

Module: Introduction

Page: F0. Introduction

F0.1

Please give a general description and introduction to your organization

Minneapolis-based Target Corporation (NYSE:TGT) serves guests at 1,807 stores and at Target.com. Since 1946, Target has given 5 percent of its profit to communities, which today equals millions of dollars a week. For more information about Target's commitment to corporate responsibility, visit Target.com/corporate responsibility.

F0.2

Please select the stages of the value chain which best represent your organization's area of operation pertaining to forest risk commodities. If your organization is diversified or vertically integrated, please select all that apply

Retailing

F0.3

Are there any parts of your direct operations that are excluded from this disclosure?

No

F0.3a

Please identify the parts of your direct operations that are excluded from your disclosure

| Exclusion | Description of exclusion | Potential for deforestation risk | Please explain |
|-----------|--------------------------|----------------------------------|----------------|
|-----------|--------------------------|----------------------------------|----------------|

F0.4

Are there any parts of your supply chain that are excluded from this disclosure?

Yes

F0.4a

Please identify the parts of your supply chain that are excluded from your disclosure

| Exclusion | Description of exclusion | Potential for deforestation risk | Please explain |
|-------------------|-------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Business activity | Branded products sold in our retail operations (including stores and online). | Potential for deforestation risk but not evaluated | We have the greatest insight as well as influence over our owned brand portfolio and supply chain. |

F0.5

Do you produce or use materials that contain any of the forest risk commodities? Please complete the table

| Forest risk commodity | Produce/use forest risk commodity | Explanation if not disclosing but produce/use the commodity |
|-----------------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Timber | Yes | |
| Palm Oil | Yes | |
| Cattle Products | Yes | We source and sell a small amount of cattle products (primarily beef), but it is not a significant volume in our business nor in the industry at large. We will continue to evaluate our deforestation risk due to cattle products in the coming year and will disclose if material. |
| Soy | Yes | We source and sell a small amount of soy products (primarily via animal feed), but it is not a significant volume in our business nor in the industry at large. We will continue to evaluate our deforestation risk due to soy products in the coming year and will disclose if material. |

| Forest risk commodity | Produce/use forest risk commodity | Explanation if not disclosing but produce/use the commodity |
|-----------------------|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Other | Don't know | We source and sell a variety of other products (primarily foodstuffs) which may have deforestation risk, but it is not a significant volume in our business nor in the industry at large. We will continue to evaluate our deforestation risk due to other commodities in the coming year and will disclose if material. |

F0.6

Please confirm which commodities you will be disclosing on

Timber
Palm Oil

F0.7

Please state the start and end date of the year for which you are reporting data

| Reporting year |
|-----------------------------------|
| Sun 31 Jan 2016 - Tue 31 Jan 2017 |

Further Information

Module: Current State

Page: F1. Context

F1.1

How does your organization use your selected commodities? Please provide details on the form and source of the commodities you use or produce

| Forest risk commodity | Activity | Form of commodity | Source | Country of origin | % of procurement spend | Comment |
|-----------------------|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|-------------------|------------------------|---------|
| Timber | Buying manufactured product | Sawn timber, veneer, chips Pulp Paper Boards, plywood, engineered wood Primary packaging Secondary packaging Tertiary packaging Cellulose-based textile fiber Goods Not For Resale (GNFR) | Contracted suppliers (processors) Contracted suppliers (manufacturers) | Don't know | Don't know | |
| Timber | Retail/ onward sale of commodity or product containing commodity | Sawn timber, veneer, chips Pulp Paper Boards, plywood, engineered wood Primary packaging Secondary packaging Tertiary packaging Cellulose-based textile fiber Goods Not For Resale (GNFR) | Contracted suppliers (processors) Contracted suppliers (manufacturers) | Don't know | Don't know | |
| Palm Oil | Buying manufactured product | Refined palm oil Palm oil derivatives Palm kernel oil derivatives | Contracted suppliers (manufacturers) | Don't know | Don't know | |
| Palm Oil | Retail/ onward sale of commodity or product containing commodity | Refined palm oil Palm oil derivatives Palm kernel oil | Contracted suppliers (manufacturers) | Don't know | Don't know | |

| Forest risk commodity | Activity | Form of commodity | Source | Country of origin | % of procurement spend | Comment |
|-----------------------|----------|-------------------|--------|-------------------|------------------------|---------|
| | | derivatives | | | | |

F1.2

Please indicate the percentage of your organization's revenue that was dependent on each of your selected forest risk commodities in the reporting year

| Forest risk commodity | % of revenue dependent on commodity in the reporting year | Comment |
|-----------------------|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Timber | | Unable to estimate at this time. (Response option was available in prepared guidance document but not here) |
| Palm Oil | | Unable to estimate at this time. (Response option was available in prepared guidance document but not here) |

F1.3

Has your organization experienced impacts related to forest risk commodities that have generated a substantive change in your business operations, revenue or expenditure in the reporting year?

No

F1.3a

Please identify the impacts related to forest risk commodities that have generated a substantive change in your business operations, revenue or expenditure in the reporting year

| Forest risk commodity | Impact driver | Impact | Description of impact | Estimated financial impact | Response strategy | Description of response strategy |
|-----------------------|---------------|--------|-----------------------|----------------------------|-------------------|----------------------------------|
|-----------------------|---------------|--------|-----------------------|----------------------------|-------------------|----------------------------------|

F1.4

Please describe why you do not know if your organization experienced any impacts related to forest risk commodities that have generated a substantive change in your business operations, revenue or expenditure in the reporting year

| Primary reason for being unaware of impacts | Comment |
|---------------------------------------------|---------|
|---------------------------------------------|---------|

Further Information

Module: Risk Assessment

Page: F2. Risk assessment

F2.1

Please select the option that best describes your procedures with regard to assessing deforestation risks and opportunities

| Forest risk commodity | Deforestation risk assessment procedure | Operational coverage | Please explain |
|-----------------------|----------------------------------------------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Timber | Deforestation risks are not assessed | | Timber is in early stages of independent assessment and we have not yet completed an assessment of specific deforestation risks associated with the commodity. |
| Palm Oil | Undertaken independently of other risk assessments | Partial supply chain | Palm was assessed earlier than most commodities for the risk of deforestation, and independently of other assessments. |

| Forest risk commodity | Deforestation risk assessment procedure | Operational coverage | Please explain |
|-----------------------|-----------------------------------------|----------------------|----------------|
| | | | |

F2.1a

Please provide further details on your risk assessment procedures with regard to deforestation risks and opportunities

| Forest risk commodity | Frequency of monitoring | To whom are results reported? | Scale of risk assessment | How far into the future are risks considered? | Please explain |
|-----------------------|--------------------------------|-------------------------------|--------------------------|-----------------------------------------------|----------------|
| Palm Oil | Six-monthly or more frequently | Senior manager/officer | Tier 1 supplier(s) | Unknown | |

F2.1b

Please identify which of the following criteria are factored into your organization's deforestation risk assessments

| Criteria | Timeframe | Relevance | Please explain |
|----------------------------------------------------------------|-------------------|--------------------|----------------|
| Changes in availability and quality of forest risk commodities | Current Future | Relevant, included | |
| Impact of activity on the status of ecosystems and habitats | Current Future | Relevant, included | |
| Regulation | | | |
| Tariffs or price increases | | | |
| Loss of markets | | | |
| Stakeholder conflicts concerning forest | | | |

| Criteria | Timeframe | Relevance | Please explain |
|-------------------------------------------------|-------------------|--------------------|----------------|
| risk commodities | | | |
| Brand damage related to forest risk commodities | Current Future | Relevant, included | |
| Corruption | | | |
| Other | | | |

F2.1c

Please provide any additional information about your approach to assessing deforestation risks here

In 2016 Target engaged its Owned Brand vendor base to:

- Determine volume of palm and palm kernel oil used in the Owned Brand products covered by its commitment;
- Determine percentage of palm oil supply that is certified, broken out by the different supply chain mechanisms;
- Evaluate our vendors' sustainability programs and claims, led by our partner, Proforest;
- Conduct webinars for our vendors, in conjunction with our partners Proforest, to highlight the importance of Target's commitment and expectations;
- Collect traceability information about our supply chains.

Target is one of the first retailers in the USA to embark upon supply chain traceability for palm oil, and this has involved awareness raising and training efforts with our vendors on how to trace back through their own supply chains.

F2.1d

If you have conducted a partial risk assessment, please identify any exclusions in the following table

| Forest risk commodity | Exclusion | Please explain |
|-----------------------|----------------------|-------------------------------------------------------------------------------|
| Palm Oil | Specific supplier(s) | Branded products sold in our retail operations (including stores and online). |

F2.2

Please explain why you do not have a process in place for assessing and managing deforestation risks, and whether you plan to introduce such a process in the future

| Forest risk commodity | Primary reason for not having a process | Do you plan to introduce a process? | Timeframe | Comment |
|-----------------------|------------------------------------------------------------------------------|-------------------------------------|---------------------|---------|
| Timber | Insufficient knowledge of deforestation impacts from forest risk commodities | Yes | Next reporting year | |

Further Information

Module: Implications

Page: F3. Risks

F3.1

Have you identified any inherent risks related to producing, marketing or sourcing forest risk commodities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Please select all that apply

| Forest risk commodity | Risk |
|-----------------------|--------------------|
| Timber | Reputational risks |
| Palm Oil | Reputational risks |

F3.1a

For your selected forest risk commodities, please describe any inherent operational risks in your direct operations or supply chain driven by changes in physical parameters that have the potential to generate a substantive change in business operations, revenue or expenditure

| Forest risk commodity | Risk driver | Geographical scale | Description of risk | Potential impact | Timeframe | Direct operations/ supply chain | Likelihood | Magnitude of impact | Management methods |
|-----------------------|-------------|--------------------|---------------------|------------------|-----------|---------------------------------|------------|---------------------|--------------------|
| | | | | | | | | | |

F3.1b

For your selected forest risk commodities, please describe any inherent risks in your direct operations or supply chain driven by changes in regulation that have the potential to generate a substantive change in business operations, revenue or expenditure

| Forest risk commodity | Risk driver | Geographical scale | Description of risk | Potential impact | Timeframe | Direct operations/ supply chain | Likelihood | Magnitude of impact | Management methods |
|-----------------------|-------------|--------------------|---------------------|------------------|-----------|---------------------------------|------------|---------------------|--------------------|
| | | | | | | | | | |

F3.1c

For your selected forest risk commodities, please describe any inherent reputational risks in your direct operations or supply chain that have the potential to generate a substantive change in business operations, revenue or expenditure

| Forest risk commodity | Risk driver | Geographical scale | Description of risk | Potential impact | Timeframe | Direct operations/ supply chain | Likelihood | Magnitude of impact | Management methods |
|-----------------------|-------------|--------------------|---------------------|------------------|-----------|---------------------------------|------------|---------------------|--------------------|
| Timber | Negative | Country | Risk of decreased | Reduced | 1-3 years | Direct | Unlikely | Low | |

| Forest risk commodity | Risk driver | Geographical scale | Description of risk | Potential impact | Timeframe | Direct operations/ supply chain | Likelihood | Magnitude of impact | Management methods |
|-----------------------|---------------------------|--------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------|---------------------------------|------------|---------------------|--------------------|
| | media coverage | | public and shareholder opinion due to lagging behind competitors. | demand for goods/service Reduced stock price (market valuation) Wider social disadvantage | | operations | | | |
| Timber | Consumer market campaigns | Country | Risk of decreased public and shareholder opinion due to lagging behind competitors. | Reduced demand for goods/service Reduced stock price (market valuation) Wider social disadvantage | 1-3 years | Direct operations | Unlikely | Low | |
| Palm Oil | Negative media coverage | Country | Risk of decreased public and shareholder opinion due to lagging behind competitors. | Reduced demand for goods/service Reduced stock price (market valuation) Wider social disadvantage | 1-3 years | Direct operations | Unlikely | Unknown | |
| | Consumer market campaigns | Country | Risk of decreased public and shareholder opinion due to lagging behind competitors. | Reduced demand for goods/service | 1-3 years | Direct operations | Unlikely | Unknown | |

If you indicated in question F3.1 that you do not consider your organization to be exposed to operational risks related to producing, marketing or sourcing any of your selected commodities, please explain why in the table below

| Forest risk commodity | Primary reason for not identifying risks | Please explain |
|-----------------------|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Timber | Risks exist, but no substantive impact anticipated | Our relative size of business and ability to avoid substantive impact mean that although the risks exist, we will be able to manage through them. |
| Palm Oil | Risks exist, but no substantive impact anticipated | Our relative size of business and ability to avoid substantive impact mean that although the risks exist, we will be able to manage through them. |

F3.3

If you indicated in question F3.1 that you do not consider your organization to be exposed to risks related to producing, marketing or sourcing any of your selected commodities driven by changes in regulation, please explain why in the table below

| Forest risk commodity | Primary reason for not identifying risks | Please explain |
|-----------------------|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Timber | Risks exist, but no substantive impact anticipated | Our relative size of business and ability to avoid substantive impact mean that although the risks exist, we will be able to manage through them. |
| Palm Oil | Risks exist, but no substantive impact anticipated | Our relative size of business and ability to avoid substantive impact mean that although the risks exist, we will be able to manage through them. |

F3.4

If you indicated in question F3.1 that you do not consider your organization to be exposed to reputational risks related to producing, marketing or sourcing any of your selected commodities, please explain why in the table below

| Forest risk commodity | Primary reason for not identifying risks | Please explain |
|-----------------------|------------------------------------------|----------------|
| | | |

Further Information**Page: F4. Opportunities**

F4.1

Have you identified any opportunities related to producing, marketing or sourcing these commodities sustainably that have the potential to benefit your organization?

| Forest risk commodity | Opportunities? |
|-----------------------|----------------|
| Timber | Yes |
| Palm Oil | Yes |

F4.1a

Please describe the opportunities related to producing, marketing or sourcing these commodities sustainably, and your organization's strategy to capitalize on them

| Forest risk commodity | Opportunity | Scale of opportunity | Strategy to realize opportunity | Timeframe | Comment |
|-----------------------|------------------------------------------|----------------------|---------------------------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Timber | Increased brand value | | | 1-3 years | Please see weblink: https://corporate.target.com/article/2017/04/forest-products-policy |
| Timber | Increased shareholder value | | | 1-3 years | |
| Timber | Staff retention/satisfaction | | | 1-3 years | |
| Timber | Increased transparency | | | 1-3 years | |
| Timber | Driving demand for sustainable materials | | | 1-3 years | |

| Forest risk commodity | Opportunity | Scale of opportunity | Strategy to realize opportunity | Timeframe | Comment |
|-----------------------|------------------------------------------|----------------------|---------------------------------|-----------|---------|
| Palm Oil | Increased brand value | | | 1-3 years | |
| Palm Oil | Increased shareholder value | | | 1-3 years | |
| Palm Oil | Staff retention/satisfaction | | | 1-3 years | |
| Palm Oil | Increased transparency | | | 1-3 years | |
| Palm Oil | Driving demand for sustainable materials | | | 1-3 years | |

F4.2

Please explain why you do not consider there to be any opportunities for your organization associated with producing, marketing or sourcing these commodities sustainably

| Forest risk commodity | Primary reason for not identifying opportunities | Please explain |
|-----------------------|--------------------------------------------------|----------------|
| | | |

F4.3

Please explain why you don't know if there are any opportunities for your organization associated with producing, marketing or sourcing these commodities sustainably

| Forest risk commodity | Primary reason for not knowing if there are opportunities | Please explain |
|-----------------------|-----------------------------------------------------------|----------------|
| | | |

Further Information

Module: Measure & Monitor

Page: F5. Measurement

F5.1

Do you own or manage land used for the production of any of your selected commodities? Please complete the table

| Forest risk commodity | Own and/or manage land? | Size (Hectares) | Type of control | System in place to monitor deforestation? | Recent infractions? | Please explain |
|-----------------------|--------------------------|-----------------|-----------------|-------------------------------------------|---------------------|----------------|
| Timber | Don't own or manage land | | | | | |
| Palm Oil | Don't own or manage land | | | | | |

F5.2

Does your organization collect production and/or consumption data for your selected commodities?

| Forest risk commodity | Production and/or consumption data available? |
|-----------------------|-----------------------------------------------|
| Timber | Data not available |
| Palm Oil | Consumption data available, disclosing |

F5.2a

Please disclose your production and/or consumption data using the table below

| Forest risk commodity | Production/ consumption data | Volume | Metric | Full/Partial data? | If partial data, please explain |
|-----------------------|------------------------------|--------|-------------|---------------------------------------|---------------------------------|
| Palm Oil | Consumption data | 3506 | Metric tons | Full commodity production/consumption | |

F5.3

Please explain why your organization is not disclosing production and/or consumption data for your selected commodities

| Forest risk commodity | Primary reason for not disclosing production/consumption data | Please explain |
|-----------------------|---------------------------------------------------------------|----------------|
| | | |

F5.4

Please explain why production and/or consumption data is not available for your selected commodities

| Forest risk commodity | Primary reason for not having production/consumption data | Please explain |
|-----------------------|---------------------------------------------------------------------------------------|----------------|
| Timber | Production/consumption of forest risk commodities not recorded at the corporate level | |
| Timber | Scoping of forest risk commodities in products/supply chain not completed | |

Further Information

Page: F6. Traceability

F6.1

Do you have a system in place to track and monitor the origin of raw materials for your selected commodities?

| Forest risk commodity | System to track and monitor origin of raw materials? |
|-----------------------|------------------------------------------------------|
|-----------------------|------------------------------------------------------|

F6.1a

Please describe the system you have in place to track and monitor the origin of raw materials for your selected commodities

| Forest risk commodity | System | System coverage | If partial, % of total production/consumption tracked/monitored | Please explain |
|-----------------------|--------|-----------------|-----------------------------------------------------------------|----------------|
|-----------------------|--------|-----------------|-----------------------------------------------------------------|----------------|

F6.2

Please explain why you do not have a system in place to track and monitor the origin of raw materials for your selected commodities

| Forest risk commodity | Primary reason for not having a system in place | Please explain |
|-----------------------|-------------------------------------------------|----------------|
|-----------------------|-------------------------------------------------|----------------|

F6.3

Please provide details on the level of traceability your organization has for your selected commodities

| Forest risk commodity | % of total production/ consumption traceable | Traceability system | Point to which traceable | Exclusions | Exclusion description, if applicable | Comment |
|-----------------------|-------------------------------------------------|---------------------|--------------------------------|------------|--------------------------------------------|---------|
| Timber | Don't know | | | | | |
| Palm Oil | Don't know | | | | | |

F6.3a

Please describe your organization's approach to establishing traceability

We aim for each actor in our supply chain to ask the next level to establish all actors in the supply chain and place responsibility on our direct vendors to work with their other partners.

Right now for timber, we have some FSC chain of custody, which provides a high-level structure/framework for traceability, and we will continue to evaluate options for traceability in timber over the course of the following year(s).

Further Information

Module: Response

Page: F7. Governance and strategy

F7.1

Please indicate where the highest level of direct responsibility for deforestation risk lies within your organization and detail the frequency and nature of engagement on the issue

| Highest level of responsibility | Name/position of individual or name of committee | Frequency of briefing | Nature of engagement |
|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Board or individual/sub-set of the Board or committee appointed by the Board | The Board has oversight over the Corporation's reputation and corporate social responsibility efforts. Day-to-day decisions rest with a committee of leaders (not appointed by Board) including: - Amanda Irish, VP Owned Brand Essentials - Jennifer Silberman, VP CSR, Chief Sustainability Officer - Irene Quarshie, VP Target Sourcing Services, Quality and Compliance - Sarah Thorson, VP Product Design & Development | Quarterly | This group is responsible for approving all public facing policies and goals related to timber and palm oil deforestation risk, and often other related work as well. |

F7.2

Have you evaluated how the availability or quality of forest risk commodities could affect your organization's growth strategy?

Not evaluated

F7.2a

Please explain how you evaluated the effects of the availability or quality of forest risk commodities on the success (viability, constraints) of your organization's growth strategy

F7.3

Please explain why you have not evaluated how the availability or quality of forest risk commodities could affect the success (viability, constraints) of your organization's growth strategy

| Primary reason for not evaluating potential impact on growth strategy | Please explain |
|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Insufficient knowledge of deforestation impacts from forest risk commodities | Other reasons include: Insufficient resources to complete risk assessment Insufficient data on operations |

Further Information

Page: F8. Policies

F8.1

Does your organization have a policy that recognizes the role of reducing deforestation for climate change mitigation and sets out clear goals and guidelines for action?

| Policy | Please explain |
|--------|-------------------------------------------------------------------------------------------------------------------------------------|
| No | We recognize that deforestation is a contributor to climate change, but have not yet set out clear goals and guidelines for action. |

F8.2

Has your organization made a commitment to reduce or remove deforestation and forest degradation from your direct operations and/or supply chain?

No

F8.2a

Please identify which of the following criteria are specifically stated in your organization's commitment to reduce or remove deforestation and forest degradation from your direct operations and/or supply chain

| Criteria | Commodity coverage | Operational coverage | % of total production/ consumption covered by commitment | Commitment timeframe | Please explain |
|----------|--------------------|----------------------|----------------------------------------------------------------|----------------------|----------------|
|----------|--------------------|----------------------|----------------------------------------------------------------|----------------------|----------------|

F8.3

Please explain why your organization has not made a commitment to reduce or remove deforestation and forest degradation from your direct operations and/or supply chain, and whether you plan to do this in the future

| Primary reason for not having made a commitment | Do you plan to introduce a commitment? | Please explain |
|------------------------------------------------------------------------------|----------------------------------------|----------------|
| Insufficient knowledge of deforestation impacts from forest risk commodities | Yes | |

F8.4

Do you have commodity specific sustainability policies?

| Forest risk commodity | Commodity specific sustainability policies? | Criteria | Cut-off date, if applicable | Please explain |
|-----------------------|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Timber | Yes | Zero deforestation and forest degradation High Conservation Value (HCV) management Legality | 1994 | In addition, Target believes that use of post-consumer recycled and alternative (non-wood) fibers should be increased to reduce the pressure on forests. Target aims to increase the use of recycled materials in our products and packaging when available and meeting product performance requirements and competitive market conditions. |
| Palm Oil | Yes | Zero deforestation and forest degradation Zero net deforestation and forest degradation High Conservation Value (HCV) management High Carbon Stock (HCS) management | Not applicable | |

| Forest risk commodity | Commodity specific sustainability policies? | Criteria | Cut-off date, if applicable | Please explain |
|-----------------------|---------------------------------------------|-------------------------------------------------------------------------------|-----------------------------|----------------|
| | | No peatland conversion Free, Prior and Informed Consent (FPIC) Legality | | |

Further Information

Page: F9. Standards and targets

F9.1

Do you have any environmental standards for the production of raw materials for your selected commodities, other than third party certification schemes?

| Forest risk commodity | Production standards in place? | Please describe your production standards | Comment |
|-----------------------|--------------------------------|-------------------------------------------|---------|
| | | | |

F9.2

Does your organization enforce any procurement standards that impact your sourcing of forest risk commodities?

| Forest risk commodity | Procurement standards in place? | Monitor compliance? | Impact on sourcing activities | Please explain |
|-----------------------|---------------------------------|---------------------|------------------------------------------------------------------------------------|----------------|
| Timber | Yes | Yes | Factored into supplier selection process Impact on supplier engagement strategy | |
| Palm Oil | Yes | Yes | Factored into supplier selection process Impact on supplier engagement strategy | |

F9.3

Are you involved in any multi-partnership or stakeholder initiatives relating to the sustainability of these commodities? Please describe your role

| Forest risk commodity | Involved in initiatives? | Initiatives | Please explain |
|-----------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------|----------------|
| Timber | Yes | WWF Global Forest & Trade Network (GFTN) The Consumer Goods Forum (CGF) Sustainable Packaging Coalition (SPC) | |
| Palm Oil | Yes | The Consumer Goods Forum (CGF) Roundtable on Sustainable Palm Oil (RSPO) | |

F9.4

Do you specify any third party certification schemes for your selected commodities? Please indicate the percentage of total production and/or consumption currently certified

| Forest Risk Commodity | Specify third party certification schemes? | % of total production/ consumption certified | Certification scheme breakdown | Please explain |
|-----------------------|--------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------|----------------|
| Timber | FSC PEFC SFI | Don't know | FSC Chain of Custody PEFC Chain of Custody SFI Chain of Custody | |
| Palm Oil | RSPO | 21-30% | RSPO GreenPalm RSPO Mass Balance RSPO Segregated | |

F9.5

Do you have any quantified targets for third party certified materials in your direct operations and/or supply chains?

| Forest risk commodity | Quantified targets for third party certification? | Certification scheme breakdown | Baseline year | Target year | Coverage | % of materials third party certified in target year | Please explain |
|-----------------------|---------------------------------------------------|--------------------------------------------------------|---------------|-------------|--------------|-----------------------------------------------------|----------------|
| Palm Oil | RSPO | RSPO GreenPalm RSPO Mass Balance RSPO Segregated | 2016 | 2018 | Supply chain | 100% | |

F9.6

Do you have any quantified targets for sustainable production and/or procurement, other than third party certification?

| Forest risk commodity | Quantified targets for sustainable production/ procurement? | Type of target | Baseline year | Target year | Coverage | % of materials to meet requirements in target year | Please explain |
|-----------------------|-------------------------------------------------------------|-------------------------|---------------|-------------|--------------|----------------------------------------------------|----------------|
| Palm Oil | Yes | Sustainable procurement | 2016 | 2018 | Supply chain | 100% | |
| Palm Oil | Yes | Traceability | 2016 | 2018 | Supply chain | 100% | |

Further Information

Page: F10. Engagement

F10.1

Have you identified sufficient sources of sustainable materials to meet your operational needs? Please explain what you are doing to ensure security/continuity of supply

| Forest risk commodity | Current demand | Future demand | Actions to ensure security/ continuity of supply | Please explain |
|-----------------------|----------------|---------------|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Timber | Yes | No | Supplier improvement plans to increase capacity of supply | Once we have more data and a better understanding of the potential impact of our supply chain, we will also plan to engage in capacity building activities in the value chain. |
| Palm Oil | Yes | No | Supplier improvement plans to increase capacity of supply | Once we have more data and a better understanding of the potential impact of our supply chain, we will also plan to engage in capacity building activities in the value chain. |

F10.2

Are you working with smallholders to encourage and support sustainable forest management practices?

| Forest risk commodity | Working with smallholders? | Please explain |
|-----------------------|----------------------------|----------------|
|-----------------------|----------------------------|----------------|

F10.3

Are you working with your direct suppliers to support and improve their capacity to supply sustainable materials?

| Forest risk commodity | Working with direct suppliers? | Supplier engagement strategy | Please explain |
|-----------------------|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Timber | Yes | Encouraging certification Supplier questionnaires on environmental and social indicators Supplier audits | As our work in timber matures, we intend to undertake several other strategies listed in order to achieve our goals. |
| Palm Oil | Yes | Developing or distributing supply chain mapping tool Encouraging certification Encouraging work with multi-stakeholder groups Supplier questionnaires on environmental and social indicators Workshops and training Technical support | Our teams provide broad support for our owned brand suppliers working with palm to aid in their progress toward achieving our goal. |

F10.4

Are you working beyond the first tier of your supply chain to manage and mitigate risk?

| Forest risk commodity | Work beyond first tier of supply chain? | Please explain |
|-----------------------|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Timber | No | While we rarely engage with suppliers beyond the first tier, we try to engage our first tier suppliers in ways that enable them to engage deeper within the supply chain. |
| Palm Oil | No | While we rarely engage with suppliers beyond the first tier, we try to engage our first tier suppliers in ways that enable them to engage deeper within the supply chain. |

F10.5

Do you engage in activities that could either directly or indirectly influence the market for sustainable forest risk commodities?

| Activity | Please explain |
|----------------------------------------------------------------------------------------------|----------------|
| Increasing demand for sustainable materials Increasing awareness of sustainable materials | |

Further Information

Module: Challenges

Page: F11. Barriers and challenges

F11.1

Please describe any key barriers or challenges to achieving deforestation free direct operations and supply chains

Our primary challenge is that we rely upon the remainder of our supply chain actors when impacting change through policies and goals. As a retailer, we rarely have visibility beyond our first tier of suppliers, let alone control over sourcing, procurement, or manufacturing processes beyond what we specify for a finished product.

Additionally, since we don't source these commodities directly, and we only use them in small amounts, we're at the mercy of others to collect accurate data and information. Due to these facts, we also have some reliance upon certification, which is often more expensive, laborious and difficult to achieve for our suppliers. Finally, as a mass retailer active in many categories of consumer goods, our supply chain is wide and shallow, meaning we have many vendor partners with small amounts of business, thus making data collection, enforcement of policies and impact on deforestation difficult to achieve.

F11.2

Please describe any measures that would improve your organization's ability to manage deforestation risk

The three primary measures that would improve our ability to manage deforestation risk are the responsiveness of supply chain partners and their willingness to engage on deforestation-related projects, continued representation for U.S. specific businesses across industry groups and collaborative initiatives (similar to the RSPO) and visibility into parts of our supply chain beyond our current capabilities.

Further Information

Module: Sign Off

Page: F12. Sign off

F12.1

Please provide the following information for the person that has signed off (approved) your CDP forests response

| Name | Job title | Corresponding job category |
|--------------|------------------------|------------------------------------|
| Greg Downing | Sustainability Manager | Environment/Sustainability manager |

Further Information

CDP 2017 Forests 2017 Information Request