll continue to measure progress through FYE 2015 to ensure we maintain our high level of performance.

EXCEEDING

2013 PROGRESS

16%

Improvement in Cartons/Mile (C/M)



**2015 GOAL:
IMPROVE TRANSPORTATION
EFFICIENCIES: OUTBOUND**

Improve the efficiency of general merchandise transportation outbound from distribution centers by 20 percent and support the adoption of cleaner and more fuel-efficient transportation practices.

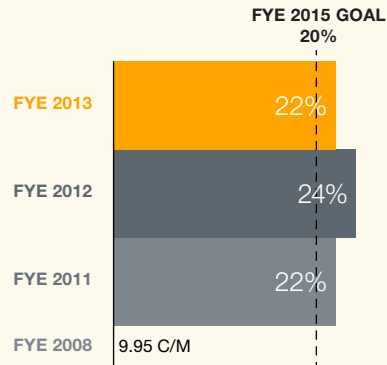
→ We've surpassed our goal early, but we'll continue to measure progress through FYE 2015 to ensure we maintain our high level of performance.

EXCEEDING

2013 PROGRESS

22%

Improvement in Cartons/Mile (C/M)



Shipping smarter in the city: CityTarget stores have smaller backrooms, requiring more frequent deliveries. We've reduced our number of runs from seven to five per week, **eliminating 300 loads** and **saving \$150,000 annually**.

Exploring natural gas as fleet fuel

We work with our carriers to explore alternatives to diesel fuel that may help us reduce greenhouse gas emissions and save costs. One alternative is natural gas, which we're testing with carrier partners in Kansas. While the fueling and maintenance infrastructure for natural gas-powered trucks is not sufficient to meet our carriers' needs, we continue to assess the performance of our test, and we expect sufficient infrastructure to exist within three to five years. When the market is ready, we'll have a better sense of how natural gas fits within our carrier network.

By shipping more cartons per load, our carriers now haul **95,000 fewer loads** than they did in 2008.



Delivering the keys to cleaner trucks

In 2007, to make it more affordable for independent truck owner-operators to meet emissions requirements at the ports of Los Angeles and Long Beach, we helped create the [Coalition for Responsible Transportation \(CRT\)](#). CRT provides lease-to-own programs and other financing options that enable truckers to buy newer semis that generate fewer emissions. Today,

CRT is a national partnership that includes ports on both coasts and most of North America's major shippers. In December 2013, the first owner-operators to achieve ownership under CRT's program received the titles to their trucks; we expect more to take ownership in 2014. The ports of Los Angeles and Long Beach, meanwhile, have achieved their emissions objectives early thanks in part to the work of the CRT.

Since 2008, we've been a member of the U.S. Environmental Protection Agency's [SmartWay Transport Partnership](#), which helps companies like ours **move products with less fuel and fewer greenhouse gas emissions**. Most of our carriers are SmartWay certified as well.





Serving guests, saving resources

Increasing efficiency as we expand our business

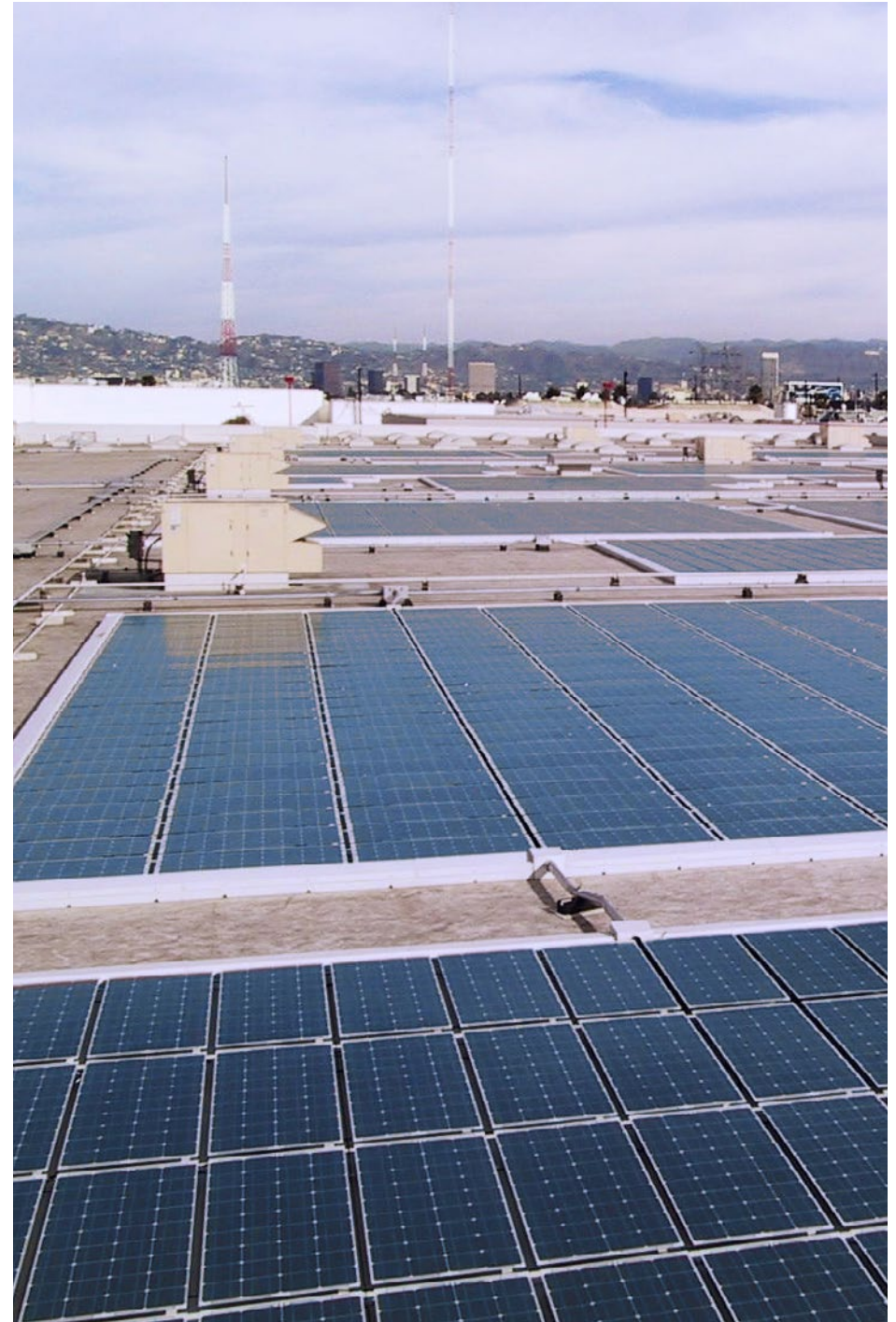
Expect More. Pay Less. It's our tagline, our mantra, our philosophy and our promise, and it's what our millions of guests do every day, in person and online, through a shopping experience unlike any other.

We want shopping at Target to be as sustainable as it is satisfying. So across our company, we're working to do business in ways that lower costs and shrink our environmental impact. We've set clear goals for cutting our greenhouse gas emissions and for

reducing resource consumption and waste. In 2013, our progress toward our goals was mixed, but our commitment was as strong as ever.

Building stores more sustainably

As we build and remodel stores and other facilities, we practice [smart development](#). We strive to use space efficiently, to locate stores near where our guests live, work and shop, and to generally plan and build in a way that enhances communities. In 2013, we increased the number of our stores certified through the [U.S Green Building](#)





Our store in San Rafael, Calif., is our first to earn LEED Gold certification. It's 57 percent powered by wind and solar, uses 62 percent less water than a typical building and is built on the site of a former landfill.

Council's Leadership in Energy & Environmental Design (LEED) program; we took steps toward increasing native landscaping; and we continued working with watershed districts to better manage storm water runoff from our sites.

Three principles guide the development of our store sites:

- **Stewardship**
- **Convenience**
- **Community**

132 LEED-certified buildings in 2013

We're building more stores that meet standards for **LEED certification**. All 124 new Canadian stores we opened in 2013 will be LEED-certified, and we're the only large-scale retailer committed to developing 100 percent LEED-certified stores in Canada. In the United States, **our new store in San Rafael, Calif.**, is one of the most environmentally responsible buildings we've ever developed, and our first to earn LEED Gold. In all, we more than doubled our LEED-certified buildings in the United States in 2013, jumping from 8 to 17.

“LEED is a rigorous leadership standard, and obtaining even a single certification is a significant achievement. For Target, securing certification for 124 buildings in Canada is truly extraordinary. We congratulate Target and commend it for its demonstrated commitment to creating healthier buildings and communities throughout Canada.”

— Rick Fedrizzi, President, CEO and Cofounder, U.S. Green Building Council



How does LEED make a difference? In 2013, our LEED-certified stores in Canada:

- Saved enough energy to power **8,253 homes** annually
- Conserved enough water to fill **95 Olympic-size swimming pools**
- Diverted construction-waste tonnage equal to **four-and-a-half Eiffel Towers**



“Target demonstrates a strong commitment to protecting water quality. It is a corporate leader in word and action.”

— Jay Riggs, District Manager, Washington County Conservation District, Minnesota

Laying the groundwork for native landscaping

Landscaping our store sites with indigenous plants pays off both aesthetically and environmentally: it makes stores a better fit for their surrounding communities, and it enables us to irrigate and fertilize less. In 2015, we’ll start working toward our goal of incorporating native landscaping in 75 percent of the landscape areas of all new U.S. stores. In 2013, to prepare for that work, we updated our site-design guidelines and communicated our new aims to the many partners who help us develop our sites. In 2014, we are

beginning to work with our landscaping vendors on how to best incorporate low-impact landscape management into their work.

Partnering to improve watersheds

Proper management of storm water — designing systems that slow runoff from our store sites and promote infiltration — improves watersheds, soil quality, flood control and more. In 2013, we continued our efforts to be responsible watershed stewards by entering into new partnerships with two Minnesota watershed districts. Through

the partnerships, we’re retrofitting storm water systems at store sites so that they’ll better filter runoff, provide greater flood control and look nicer, too. The new systems will feature improvements like newly developed filters made with sand and iron filings, which help remove phosphorous from runoff. That, in turn, prevents algae growth in waterways — an important factor in improving conditions for aquatic life in the creeks and rivers that drain into the nearby Mississippi River. Adding new parts to our systems also helps us reduce maintenance costs and extends the systems’ functional life — sometimes by as much as 100 percent.

In addition to partnering with more watershed districts, we also updated our developer guidelines to increase the use of watershed-friendly storm water system design in new U.S. stores.

**2015 GOAL:
REDUCE GREENHOUSE
GAS EMISSIONS:
PER SQUARE FOOT**

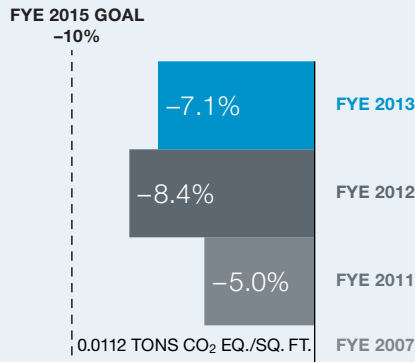
Reduce Scope 1 and Scope 2 greenhouse gas emissions by 10 percent per square foot.

ON TRACK

2013 PROGRESS

7.1%

Reduction per Square Foot



**2015 GOAL:
REDUCE GREENHOUSE
GAS EMISSIONS:
PER RETAIL SALES**

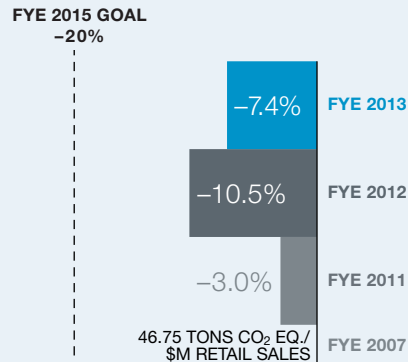
Reduce Scope 1 and Scope 2 greenhouse gas emissions by 20 percent per million dollars of retail sales.

NEEDS IMPROVEMENT

2013 PROGRESS

7.4%

Reduction per Million Dollars of Retail Sales



We take **climate change** seriously and believe everyone has a part in addressing it.

A harsh winter chills our progress on greenhouse gas emissions

In 2013, an extremely cold winter across much of the United States —and a resulting increase in our consumption of natural gas for heating — caused us to take several steps back from our 2015 targets for greenhouse gas reduction. Our emissions as measured per square foot increased 1.3 percent over 2012, though overall we have reduced emissions per square foot by 7.1 percent compared to our 2007 baseline. We are confident that we'll achieve our goal of a

10 percent reduction in emissions per square foot by fiscal 2015.

Our emissions per million dollars of retail sales increased 3.2 percent over 2012, though we have reduced emissions by that measure by 7.4 percent since our 2007 baseline year. Reduced sales growth places more emphasis on emissions reduction as we work toward meeting this goal.

In 2014, to help reach both emissions goals, we'll continue implementing energy efficiency measures companywide, including ongoing replacement of certain lighting with



more efficient and brighter LEDs, continued installation of variable fan drives in our HVAC and refrigeration systems, and adjustment to our buildings' HVAC settings to increase energy efficiency.

[Read more about our work to reduce greenhouse gas emissions and **make our operations more efficient.**](#)

Accelerating our addition of solar power

To help us meet our energy goals — and to help ease the overall burden on local power grids — we're increasingly meeting a portion of our energy needs with solar power. We added solar power to 11 new facilities in 2013, bringing our total sun-powered sites to 37. We also developed a plan to pursue solar at an additional 150 stores over the next two years, with more than 50 installations under development for 2014. In our stores that have it, solar power generates between 15 and 30 percent of the sites' energy.



[See our 2014 climate change response to CDP.](#)

**GHG EMISSIONS**

Direct Emissions	Metric Tons CO₂ Equivalent
Natural Gas	241,530
Propane	1,877
Stationary Diesel	764
Mobile Diesel	18,792
Refrigerants	441,617
Total	704,580

Indirect Emissions	Metric Tons CO₂ Equivalent
Electric	2,449,843
Steam	3,564
Chilled Water	3,150
Total	2,456,557
Total Emissions	3,161,137

GHG EMISSIONS REDUCTION PROJECTS

Improvement	Emissions Reductions (Metric Tons CO₂ Equivalent)
LED Lights in Refrigerated Cases	15,466 (27,917 MWh)
Parking Garage LED Lighting	3,017 (5,445 MWh)
HVAC Variable Fan Drives	17,996 (32,483 MWh)
Total	36,478 (65,845 MWh)

**2015 GOAL:
INCREASE ENERGY STAR
CERTIFICATIONS**

Earn ENERGY STAR status for at least 75 percent of our U.S. buildings

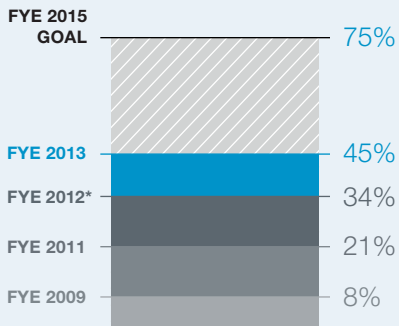
* In 2012, we accurately reported the number of buildings certified to date, but incorrectly indicated that the number represented 45 percent of our buildings. In fact, the number was equivalent to 34 percent of our buildings.

ON TRACK

2013 PROGRESS

45%

U.S. Buildings Certified



Saving energy: Making every kilowatt count

.....
We've set a goal of achieving ENERGY STAR status for at least 75 percent of our U.S. buildings by the end of fiscal 2015. The U.S. Environmental Protection Agency (EPA) awards ENERGY STAR certification to buildings that operate as efficiently as the top 25 percent of similar buildings. At the end of fiscal 2013, 827 of our U.S. buildings were certified, including our headquarters, data centers and distribution centers — 45 percent of our U.S. buildings in all.

Although remaining buildings to be certified will require additional time and effort, we expect 580 more of our U.S. buildings to be certified in 2014 and 2015, enabling us to meet our goal.

Our **partnerships with the U.S. Department of Energy and the U.S. Environmental Protection Agency** are helping us to improve energy efficiency and reduce our carbon footprint. [Learn more.](#)

**DIRECT ENERGY USE**

Nonrenewable	Gigajoules
Natural Gas	4,798,014 (45,478,810 Therms)
Propane	31,706 (329,245 Gallons)
Stationary Diesel	10,275 (74,455 Gallons)
Mobile Diesel	253,089 (1,833,979 Gallons)

INDIRECT ENERGY USE

Nonrenewable	Gigajoules
Electricity	16,530,905 (4,591,918 MWh)
Steam	70,847 (67,154 MMBtue)
Chilled Water	50,095 (13,915 MWh)

Renewable	Gigajoules (Units)
Solar	39,600 (11,000 MWh)

ENERGY EFFICIENCY AND CONSERVATION PROJECTS

Improvement	Gigajoules
LED Lights in Refrigerated Cases	100,500 (27,917 MWh)
Parking Garage LED Lighting	19,603 (5,445 MWh)
HVAC Variable Fan Drives	116,939 (32,483 MWh)
Total	237,042 (65,845 MWh)

**2015 GOAL:
REDUCE WATER USE**

Reduce water use by 10 percent per square foot.

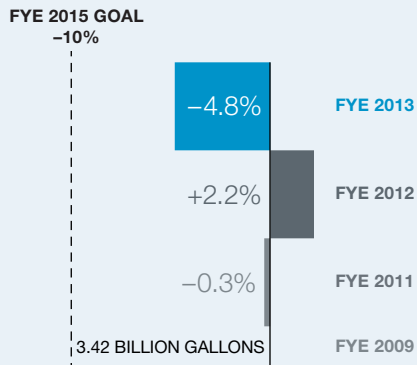


NEEDS IMPROVEMENT

2013 PROGRESS

4.8%

Reduction per Square Foot



Saving water: Addressing barriers to progress

In 2013, we continued to face challenges in our efforts to use less water. The main reason: increasing and upgrading landscaping at our facilities has increased the need for irrigation. Also, some of our older irrigation systems have experienced breakdowns, resulting in leaks.

We're addressing these issues by optimizing the settings of our irrigation systems and developing a plan to better monitor and manage irrigation. We're also testing more efficient spray heads along with "smart" irrigation controllers that automatically set watering schedules based on weather. Apart from irrigation, we've also retrofitted our stores' water treatment equipment with significantly more efficient systems that we expect will reduce water waste by 31 million gallons annually.

[Read our 2014 water response to CDP.](#)

In 2013, we used 3.43B gallons of water, down 4.8 percent from our 2009 baseline.

**2015 GOAL:
REDUCE WASTE**

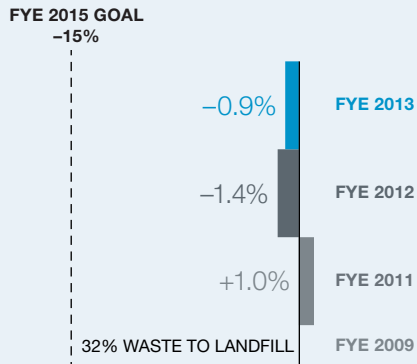
Reduce operating waste sent to landfills by 15 percent.

NEEDS IMPROVEMENT

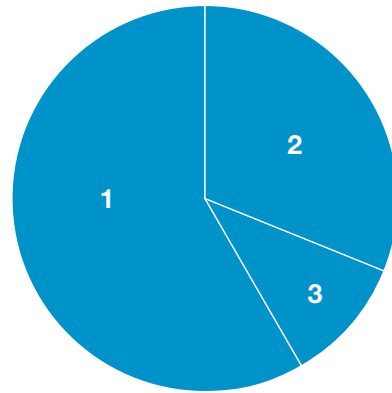
2013 PROGRESS

0.9%

Reduction per Square Foot



**WHERE OUR WASTE GOES
(U.S. ONLY)**



- 1** Recycle 58.6%
- 2** Landfill 31%
- 3** Reuse 10.4%

**Recycling:
Confronting compost**

Our progress toward sending less waste to landfills slowed in 2013, putting us at risk of not meeting our 2015 goal. Our biggest challenge? Compost. Many of our stores can't compost because of insufficient local infrastructure for hauling and processing organic waste. We'll continue to look for ways to keep organic waste out of landfills in the communities where doing so is a challenge. As we learn more, and as local composting infrastructure develops, we expect to compost at more stores in the future. In 2014, we'll expand composting for team

members and guests to more than 80 U.S. stores, and we expect to divert more than 2,000 tons of landfill waste as a result.

Despite our setbacks in composting, we recycled or reused more than two-thirds of our operational waste in the United States in 2013, and our Canadian stores recycled even more. Our ongoing initiatives to recycle cardboard, glass, aluminum, plastic, shrink wrap, plastic bags, hangers, paper and e-waste all gained ground. We continued to make it easy for our guests to recycle by providing recycling bins in our stores. And we fired up team members companywide through an internal recycling campaign.

SELL



We're working to integrate sustainability into everything we do — production of our TV ads included. **Our collaboration with EcoSet Consulting has kept 340 tons of waste out of landfills to date**; it also provided a bit of holiday cheer to nonprofits in 2013 through the donation of decorations and toys. [Read more.](#)

**SORTING OUT OUR RECYCLING
(U.S. AND CANADA COMBINED)**

Plastic Bags and Shrink Wrap	7,000+ tons
Glass, Plastic and Aluminum Cans and Bottles	1,500+ tons
MP3 Players, Cell Phones and Ink Cartridges	27 tons
Donations	25,000+ tons
Salvage	63,000+ tons



Making sustainability simpler

Helping our guests reuse and recycle

The world doesn't need more waste. So we work with our suppliers and vendors wherever possible to design products and packaging that are recyclable. Ultimately, it's our guests who decide how a product will be disposed of when it comes to the end of its useful life. They tell us they're happy to recycle and reuse, especially if it's easy and affordable. So from labeling to recycling bins to reusable shopping bags, we're offering tools, incentives and information to help our guests keep stuff out of landfills.

Gleaning guest insights on reusable bags

To help reduce waste, litter and pollution, we offer guests reusable bags — designed with signature Target style — as an alternative to conventional paper or plastic. We offer a five-cent discount for each reusable bag guests use anytime they shop with us.

In 2013, we talked with guests at CityTarget and Target Canada stores to better understand how they're using our reusable bags — and how we can encourage more of our guests to use them. Guests suggested that we market





By the end of 2013, our guests used more than **190 million reusable bags**, avoiding the use of **475 million plastic bags**.

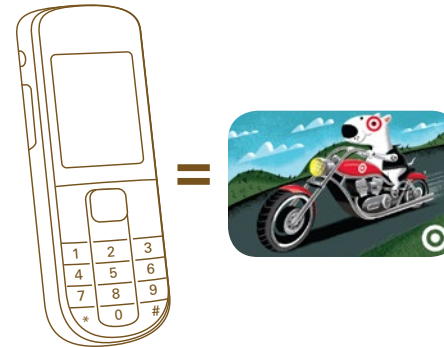


and merchandise bags more prominently, offer greater incentives and show how our reusable bags are useful for more than just shopping. We'll apply those insights throughout 2014 as we work to increase use of reusable bags in all of our stores.

Showing guests How2Recycle

Anyone who's stood with their arm hovering over a recycling bin paralyzed by uncertainty knows that even the most conscientious consumer can be baffled by the simple question of what goes

To keep e-waste out of landfills, our guests can trade in smartphones, tablets, cameras and some 20,000 other electronics items for Target GiftCards. **In 2013, our guests turned in more than 430,000 used electronics**, which were repurposed and recycled by our partner NextWorth. [Learn more about our electronics recycling program.](#)



where. To help increase recycling and make it easier, in 2013 we became a member of the **How2Recycle** labeling program, an initiative of the **Sustainable Packaging Coalition**. We added How2Recycle "Store Drop-Off" labels to Target.com shipping envelopes, making us the first mass retailer to do so. The labels let Target.com guests know they can recycle mailers at our in-store kiosks. In 2014, we'll begin including the How2Recycle label on Target-brand product packaging, starting with our **up&up products**. We're exploring opportunities to use the labels for other Target-brand products as well.

Redefining "label conscious"

What makes the biggest difference in a garment's environmental impact? According to a lifecycle assessment of our Target-brand apparel products conducted by Deloitte in 2013, it's laundry care. Washing clothes in cold water saves energy — up to 50 percent per load. So in 2013, we added a reminder to the labels of our Target-brand garments, encouraging guests to "consider cold wash to save energy and money." We also made our care labels themselves more sustainable by switching to polyester labels made from

In **two cities in Hawaii** where plastic bags have been banned, **we're saying good-bye to paper bags, too**. We'll encourage guests to use our reusable bags instead, enabling us to comply with the ban, promote sustainability and avoid the high cost of shipping paper bags.

recycled water bottles. That small change is expected to divert about 9 million water bottles from landfills every year.

Besides making it easy to recycle at our stores, **we encourage guests to learn about other recycling options** through our partner 1800recycling.com.



BUILDING COMMUNITY:



SAFETY, SCHOOLS AND SERVICE

We've always been a business with heart. Our founder understood that the more you erase the line between "company" and "community," the better off everyone will be. In 2013, we continued our long tradition of being a company that cares and a neighbor that does its fair share.

Safety and Preparedness

In 2013, we responded to a breach of our information-security system. We also continued working with our partners to increase community safety and respond to emergencies worldwide.

[Read more >](#)



Our Legacy of Giving and Service

We're well on our way to our goal of giving \$1 billion for education by the end of 2015. And our volunteers met an ambitious goal two years early.

[Read more >](#)



Civic Activity

Playing a constructive role in policy-making is good business. Being transparent about it is good citizenship.

[Read more >](#)



Strength in numbers

Partnering to improve safety and security — in stores, communities and cyberspace

In 2013, we continued to collaborate to make our guests, employees and neighborhoods safer. Through our **community safety programs**, we support the work of law enforcement, emergency managers and public health officials in thousands of cities and towns across North America. We contribute to **emergency preparedness and disaster relief** worldwide. And we never stop working to keep guests safe and secure in **our stores**.

Responding to our data breach

For many years, we have invested significant capital and resources in cybersecurity, establishing multiple layers of protection of our guests' privacy and data. During the 2013 holiday season, we learned that criminals breached our data security system and gained unauthorized access to our guests' payment-card data. Our response to the breach is ongoing. From the beginning, it has been guided by the principle of serving our guests. When we announced the intrusion, we used multiple forms of communication,





Our REDcard portfolio, including all Target-branded credit and debit cards, will be enabled with MasterCard's chip-and-PIN solution by early 2015.

Because we have long believed chip-enabled smartcards are critical to providing better protection for consumers, we were a founding member of the [EMV Migration Forum of the SmartCard Alliance](#) since its inception in 2012. Target is also a member of that group's steering committee.

including a mass-scale public announcement, email and prominent notices on our website and social media channels. We also assured guests that they had zero liability for any fraudulent charges to their accounts resulting from the breach.

Following the breach, we took steps to improve cybersecurity and cybersecurity awareness for our guests and the public. Chief among them: We accelerated our \$100 million investment in "smart" chip technology for Target REDcards and our stores' point-of-sale terminals. Our goal is to implement this proven technology by early 2015, more than six months

ahead of our previous target date. Our REDcard portfolio, including all Target-branded credit and debit cards, will be enabled with MasterCard's chip-and-PIN solution. Existing co-branded cards will be reissued as MasterCard co-branded chip-and-PIN cards. Ultimately, all of Target's REDcard products will be chip-and-PIN secured. New chip-and-PIN payment terminals will be installed in all of our U.S. stores by September 2014.

We have also made these enhancements since learning of our data breach:

- Enhanced monitoring and logging, including implementing additional rules and alerts, centralizing log feeds and enabling additional logging capabilities
- Installation of application whitelisting on point-of-sale systems, including deploying to all registers and point-of-sale servers and developing whitelisting rules

“To prevent this from happening again, none of us can go it alone. All businesses — and their customers — are facing frequent and increasingly sophisticated attacks by cybercriminals. Protecting American consumers is a shared responsibility and requires a collective and coordinated response. Target remains committed to being part of the solution.”

— John Mulligan, Interim President and CEO, EVP and Chief Financial Officer, Target Corporation

- Review and implementation of enhanced segmentation, including developing point-of-sale management tools, reviewing and streamlining network firewall rules and developing a comprehensive firewall governance process
- Review and tightening of vendor access, including decommissioning vendor access to the server impacted in the breach and disabling certain vendor access points, including FTP and telnet protocols

- Enhanced security of accounts, including resetting 445,000 Target team member and contractor passwords, broadening the use of two-factor authentication, expanding password vaults, disabling multiple vendor accounts, reducing privileges for certain accounts and developing additional training related to password rotation

In March 2014, as part of our ongoing commitment to cyber security, we became the first retailer to join the Financial Services Information Sharing & Analysis Center (FS-ISAC), a nonprofit private-sector initiative developed by

the financial services industry to help facilitate the detection, prevention and response to cyber attacks and fraud activity. This step reflects our continued commitment to shared responsibility between retailers and financial institutions, with a focus on strengthening protections for American consumers.

We also continue to voice support for responsible policy measures that help to further enhance security for consumers, including supporting a national notification standard for all data breaches. We strongly support the Retail Industry Leaders Association’s **cybersecurity and data-privacy initiative**,

which is aimed at informing public dialogue and enhancing practices and policies related to cybersecurity, improved payment security and consumer privacy. And we joined the **Better Business Bureau**, the **National Cyber Security Alliance** and the **National Cyber-Forensics & Training Alliance** in creating Allies for Consumer Digital Safety, whose mission is to create a culture of digital security and trust in the marketplace by empowering people to take action as engaged digital citizens. Our \$5 million commitment to the effort will help fund a multiyear campaign to address the complexities of growing cybersecurity challenges.

\$1M+
in disaster relief

\$2.37M
in public safety giving

800+
public safety grants

36,000+
pieces of gently used electronic
equipment donated to law
enforcement

72,000+
public safety volunteer hours



**Community safety:
Progress with our partners**

To help keep the communities where we do business strong and safe, we're engaged in thousands of **public safety partnerships** across the United States. In 2013:

- We sponsored a study looking at diversion programs for retail theft — programs that divert juvenile offenders from the criminal justice system and provide community-based sanctions instead — as an alternative to traditional prosecution and sentencing. In partnership with

the **Center for Court Innovation** and the U.S. Justice Department's **Office of Community Oriented Policing Services**, researchers interviewed dozens of professionals from law enforcement, courts, youth programming and retail. We completed the research by convening a multidisciplinary working group at our headquarters to explore promising diversion practices. Based on that work, project staff implemented a pilot program aiming to improve two existing youth diversion programs in New York State. A report on the pilot program will be published in 2014.

We were proud to join the **International Association of Chiefs of Police (IACP)** in sponsoring the annual IACP/Target Police Officer of the Year Award. [Watch the video.](#)

- With our longtime partner the **Police Executive Research Forum (PERF)** and the U.S. Justice Department's Office of Community Oriented Policing Services, we surveyed hundreds of police executives nationwide on the challenges and opportunities defining the future of policing. Following the survey, more than 30 police executives gathered at our headquarters in Minneapolis to discuss the survey results. Information from those conversations was compiled along with the survey results in *Future Trends in Policing*, a report that will post this summer on the **Justice Department's website.**



Our annual Heroes & Helpers events pair public safety officials with kids in need for holiday shopping sprees at our stores. In 2013, we donated more than \$200,000 to help more than 10,000 kids buy holiday gifts for their families.



16,000 Target team members donated more than 65,000 volunteer hours to more than 1,000 National Night Out events serving more than 500,000 of their neighbors nationwide.

Awards

- ★ FBI LEEDA Award for Outstanding Assistance to Law Enforcement
- ★ International Association of Emergency Managers Global Partners in Preparedness Award
- ★ Boston Police Commissioner's Commendation
- ★ Federal Law Enforcement Officers Association (FLEOA) Corporate First Responder Honor Award for 2013

- We convened an expert group of national security leaders from government and business in Washington, D.C., to discuss emerging threats and trends in global security. Topics included cybersecurity, supply chain risk and terrorism. Former U.S. Secretary of Homeland Security Michael Chertoff provided keynote remarks. This event enabled leaders with public- and private-sector experience to discuss new ways to address security risks.

- We sponsored the 30th annual National Night Out and hosted National Night Out gatherings in thousands of communities around the United States.



To help law enforcement combat prescription drug abuse, we helped police agencies around the United States purchase drop boxes for people to dispose of unused or expired prescription drugs, free of charge.



As part of National Preparedness Month, our team members packed **3,000 emergency preparedness kits** and distributed them to community members at 13 events nationwide.

Emergency preparedness: Helping in Boston and beyond

The measure of a community may be in the way it handles emergencies — before and after they happen. We work with our neighbors worldwide to increase preparation for emergencies and to respond after they occur. We partner with government agencies, the **Federal Emergency Management Agency (FEMA)**, the **American Red Cross** and other relief organizations. Here are some of the ways we helped in 2013:

- We supplied first responders with food, water, flashlights, bandages, cell phone chargers and other necessities during the search for the Boston Marathon bombing suspects in Watertown, Mass. While under lockdown with the rest of the city, team members at our Watertown store made supplies available as needed to law enforcement agencies and others working from a command and control center in the parking lot outside. In February 2014, we provided a grant supporting a Harvard University symposium that examined the leadership lessons

from the Boston bombings and explored ways that public-private partnerships can enhance response to such incidents.

- We worked with team members in India and at our global sourcing offices to improve safety preparedness in our operations outside North America. Through our second annual Target International Preparedness Month campaign, we used digital media and a “preparedness carnival” to reach hundreds of team members with messages about making emergency preparedness part of their daily lives.

In 2013, **we supported tornado relief** in the U.S. Midwest and Oklahoma; **flood relief** in Colorado and southern Alberta, Canada; and **relief for victims of Typhoon Haiyan** in the Philippines **and flooding** in the North Indian state of Uttarakhand. [Learn more.](#)

- We joined FEMA in launching **America's PrepareAthon**, a nationwide, community-based campaign to increase emergency preparedness and resilience. Twice a year, the program will encourage communities to hold drills and discussions in preparation for local hazards. We were the first private-sector and retail partner to be recognized as a key supporter of the program.
- For the third year in a row, we took part in the **Great ShakeOut**, a global earthquake preparedness effort. Our participation included a drill in which all team members in stores, investigations centers and distribution centers paused to “drop, cover and hold on,” with optional participation by guests in stores. We expanded our participation to include stores in all West Coast states, including California, Oregon, Washington, Hawaii and Alaska — more than 300 stores and 65,000 team members in all.

Our commitment to safety starts in our stores. [See how.](#)



“Among the strong partnerships that the New York City Office of Emergency Management has, the Target partnership ranks at the top. This public-private relationship spans more than garden-variety interactions and extends beyond the confines of NYC.”

— Joe Bruno, Commissioner, New York City Office of Emergency Management



**Team member safety:
Trainings in China
and India**

.....
We're continually working to keep team members safe wherever they work. In 2013, more than 400 team members throughout our operations in China took part in over a dozen roundtable discussions with members of our Target Sourcing Services Global Security Team on the subjects of personal safety and business ethics. Through those conversations, team members gained an increased awareness of how to

reduce risk to their personal safety and the integrity of our business.

In India, more than 100 of our female team members took part in security awareness and self-defense workshops. The workshops were produced by Target India Corporate Security Services and the Women's Business Council in response to several incidents of violence against women in India. Future workshops will focus on domestic violence and passive or covert abuse.

**Building security abroad
through public-private
partnerships**

.....
Some communities abroad where we do business are challenged by a lack of security. In late 2013, we launched a new strategy for increasing security and safety in those places — not only to protect our own people and facilities but also to improve the quality of life for all residents. Working with the Goldman School of Public Policy at the University of California, Berkeley, and focusing first on Bangalore, India, we are developing local partnerships that will improve team

member safety and security. We are also laying the groundwork for long-term relationships with global security-focused organizations that can enhance our security efforts and improve the security of our supply chain.

In November 2013, as part of this initiative, the University of California, Berkeley, and **NASSCOM**, a trade association for India's software industry, held a discussion at our Bangalore offices about how public-private partnerships can promote cybersecurity, team member safety and crisis response.

Feeding hungry minds and hungry families

\$246 million and 1 million hours donated in 2013

Often the best way we can support our communities is through direct giving, and at Target, giving is a longstanding tradition. In 2013, we marked our 67th year of giving 5 percent of our profit to communities, which today amounts to about \$4 million every week. In the United States, we **support schools** and reading programs. In Canada, we focus on poverty alleviation through food and nutrition programs.

We also give of ourselves. Our team contributed more than 1 million volunteer hours to community organizations in North America and abroad in 2013 — the most volunteer hours we’ve ever recorded in a single year.



**2015 GOAL:
DOUBLE EDUCATION
SUPPORT**

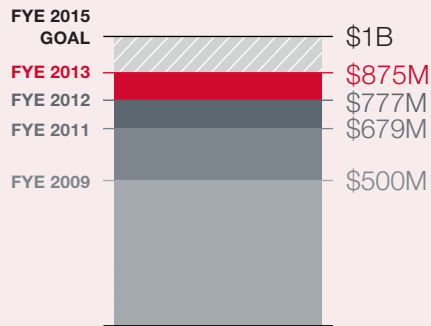
Double Target's year-end 2009 cumulative support of education, with a focus on reading, to \$1 billion.

ON TRACK

2013 PROGRESS

\$875M

Cumulative Support of Education



**2015 GOAL:
INCREASE TCOE GIVING**

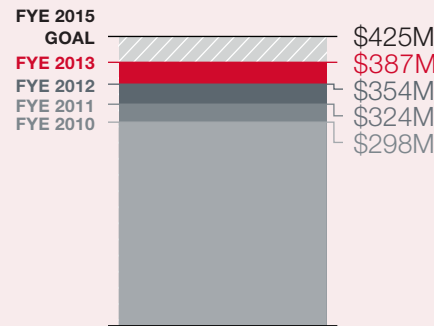
Increase cumulative giving to schools through Target's signature Take Charge of Education (TCOE) program to \$425 million.

ON TRACK

2013 PROGRESS

\$387M

Cumulative Giving to Schools Nationwide



**Supporting education:
\$98 million for schools and reading in 2013**

Our U.S. guests tell us that their top social concern is education. It's ours, too. Few things are more essential in determining future success — for kids, and for communities. Learn more about our support for education [here](#).

Three years ago, we set the goal of giving \$1 billion for education by the end of fiscal 2015. We're well on track: In 2013, we gave \$98 million, bringing our total giving to date to \$875 million.

Take Charge of Education

Through our Take Charge of Education program, we donate 1 percent of guests' REDcard purchases to the schools they designate. In 2013, that added up to \$32 million for more than 85,000 schools in all 50 states and the District of Columbia.



Give with Target

This campaign returned for its second year in 2013, hitting its goal of giving \$5 million to schools in all 50 states and the District of Columbia. For six weeks, guests could use the Give with Target app on our Facebook page and vote for the school of their choice once a week. After a school received 25 votes, we donated \$1 per vote up to a maximum of \$10,000 per school. We added star power to this year's campaign with endorsements from celebrities LaLa Anthony, Luke Bryan, Sophia Bush, Gabby Douglas and Donald Driver.

Supporting K-3 reading

A child who can't read proficiently by the end of third grade is four times more likely to drop out of high school than a child who can. In 2013, as part of our focus on increasing literacy among students in kindergarten through grade three, we continued our support of literacy pilot programs in Minneapolis, Los Angeles and Washington, D.C., measuring outcomes to date and identifying the most promising teaching practices to come out of each. [Watch the video.](#)

We donated **964,000 books** to kids and schools in 2013.



We've also invested in other programs that have produced positive results in reading, including the [Minnesota Reading Corps](#) and [Building Educated Leaders for Life](#), both of which have received national recognition for their work.

Target Canada team members volunteered nearly **1,000 hours** with [First Book Canada](#) in 2013.





We rolled out the red carpet to celebrate Northside Elementary School in Benson, Minn. — **the first school to receive 10,000 votes through Give with Target** in 2013.

Giving local: Education grants

Team members at our stores and distribution centers have the best understanding of their communities' needs, so we ask them to designate the recipients of our grants to K-12 schools. Our grants support field trips, early childhood reading programs and participation in the arts at local K-12 schools. Here's how that giving looked in 2013:

Field trips	5,105 grants	\$3.39M
Early childhood reading	1,795 grants	\$3.38M
Arts, culture and design in schools	1,953 grants	\$3.68M

[Learn more about our grantmaking.](#)

Twenty-five school library makeovers in 2013

Since 2007, we've partnered with **The Heart of America Foundation** to give libraries new life through our School Library Makeover program. Each library we revitalize gets 2,000 new books; larger spaces with new carpet, furniture and technology; and seven new books for each student to keep. We link local Target stores with each school to provide ongoing volunteer support once the new libraries are open. We expect to have completed a total of 200 School Library Makeovers by the end of 2014.

Team Target NASCAR driver Kyle Larson joined students at Phoenix's Palm Lane School for the grand opening of their new school library — one of 200 School Library Makeovers we expect to have completed by the end of 2014.

We're **partnering with StriveTogether and United Way** to mobilize seven **U.S. cities** to practice proven strategies for improving student outcomes "from cradle to career." [Learn more about Strive Together's approach.](#)



Team Target driver Kyle Larson reads to students at Palm Lane School in Phoenix, Ariz.

Through our [hunger relief efforts](#) in the United States and Canada, we donated more than **70 million pounds of food** for a total of more than **58 million meals** for families in need.



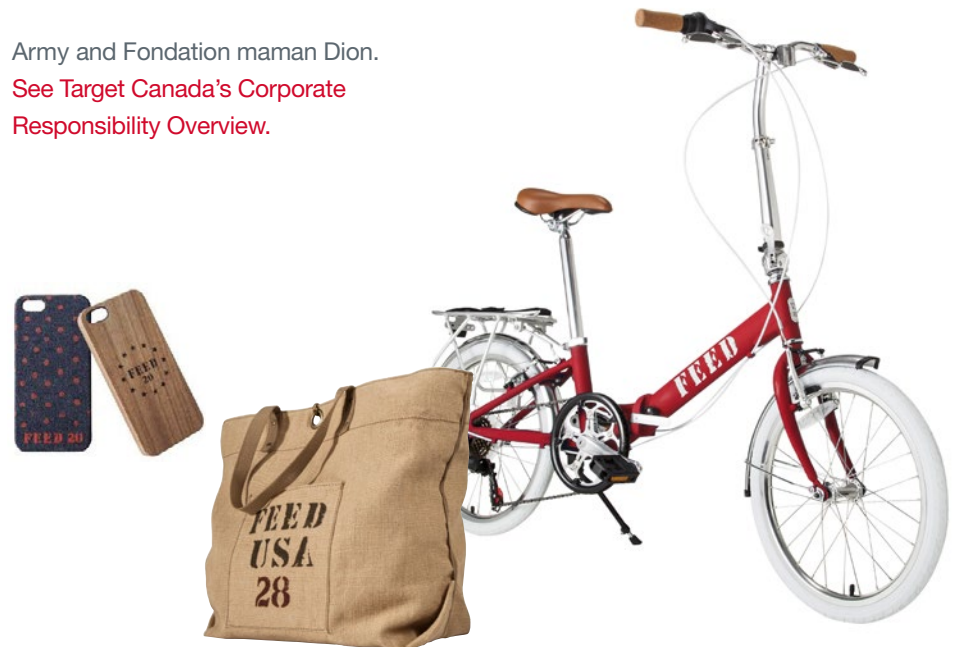
Fighting hunger in the United States and Canada

Knowing that too many people go to bed hungry every night across North America, we partnered with a number of relief organizations in 2013. In the United States, we partnered with [FEED Projects](#) and its founder, Lauren Bush Lauren, to create the FEED USA + Target collection — a limited collection of 50 products spanning home, sporting goods, stationery and accessories. For each product purchased, we donated funding for a certain number of meals

for children and families through [Feeding America](#), the nation’s leading domestic hunger-relief charity. Thanks to our guests, we were able to donate funding for more than 14 million meals through the campaign.

Across the border, as part of our entry into the Canadian market, we asked Canadians what efforts they most wanted us to support in their communities, and food security was high on their list. So in 2013, we funded these organizations, which are all working to alleviate hunger among Canadians: [Food Banks Canada](#), Pathways to Education, The Salvation

Army and Fondation maman Dion. [See Target Canada’s Corporate Responsibility Overview.](#)



**2015 GOAL:
INCREASE VOLUNTEER
HOURS**

Strengthen local communities and help kids learn, schools teach and parents and caring adults engage by increasing team member hours to 700,000 annually.

**NEW GOAL:
VOLUNTEER 1 MILLION HOURS**

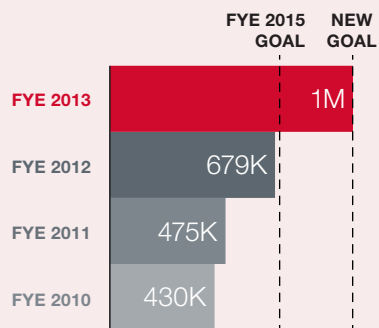
Maintain 1 million volunteer hours annually.

ACHIEVED / NEW GOAL

2013 PROGRESS

1 Million

Volunteer Hours



Reaching our volunteering goal two years early

Our team members **love to share their time and talents** — so much so that in 2013 they enabled us to exceed our goal of logging 700,000 hours two years early by stacking up 1 million volunteer hours. Our new goal? To maintain that number every year through volunteer opportunities that match our team members’ passions and interests, and that make the greatest possible impact in the communities where team members live and work.

Exceeding our goal was a global team effort, with everyone from store teams to our global operations teams working side by side with members of their local communities. Enthusiastic support from our senior leadership also helped underscore the value we place on volunteering.

In 2014, we’re already seeing progress toward our new goal, with improved tracking of volunteer hours made possible through a new mobile app and a communications campaign reminding team members to log on and pitch in.

Giving through United Way

For more than 50 years, our team members have made an impact in their communities by pledging time, leadership and financial resources to local United Way agencies. In 2013, more than 93 percent of team members participated in the campaign and pledged nearly \$12.3 million.

In Canada, all 124 of our new stores made a donation to their local United Way, and a contribution was made to the United Way of Peel Region on behalf of team members at Target Canada headquarters in Mississauga, Ontario.

Joining the conversation

Advocacy and engagement in 2013

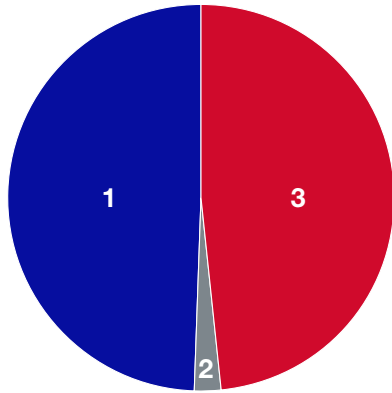
Engaging in civic activity is important for our business and a valuable aspect of corporate citizenship. We work with elected officials on both sides of the political aisle to help shape **public policy**, and advocate our views on issues relevant to our business, our team members and our communities.

As a retailer, importer, health care provider and employer of approximately 366,000 team members, we play an important role in informing policymakers about many legislative issues. Our

advocacy is carried out directly by Target Government Affairs and issue expert leaders throughout the company, as well as indirectly through trade associations and policy-based organizations.

Target has a Policy Committee made up of our most senior executives to guide the decision-making process regarding financial support of **political activities**. This support is provided in a bipartisan manner based strictly on issues that directly affect our business priorities. We also contribute to candidates on both sides of the political aisle through TargetCitizens PAC, which is funded through voluntary contributions from eligible team members.





1 Democratic	117,500	49%
2 Bipartisan	5,000	2%
3 Republican	119,500	49%

Strategizing with our partners

In October 2013, our Government Affairs team hosted its biennial meeting with external partners — state retail associations, chambers of commerce, trade associations, federal advocacy partners and others who help us advocate on legislative and regulatory issues at all levels of government. At the meeting, we shared our priority issues and explained how each affects our company. Partners spoke with Target

leadership, toured facilities and took part in panels and small-group discussions. Our partners are a key advocacy voice for us throughout the country, and meeting with them is an important way we make our voice heard.

Citizens@Target.com is our online hub for team members and guests who want to find out more about the issues and get involved.



Pizza, policy and civic participation

Our Citizens Council is a network of about 1,100 team members who facilitate civic engagement among their colleagues by hosting policy forums, providing information on various issues and arranging opportunities for team members to talk directly with leaders and other stakeholders. The Council's signature event is "Pizza and Policy," a monthly free lunch featuring guests who speak on policy issues. In 2013,

the Council held a special Pizza and Policy Town Hall, where team members were able to pose questions to Minneapolis mayoral candidates in person and online.

Our four priority issues:

- **E-fairness online sales tax**
- **Tax reform**
- **Health care**
- **Trade**



CREATING A GREAT WORKPLACE



WORKING WELL, WORKING SMART

We want everyone who works at Target to love their job. So we continually strive to make our company a great place to work. We're designing a workplace that is rewarding, fulfilling and fun — a company where careers flourish, inclusiveness is a given and ethics are uncompromising. Our guests expect more from Target; we want our team members to know they can, too.

Team Member Well-Being

We're reaching beyond health care to support our team members in nearly every aspect of their lives.

[Read more >](#)



Diversity and Inclusion

Multiple perspectives make us a stronger company, and embracing our differences shows guests we mean it when we say, "Welcome."

[Read more >](#)



Working Differently

With faster decision-making, effective collaboration, more mobile technology and greater flexibility, we're redefining how we work.

[Read more >](#)



Our Governance

Our commitment to transparency, ethics and integrity starts at the top. See how we've built a culture around doing the right thing.

[Read more >](#)



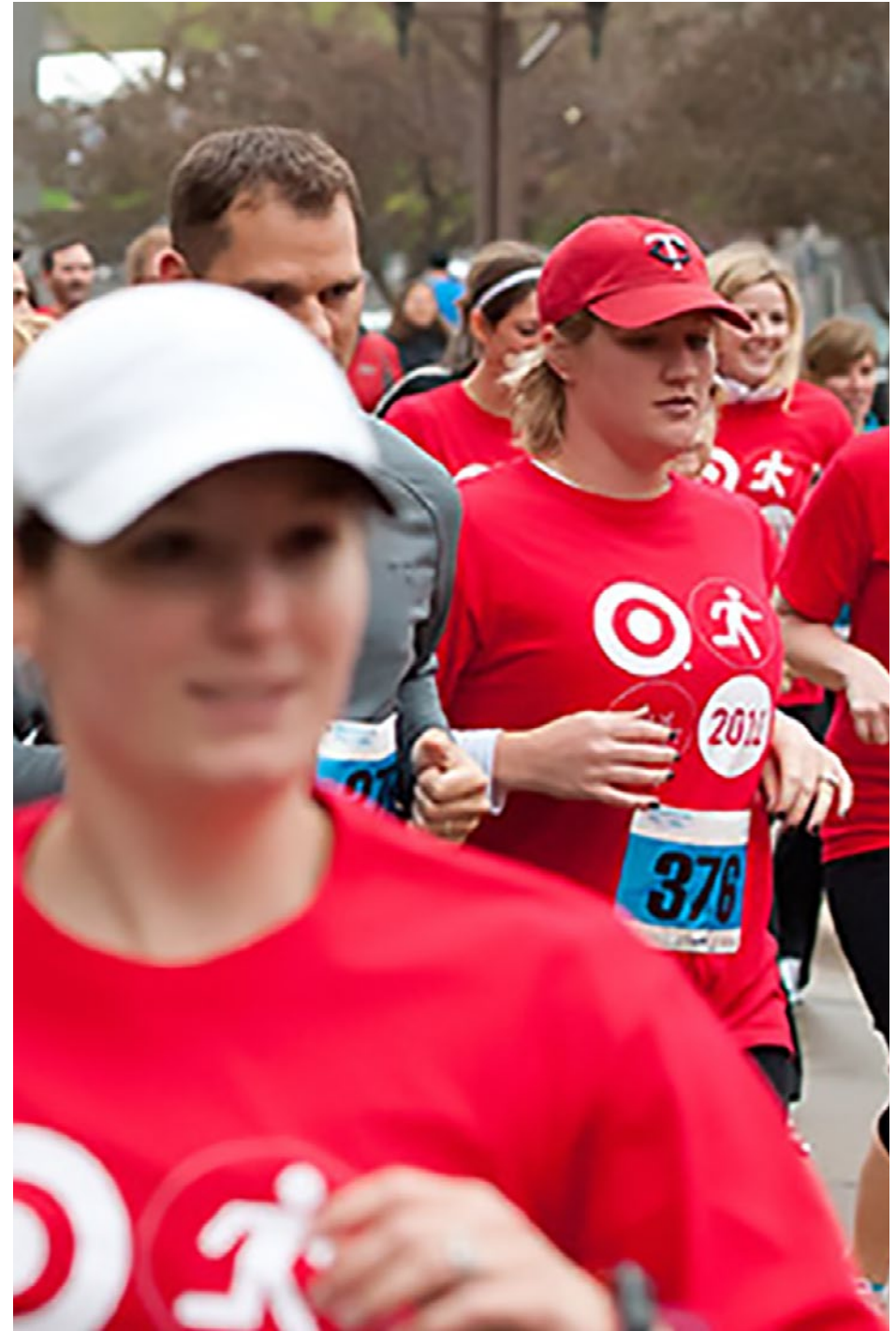
Taking care of our team

Promoting well-being in 2013

One of the most profound ways we can reward our team members, strengthen communities and reduce costs is by supporting our team members' well-being. Our longstanding commitment reaches well beyond physical health; in all, we address five key elements of well-being, offering tools, resources and encouragement to help team members live balanced lives. Learn more about all of our well-being programs [here](#).

Financial well-being: Helping the numbers add up

Our team members work hard for their money, so we want to help their money return the favor. We support team members' current and future financial well-being by providing one of the best 401(k) programs in retail, along with education and resources that support wise planning, diversification and money management. To help enrolled team members make the most of our programs and strengthen their financial futures, we've set the goal of having 30 percent of team members enrolled in



**2015 GOAL:
INCREASE USE OF
FINANCIAL TOOLS**

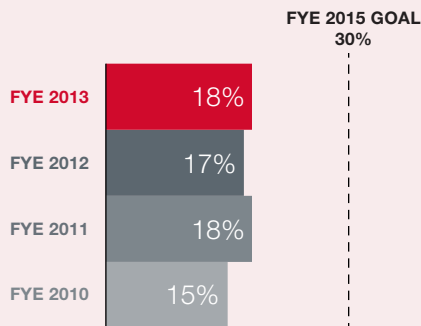
Increase the percentage of team members participating in the Target 401(k) who are using financial tools and resources provided by Target to 30 percent.

NEEDS IMPROVEMENT

2013 PROGRESS

18%

of 401(k) Participants



Team member benefits like our **401(k) Plan, Long-term Disability Plan and Life Insurance** help plan for the future as well as provide peace of mind and protection for the unexpected.

the Target 401(k) plan use the financial-planning tools and resources available to them on our pay and benefits website by 2015. One of the primary resources we provide is **Financial Engines**, a company that provides in-person and online investment advice and 401(k) management. By the end of fiscal 2013, just over 18 percent of team members were using Financial Engines. We're working to increase that number through communications to 401(k)-enrolled team members companywide.

We also help our team members plan for their future by offering Life Path funds, a 401(k) investment choice that makes it easy for team members to plan for retirement and diversify their investments as a protection against risk. Since introducing Life Path funds in 2009, the percentage of team members who have chosen a Life Path fund has grown from 2 percent to 21 percent, and Life Path funds represent the second-greatest allotment of 401(k) investment dollars.

In 2013, we also ran a campaign for team members called "Five Financial Fixes."

TEAM MEMBER WELL-BEING

Our five elements of well-being:

- **Career**
- **Community**
- **Financial**
- **Health**
- **Social**

Presented in partnership with Target Credit Union, the campaign spiced up what can be dry financial topics by offering engaging ways to tackle common financial concerns, from monitoring and improving credit scores and planning for financial emergencies to reducing debt and more. We also reached out to select stores, distribution centers and headquarters locations to provide special sessions designed to boost leaders' and team members' financial well-being. We're exploring the best ways to turn these in-person trainings into programs that can be shared with our entire team via mobile devices.

**2015 GOAL:
INCREASE HEALTH
ASSESSMENTS**

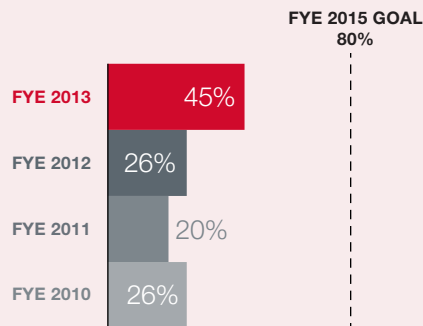
Increase the percentage of team members and spouses and domestic partners enrolled in a Target medical plan completing a health assessment to 80 percent.

ON TRACK

2013 PROGRESS

45%

of Enrolled Team Members and Spouses and Domestic Partners



In 2013, we launched an **enhanced pay and benefits website**, where team members can not only manage their benefits but also find resources to help them achieve all of their well-being goals.

Support for our team members is within easy reach, thanks to **24-hour web and phone access to free, confidential help** with all aspects of well-being.

**Health well-being:
Promoting prevention**

We're serious believers in the time-tested wisdom about "an ounce of prevention." Because each person's needs and goals are unique, we offer a broad array of well-being discounts on gym memberships, weight-loss programs, an online health challenge for all team members and more. We also run annual companywide campaigns promoting prevention.

Our medical and dental plans cover preventive care at 100 percent. We hold



on-site health and well-being events at our stores, distribution centers and headquarters, where team members enrolled in benefits and their spouses or domestic partners can learn about prevention, complete health assessments and biometric screenings and get flu vaccinations.

Because it is important to us that our team members and their spouses or domestic partners get recommended care, we've set goals for having them complete certain preventive or diagnostic screenings. In 2013, we made progress toward all of them.

Health assessments. By the end of fiscal 2013, 45 percent of team members and their spouses and domestic partners enrolled in a Target medical plan had completed an online health assessment, helping them to better understand and improve their health. We significantly increased team member participation by making the assessments easier to access and take — team members simply clicked a link after completing their open enrollment elections for the year. As an incentive, team members and their spouses or domestic partners could earn dollars for their medical plan accounts by completing an assessment. We'll continue using all of these strategies

**2015 GOAL:
INCREASE BIOMETRIC
HEALTH SCREENINGS**

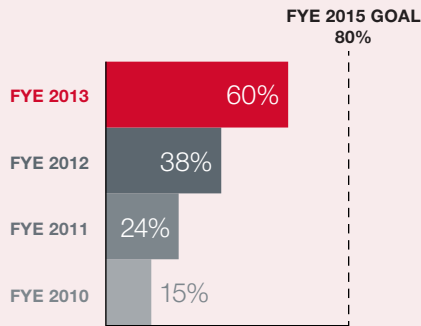
Increase the percentage of team members and spouses and domestic partners enrolled in a Target medical plan completing a biometric screening to 80 percent.

ON TRACK

2013 PROGRESS

60%

of Enrolled Team Members and Spouses and Domestic Partners



**2015 GOAL:
INCREASE DIABETES HBA1C
TESTING COMPLIANCE**

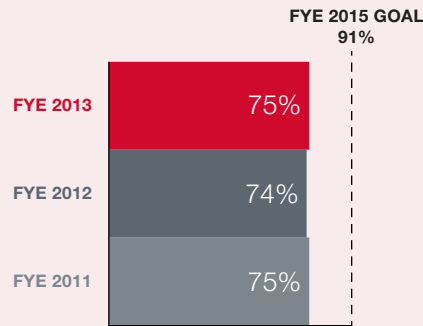
Increase the percentage of eligible team members and dependents enrolled in a Target medical plan getting diabetes testing to 91 percent.

ON TRACK

2013 PROGRESS

75%

of Eligible Enrolled Team Members and Dependents



TEAM MEMBER WELL-BEING



Michael Ayers, an executive team leader at our Cape Coral, Fla., store, made some big changes and became an inspiration to others after a biometric screening revealed he had diabetes. [Read his story.](#)

in 2014 — along with a new, best-in-class health assessment — and we expect that they'll enable us to reach our goal of 80 percent participation by the end of fiscal 2015.

Biometric screenings. By the end of fiscal 2013, 60 percent of enrolled team members and their spouses and domestic partners had completed biometric screenings, helping them better understand their risk for preventable chronic diseases such as diabetes, heart disease and hypertension. We're on track to meet our goal of 80 percent by the end of fiscal 2015. In 2014, we'll continue to offer biometric screenings at our on-site

health well-being events, giving team members and their spouses or domestic partners a convenient opportunity to earn dollars for their medical plan accounts.

Diabetes. In 2013, 75 percent of eligible team members and dependents enrolled in a Target medical plan were tested for diabetes, keeping us on track to reach our goal of 91 percent by the end of fiscal 2015. At on-site health well-being events in 2014, we're sharing information about the importance of a semiannual glucose test, also known as HbA1c testing, for those who have diabetes. We're also testing a Centers for Disease Control-approved diabetes prevention program in select markets.

**2015 GOAL:
INCREASE BREAST CANCER
SCREENINGS**

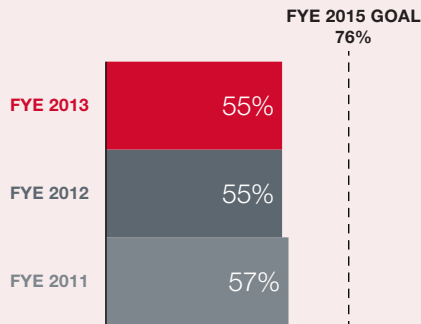
Increase the percentage of eligible team members and dependents enrolled in a Target health plan getting breast cancer screenings to 76 percent.

ON TRACK

2013 PROGRESS

55%

of Eligible Enrolled Team Members and Dependents



**2015 GOAL:
INCREASE CERVICAL CANCER
SCREENINGS**

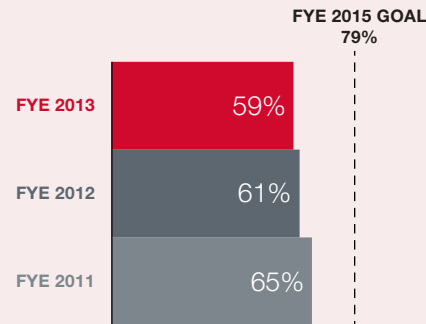
Increase the percentage of eligible team members and dependents enrolled in a Target health plan getting cervical cancer screenings to 79 percent.

NEEDS IMPROVEMENT

2013 PROGRESS

59%

of Eligible Enrolled Team Members and Dependents



TEAM MEMBER WELL-BEING



Some of our team members spoke candidly about their experiences with breast cancer in a powerful video created for National Breast Cancer Awareness Month. Watch it [here](#).

Breast cancer. We achieved a 55 percent screening rate in 2013, keeping us on track toward our goal of 76 percent annually by the end of fiscal 2015. We built momentum toward our goal with a communications campaign during October, National Breast Cancer Awareness Month. Our “For You. For Them.” campaign encouraged women to get screened for the sake of their loved ones as well as for themselves and asked all team members to talk with the women in their lives about the importance of screenings. By getting screened, team members helped other women as well: for every team member who received a

mammogram, United Health Foundation and Park Nicollet Foundation will provide breast cancer resources for underinsured women in the community — more than 500 women in all.

Cervical cancer. In 2013, 59 percent of team members and their dependents underwent screenings. In January 2014, we conducted an awareness-raising campaign coinciding with Cervical Cancer Awareness Month, which included home mailers and outreach by phone. We’ll continue to increase our outreach and awareness efforts to try to reach our goal by the end of 2015.

**2015 GOAL:
INCREASE COLON CANCER
SCREENINGS**

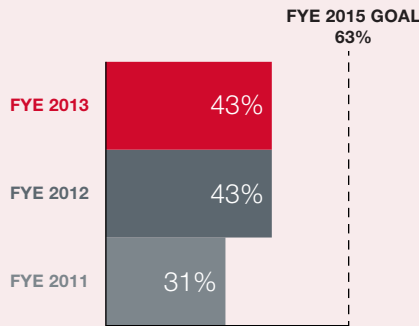
Increase the percentage of eligible team members and dependents enrolled in a Target medical plan getting colon cancer screenings to 63 percent.

ON TRACK

2013 PROGRESS

43%

of Eligible Enrolled Team Members and Dependents



Colon cancer. In 2013, 43 percent of eligible team members and their dependents were screened for colon cancer. We made progress by continuing to provide easy-to-use at-home test kits available to eligible team members through Target Mail Order Pharmacy. We also sent home mailers about the importance of colon cancer screening to team members and dependents enrolled in a Target medical plan.

Staying well by eating well

Research increasingly shows that diet is a fundamental factor of good health. So in 2013, we took steps to help team

members eat right. At our headquarters cafes, we've posted Energy + Well Being indicators, listing calories and relative nutrition and energy "scores" for various foods. We revamped our to-go sandwiches and salads to reduce their calories and improve their nutritional balance. And in early 2014, we swapped colored cafe plates for smaller white versions, which is shown to help reduce portion size. Among all team members, we promoted our **Simply Balanced** and **C9 by Champion** products through sampling and coupons to make it easier to eat healthy and be active. In 2014, we're encouraging healthy eating among team members companywide, raising

TEAM MEMBER WELL-BEING



introducing the
energy + well-being indicator
your at-a-glance guide to healthy food choices

The Energy + Well-Being Indicator represents more than just numbers. It gives you a quick, at-a-glance visual that puts nutrition into the overall context of health.

energy + well-being

Menu items featuring whole grains, fruits, vegetables and lean protein are the highest rated on the arrow, while other menu items with added sugar, saturated fat and sodium receive lower ratings.

This number represents the calories in one serving of the meal. It's not directly tied to the arrow fullness, since a high-calorie item may be packed with healthful nutrients, while an item that's low in calories may not have healthful attributes.

Single menu items, like those at the grill, are marked with an 'i' for more information. Scan the QR code on the sign or visit our website for a full nutrient analysis on these items.

350 cal.

Visit www.cafebonappetit.com/target-well-being for more information.

BE YOU. BE @

BON APPETIT
RESTAURANT GROUP



Energy + Well-Being indicators in our headquarters cafes make it easy to choose healthy, balanced meals.



Our well-being programs were honored with two awards in 2013. We received the [Best Employers for Healthy Lifestyles Gold Award](#), along with a Gold Award from the American Heart Association's [Fit-Friendly Worksite program](#).

awareness and offering more discounts on healthier foods.

Shaping savvy health-care consumers

.....
Navigating a medical plan can be confusing. Yet understanding benefits and making the most of them is one of the best ways all of us can help keep health costs down. We're committed to helping team members understand how to best use their medical benefits.

In 2013, we worked with UnitedHealthcare to develop *You + Health Insurance*, a guide for team members enrolled in a Target-sponsored medical plan. *You + Health Insurance* outlines simple steps team members can take to help their account dollars go further and better manage their health. Our team members weren't the only ones who thought the guide was a great idea: it won a **2013 MarCom Gold Award** for outstanding creative achievement.



Understanding the basics of your health insurance

BE YOU. BE 

All kinds of different

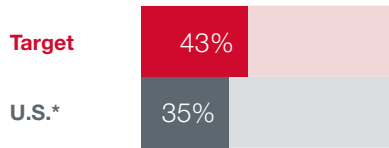
Increasing diversity in 2013

Operating a diverse and inclusive company that reflects the makeup of the world around us is second nature at Target. We do it because it makes us a smarter, stronger company, because our guests and communities expect it and because, quite simply, we wouldn't want it any other way.

In 2013, we continued to increase diversity companywide and to maintain a culture that values differences of all kinds. Overall, our U.S. workforce, which accounts for 94 percent of our team members, is more diverse than the U.S. population. But we still have work to do. Following are the highlights of the progress we made in maintaining a diverse and inclusive workplace in 2013.

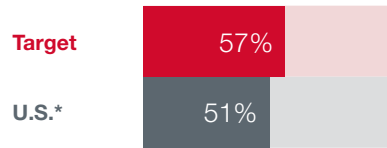


RACIAL/ETHNIC DIVERSITY

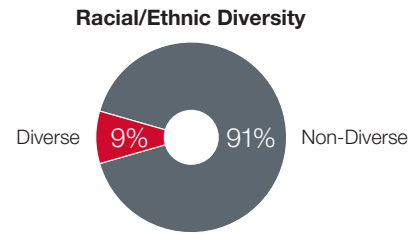


*2010 U.S. Census

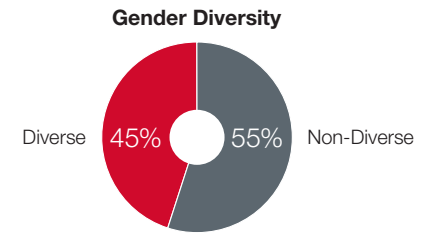
GENDER DIVERSITY



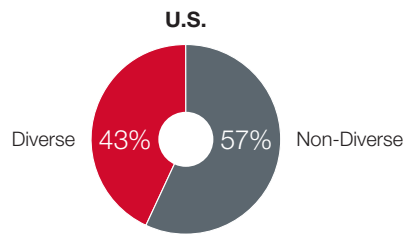
TARGET EXECUTIVE COMMITTEE



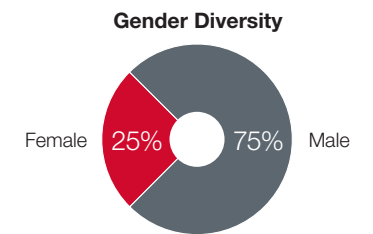
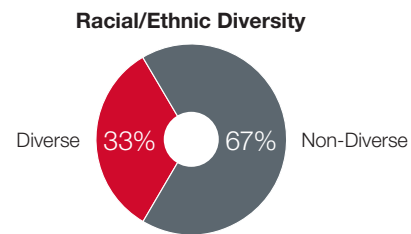
TARGET EXECUTIVE COMMITTEE



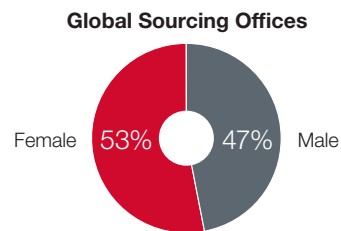
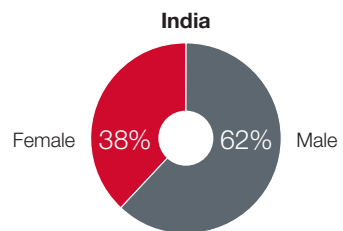
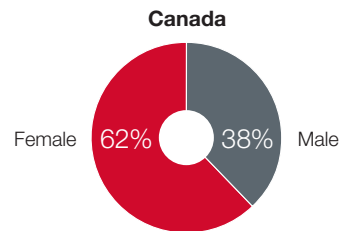
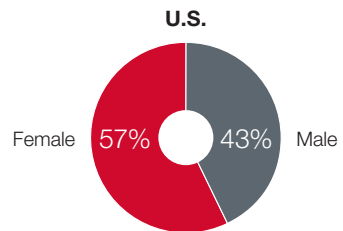
TARGET TOTAL WORKFORCE: RACIAL/ETHNIC DIVERSITY



TARGET BOARD OF DIRECTORS



TARGET TOTAL WORKFORCE: GENDER DIVERSITY





Our Target Women in Science and Technology network teamed with our Women's Business Council to host our second Science and Technology Day for about 150 high-school-aged girls at our Minneapolis headquarters.



Like all of our Diversity and Inclusion Business Councils, our Hispanic Business Council helps inform our choice of product assortments, marketing, recruiting, community outreach and more. [Read more.](#)

Bringing diversity teams to our distribution centers

For many years, our Diversity and Inclusion Business Councils have provided a source of connection and support for team members who work at our headquarters. The councils represent six groups: African American; Asian; Lesbian, Gay, Bisexual, Transgender and Ally; Hispanic; Military; and Women.

Building on their success, in 2013 we established a formal structure for the operation of Distribution Diversity Teams at our distribution centers. All 37 of our U.S. distribution centers now

host teams, which, in addition to providing support for team members, also help advance our companywide strategy of recruiting and retaining diverse team members.

We know “other” isn’t an identity. That’s why we improved our online human-resources system, offering team members options for identifying their race, gender, LGBT (lesbian, gay, bisexual, transgender) status and military status.

Sharing knowledge and connection in our learning groups

Members of our Diversity and Inclusion Business Councils take part in diversity- and inclusion-related learning groups formed around work-related topics like improving public speaking and demonstrating courage. More than 100 learning groups formed in 2013, with about 1,400 team members taking part.

12,000+ team members participated in Diversity and Inclusion Business Councils and networks in 2013.

2013 awards, including:

- ★ The Human Rights Campaign gave Target a score of 100 on its 2013 **Corporate Equality Index**.
- ★ The Hispanic Association on Corporate Responsibility gave Target a score of 80 on its **Corporate Inclusion Index (HACR CII)**.
- ★ The National Association for Female Executives named Target one of the **“Top 50 Companies for Executive Women for 2013.”**

Speaker series delivers inspiration and conversation

We think talking about diversity and inclusion is a good thing. And little is more inspiring than hearing someone’s powerful personal story. Through our Diversity and Inclusion Business Councils, we launched a speaker series at our headquarters in 2013 that included, among other guests, Judy Smith, a reputation-management expert and inspiration for the television series, Scandal; Bonnie St. John, the first African American to win a medal in ski racing in

the Winter Paralympics; Ursula Burns, chairman and chief executive of Xerox and the first African American female CEO of a Fortune 500 company; Eliza Byard, executive director of the Gay, Lesbian & Straight Education Network; and Glenn Llopis, founder and CEO of the Center for Hispanic Leadership. Also, in addition to hosting a talk by *Lean In* author and Facebook Chief Operations Officer Sheryl Sandberg, we presented a panel of female Target executives discussing the idea of women “leaning in” to achieve success and gender parity in the workplace.

A team member network explores what it means to be “able”

Our team member networks enable people who work at Target to connect with others who enjoy the same interests and activities. In the United States and Canada, there are 117 networks in five categories: professional, health and well-being, life and family, interests and hobbies, and alumni. April 2013 saw the launch of our Ability Awareness Network, which fosters inclusiveness and understanding about people with disabilities and provides resources

In 2013, we opened a chapter of our **Women’s Business Council in India**, which we hope will help us retain and develop women by giving team members a place to share perspectives, learn from one another and expand their professional networks.

for team members with disabilities and for team members who have family members or friends with disabilities. About 180 team members belong to the network.

To celebrate diversity and inclusion as a core Target value, we observed **six “heritage month” celebrations** in 2013, as well as an “All Together Month” in July. [Watch the “All Together Target” video.](#)

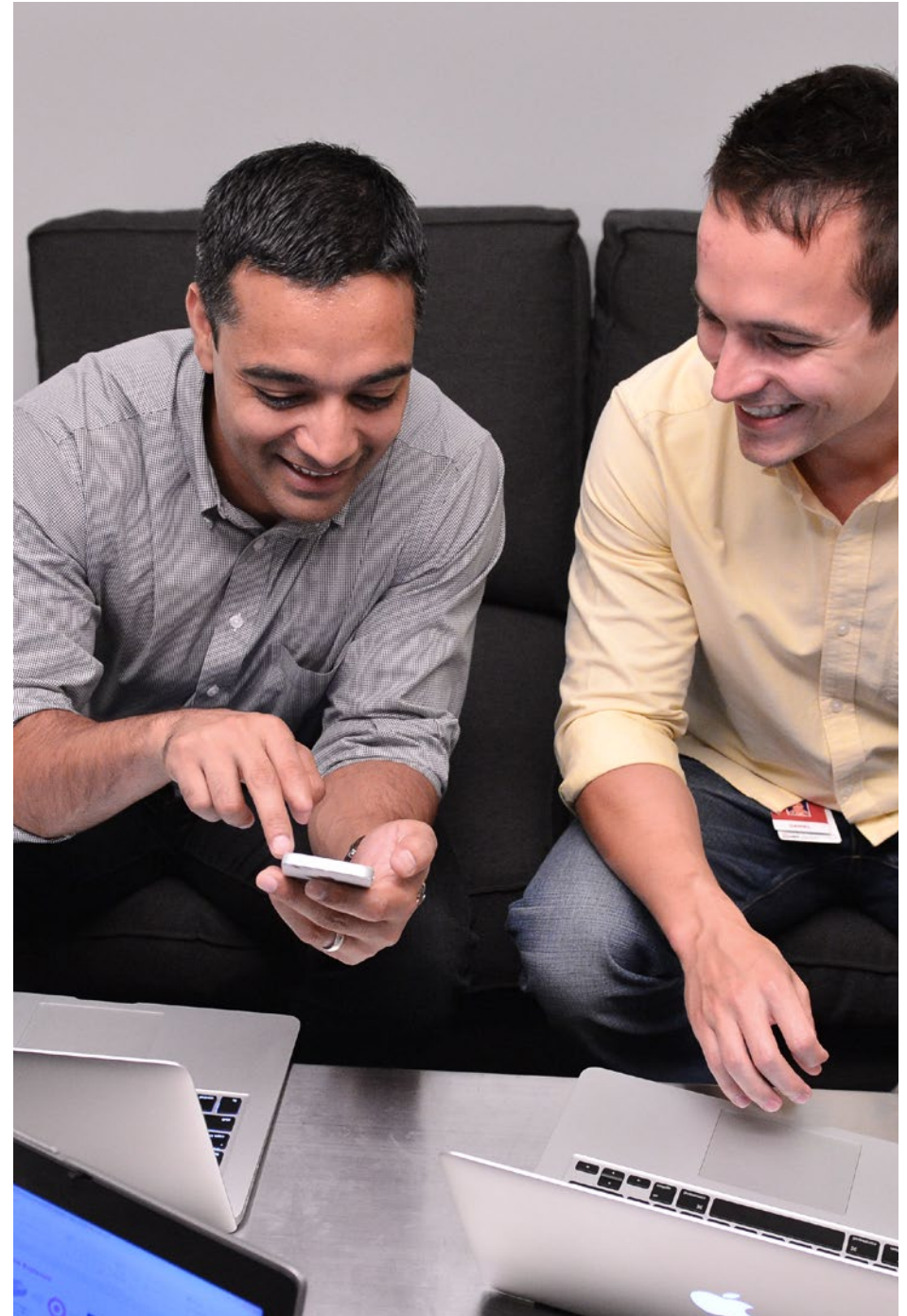
Working at the speed of smart

Going mobile and more to stay ahead of the curve

.....
 We're doing business in the most competitive, fastest-changing environment in our history. To stay ahead, we push ourselves to be more nimble, adaptable and efficient. In 2013, we launched an initiative at our headquarters to evolve four key, interconnected facets of our culture:

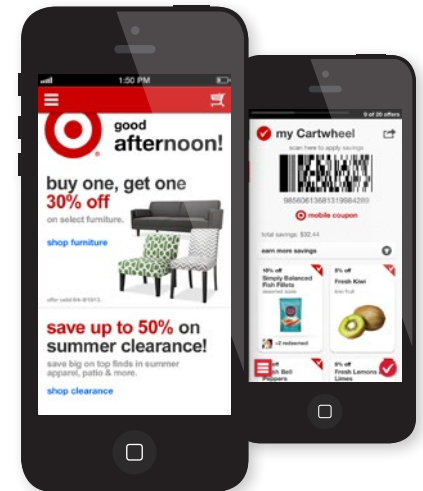
Technology. We added 34 mobile apps to our internal app catalog, enabling team members to find and reserve open

meeting rooms, collaborate via our own social media site and track their volunteer hours, all from their smartphones and tablets. We launched an improved, collaborative intranet site with social media capabilities. We deployed software that combines telephony, videoconferencing and instant messaging, making it easier to meet virtually and work remotely. And team members are learning how all these tools can enhance their work by connecting with our in-house tech "geniuses" and learning from their tech-savvy peers through our digital advising program.



We introduced **more than 34 new mobile apps** to improve efficiency and collaboration for team members on the move.

Store team members mastered guest apps like Cartwheel during **“Get Appy,” a six-week training program** focused on our growing mobile offerings.



Physical space. We began giving our headquarters spaces a makeover so they're more conducive to creativity, innovation and productivity. That means adding space for informal collaborative work in places like cafes and common areas; trading standard-issue cubicles for spaces with shorter, translucent walls that let in natural light and encourage interaction; refreshing spaces with new colors and modern lighting; and enhancing meeting space with whiteboard walls and the latest-generation conferencing technology.

Flexibility. Because work isn't a one-size-fits-all proposition, we introduced more ways for team members to align their personal and professional priorities and create a work/life balance as they define it. Team members know what we expect of them; now they have more flexibility in how they get it done.

Skills and behaviors. Working differently means behaving differently. In addition to learning how to make better use of mobile technology, we're also learning how to make good decisions faster, optimize workflow and further increase the integration of design principles into our business.



Finding new ways to do the right thing

Refreshing our values and reinforcing our commitment to integrity

Behaving ethically and with integrity is more than the right thing to do. It is essential to maintaining our reputation with our team members as a great place to work, with our guests as a great place to shop and with our communities and shareholders as a responsible corporate citizen.

In 2013, we continued to practice strong governance, following principles of our founder, [George Draper Dayton](#),

as well as others that have evolved over time. And in early 2014, our executive committee refreshed company values, stressing the importance of a team that acts with “uncompromising ethics.”

Our commitment to an ethical culture

We begin with the basics: complying with the international, federal, state and local laws and regulations that pertain to our business. But we go beyond regulations. We expect all team members, regardless of level or role, to conduct themselves with the utmost personal and professional integrity every day.



“In the end, corporations don’t earn reputations, people do. I’m grateful to work with people who place such a high value on ethics, and who are dedicated to doing well by doing good.”

– Tim Baer, EVP, Chief Legal Officer and Corporate Secretary, Target Corporation

We support their doing so through our compliance and ethics program, which includes:

- Our **Business Conduct Guide**, which spells out our requirements and expectations regarding ethical behavior
- A dedicated Corporate Compliance and Ethics Team
- Business teams focused on building and sustaining business compliance programs

- Semiannual online integrity training
- An “integrity hotline,” where team members or any third party can anonymously report ethics concerns 24 hours a day



[Learn more](#) about our approach to governance, business conduct and more.



ABOUT THIS REPORT

Structure

While the scope, boundary and measurement methods used in this report have not changed from 2012 — with the exception of our Canadian Segment — we chose to organize a portion of this report around our Value Chain. We believe this framework is more closely aligned with our corporate responsibility strategy.

Scope

This annual report represents Target's global operations as of FYE 2013. The most significant change during the reporting period was the opening of 124 stores and three distribution centers in Canada. Unless noted, goals and other data within the report reflect our U.S. operations only.

This report was published in June 2014 and reflects our activities and performance for FY 2013 (Jan. 27, 2013 – Feb. 1, 2014) and includes forward-looking statements about our business plans, initiatives and objectives.

Our most recent report (2012 Corporate Responsibility Report) was published in June 2013.

Reporting standards

This report uses the Global Reporting Initiative (GRI) 3.1 framework, which Target recognizes as one of the most credible and widely-used standards for reporting environmental, social and governance performance. We believe it helps bring focus to our continued and evolving work as a responsible corporate citizen. We self-declare that this report meets GRI Application Level B requirements.

More corporate responsibility information

This report complements additional corporate responsibility information, past corporate responsibility reports and Target's climate change and water responses to the CDP, all of which are available at Target.com/corporateresponsibility. We are committed to reporting our ongoing progress online and invite you to visit periodically for updates.



Stakeholder engagement

We know we can do more good through partnerships. In addition to the partnerships described throughout this report, more detail on the stakeholder groups we engage and our approach is available [here](#).

Materiality

We identified, evaluated and prioritized the top corporate responsibility issues for Target and our stakeholders through a formal materiality assessment and qualitative and quantitative research. [Read more.](#)

Contact

CorporateResponsibility@target.com

Part I: Indicators

1. Strategy and Analysis

INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE
1.1	Statement from the most senior decision-maker of the organization.	Full	Interim CEO Letter — 5
1.2	Description of key impacts, risks, and opportunities.	Full	2013 Annual Report: Risk Factors Interim CEO Letter — 5 Value Chain — 8–9 Safety and Preparedness — 52–59 Diversity and Inclusion — 77–80

2. Organizational Profile

INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE
2.1	Name of the organization.	Full	2013 Annual Report: Business
2.2	Primary brands, products, and/or services.	Full	2013 Annual Report: Business
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Full	2013 Annual Report: Business
2.4	Location of organization’s headquarters.	Full	2013 Annual Report: Properties
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Full	2013 Annual Report: Business Value Chain: Produce, 2013 Factories Producing Target-Brand Merchandise — 17
2.6	Nature of ownership and legal form.	Full	2013 Annual Report: Business
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Full	2013 Annual Report: Business
2.8	Scale of the reporting organization.	Full	2013 Annual Report: Business
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Full	2013 Annual Report: Business
2.10	Awards received in the reporting period.	Full	Recognition — 98 Awards and Recognition

3. Report Parameters

INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Full	About This Report — 85
3.2	Date of most recent previous report (if any).	Full	About This Report — 85
3.3	Reporting cycle (annual, biennial, etc.).	Full	About This Report — 85
3.4	Contact point for questions regarding the report or its contents.	Full	About This Report — 85
3.5	Process for defining report content.	Full	Interim CEO Letter — 5 About This Report — 85 Materiality
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Full	About This Report — 85
3.7	State any specific limitations on the scope or boundary of the report.	Full	About This Report — 85
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Full	About This Report — 85
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Full	About This Report — 85
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Full	There are no re-statements of information provided in earlier reports.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Full	About This Report — 85
3.12	Table identifying the location of the Standard Disclosures in the report.	Full	GRI Index — 86–97
3.13	Policy and current practice with regard to seeking external assurance for the report.	Full	We did not seek external assurance for this report.

4. Governance, Commitments, and Engagement

INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Full	Board of Directors Board Committees Governance Guidelines
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Full	Board of Directors
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Full	Board of Directors
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Full	Governance Guidelines
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Full	Governance Guidelines
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Full	Governance Guidelines
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Full	Governance Guidelines
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Full	Mission and Values Business Conduct Guide Standards of Vendor Engagement Vendor Code of Conduct
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Full	Governance Guidelines
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Full	Governance Guidelines
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Full	Interim CEO Letter — 5 Value Chain — 8–9

4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Full	Value Chain — 11–12, 22, 24–28, 30, 34, 37, 39, 40, 42, 44, 46, 49 Community — 53–59, 62–65 Workplace — 79
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> • Has positions in governance bodies; • Participates in projects or committees; • Provides substantive funding beyond routine membership dues; or • Views membership as strategic. 	Full	Trade Association and Policy-Based Organization Support
4.14	List of stakeholder groups engaged by the organization.	Full	Stakeholder Engagement Value Chain — 11–12, 22, 24–28, 30, 34, 37, 39, 40, 42, 44, 46, 49 Community — 53–59, 62–65 Workplace — 79
4.15	Basis for identification and selection of stakeholders with whom to engage.	Full	Stakeholder Engagement Value Chain — 11–12, 22, 24–28, 30, 34, 37, 39, 40, 42, 44, 46, 49 Community — 53–59, 62–65 Workplace — 79
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Full	Stakeholder Engagement Value Chain — 11–12, 22, 24–28, 30, 34, 37, 39, 40, 42, 44, 46, 49 Community — 53–59, 62–65 Workplace — 79
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Full	Stakeholder Engagement Value Chain — 11–12, 22, 24–28, 30, 34, 37, 39, 40, 42, 44, 46, 49 Community — 53–59, 62–65 Workplace — 79

Part II: Disclosures on Management Approach

INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE
DMA EC	Economic	Full	2013 Annual Report
DMA EN	Environmental	Full	Value Chain — 10–49
DMA LA	Social: Labor Practices and Decent Work	Full	Workplace — 68–82 Value Chain: Produce — 14–26
DMA HR	Social: Human Rights	Full	Value Chain: Produce — 14–26 Labor and Human Rights Policies
DMA SO	Social: Society	Full	Community — 50–67
DMA PR	Social: Product Responsibility	Full	Value Chain — 10–49

Part III: Performance Indicators

Economic

INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Full	2013 Annual Report
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Full	2014 climate change response to CDP
EC3	Coverage of the organization's defined benefit plan obligations.	Full	2013 Annual Report
EC4	Significant financial assistance received from government.	Full	Target does not receive significant financial assistance from government.
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.		
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.		
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operations.		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Full	Community: Giving and Service — 60–65 Community: Safety and Preparedness — 52–59
EC9	Understanding and describing significant indirect economic impacts, including the extend of impacts.		

Environmental

INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE
EN1	Materials used by weight or volume.		
EN2	Percentage of materials used that are recycled input materials.		
EN3	Direct energy consumption by primary energy source.	Full	Value Chain: Sell, 2013 Energy Use — 45
EN4	Indirect energy consumption by primary source.	Full	Value Chain: Sell, 2013 Energy Use — 45
EN5	Energy saved due to conservation and efficiency improvements.	Full	Value Chain: Sell, 2013 Energy Use — 45
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Partial	Value Chain — 12–13, 26, 32
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.		
EN8	Total water withdrawal by source.	Full	Value Chain: Sell — 46 2014 water response to CDP A large percentage of our buildings' water is supplied via municipal systems, and a small percentage of our buildings (less than 1 percent) directly withdraw water via water wells.
EN9	Water sources significantly affected by withdrawal of water.	Full	As a retailer, we do not operate in a water-intensive industry where significant water withdrawals are necessary. We are not aware of any water sources significantly affected by our withdrawal of water. Our strategy is to achieve milestones in our business by using resources responsibly, eliminating waste and minimizing our water consumption.
EN10	Percentage and total volume of water recycled and reused.	Full	We currently have no facilities that recycle or reuse water, and we 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.
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.		

EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas of high biodiversity value outside protected areas.		
EN13	Habitats protected or restored.	Partial	Value Chain: Sell, Partnering to improve watersheds — 40
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.		
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.		
EN16	Total direct and indirect greenhouse gas emissions by weight.	Full	Value Chain: Sell, 2013 Emissions — 43
EN17	Other relevant indirect greenhouse gas emissions by weight.		
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Full	Value Chain: Sell, 2013 Emissions — 43
EN19	Emissions of ozone-depleting substances by weight.		
EN20	NOx, SOx, and other significant air emissions by type and weight.		
EN21	Total water discharge by quality and destination.		
EN22	Total weight of waste by type and disposal method.	Partial	Value Chain: Sell, Waste — 47
EN23	Total number and volume of significant spills.		
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Full	Value Chain — 10–49
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.		
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization’s operations, and transporting members of the workforce.	Partial	Value Chain: Ship — 35–37
EN30	Total environmental protection expenditures and investments by type.		

Labor Practices and Decent Work

INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE
LA1	Total workforce by employment type, employment contract, and region.	Partial	2013 Annual Report: Employees Global Locations
LA2	Total number and rate of employee turnover by age group, gender, and region.		
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Full	2013 Annual Report: Employees Benefits
LA4	Percentage of employees covered by collective bargaining agreements.		
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.		
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Partial	Workplace: Team Member Well-Being – 72–75
LA9	Health and safety topics covered in formal agreements with trade unions.		
LA10	Average hours of training per year per employee by employee category.		
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Partial	Career Benefits Workplace: Working Differently – 81–82
LA12	Percentage of employees receiving regular performance and career development reviews by gender.	Partial	Team Members
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Partial	Workplace: Diversity and Inclusion – 78
LA14	Ratio of basic salary of men to women by employee category.		
LA15	Return to work and retention rates and parental leave, by gender.		

Human Rights

INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE
HR1	Percentage of total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.		
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Full	Value Chain: Produce, 2013 Factories Producing Target–Brand Merchandise — 17 Social Compliance Audit Process
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.		
HR4	Total number of incidents of discrimination and actions taken.		
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.		
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Full	Labor and Human Rights Policies: Forced Labor
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Full	Labor and Human Rights Policies: Underage Labor
HR8	Percentage of security personnel trained in the organization’s policies or procedures concerning aspects of human rights that are relevant to operations.		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.		
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Full	Value Chain: Produce, 2013 Factories Producing Target–Brand Merchandise — 17 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.
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.		

Society

INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Partial	Community – 51–67
SO2	Percentage and total number of business units analyzed for risks related to corruption.		
SO3	Percentage of employees trained in organization’s anti-corruption policies and procedures.		
SO4	Actions taken in response to incidents of corruption.		
SO5	Public policy positions and participation in public policy development and lobbying.	Full	Issue Advocacy Community: Civic Activity, 66–67
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Full	Political Engagement
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.		
SO9	Operations with significant potential or actual negative impacts on local communities.		
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.		

Product Responsibility

INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Full	Value Chain: Design, Produce, Ship, Sell, Use and Reuse — 10–49
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Partial	Product Safety and Quality Assurance Value Chain: Produce — 27
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.		
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship of type of outcomes.		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		

RECOGNITION

NO. 62

"100 Best Corporate Citizens"
Corporate Responsibility Magazine

NO. 9 MOST GENEROUS

2013 Corporate Giving Survey
Chronicle of Philanthropy

MEMBER

2013 Dow Jones Sustainability Index (DJSI) World Index

NO. 22

FORTUNE
WORLD'S MOST ADMIRABLE COMPANIES 2013

ONE OF

2013 WORLD'S MOST ETHICAL COMPANIES
WWW.ETHISPHERE.COM

2013 Top Company for Mentoring
DiversityInc Magazine

Lesbian, Gay, Bisexual, Transgender Employee Resource Group of the Year Award
Out & Equal Workplace Advocates

SCORE: 100

BEST PLACES TO WORK 2013 for LGBT Equality
100% CORPORATE EQUALITY INDEX

One of the Top 50 Companies for Executive Women for 2013
National Association for Female Executives

Top Corporation for Women's Business Enterprises
The Women's Business Enterprise National Council

NO. 18
America's Top 50 Organizations for Multicultural Business Opportunities
DiversityBusiness.com

NO. 20

DiversityInc TOP 50 COMPANIES FOR DIVERSITY

SCORE: 91B
2013 Carbon Disclosure Project S&P 500 Report
vs. 87B in 2012

MEMBER

2013 Million Dollar Club
United States Hispanic Chamber of Commerce

GOLD
Fit-Friendly Worksites
American Heart Association

NO. 6
Greenpeace Seafood Retailer Scorecard

SCORE: 80
Corporate Inclusion Index (HACR II)
The Hispanic Association on Corporate Responsibility

Sitting in good company.
Select any award to learn more.

GOLD
Best Employers for Health Lifestyles
National Business Group on Health

