W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Minneapolis based Target Corporation (NYSE: TGT) serves guests at 1909 stores and via Target.com.

As one of the largest U.S. retailers, at Target, we use our scale and scope to design, source and sell quality products that delight our guests. We are committed to providing inclusive and sustainable choices that support the needs of our guests, align with their values and uplift and protect the people, communities and ecosystems all along our value chain. As we work to meet these commitments, we are guided by a strategy that is an expression of our purpose and values of inclusivity, optimism, connection, inspiration and drive, as well as ethics and delivering a great experience for our guests.

To help all families discover the joy of everyday life—that’s Target’s purpose and there are countless ways we live it.

No matter how our guests choose to shop with us—whether in-store, through our digital channels or both—we aim to make their experience easy and inspiring, at an only-at-Target value. We have stores in all 50 U.S. states and the District of Columbia, with team members who reflect our communities and are passionate about bringing joy to our guests, day in and day out. We work together as a team and stand together with our communities, in good times and hard times, striving to always be a source of convenience, continuity and joy. Since 1946, Target has given 5 percent of its profit to communities. For more information about Target’s commitment to corporate responsibility, visit https://corporate.target.com/corporate-responsibility/.

Target considers multiple factors in evaluating risk. Target considers risks substantive when they are assessed to be high or critical using proprietary criteria. Importantly, issues deemed material for the purposes of this report may not be considered material for SEC reporting purposes.

Target’s responses to this questionnaire contains forward-looking statements, which are based on our current assumptions and expectations. These statements are typically accompanied by the words ‘expect,’ ‘may,’ ‘could,’ ‘believe,’ ‘would,’ ‘might,’ ‘anticipates’ or similar words. The principal forward-looking statements in this report include our sustainability goals, commitments and programs; our business plans, initiatives and objectives; our assumptions and expectations; the scope and impact of corporate responsibility risks and opportunities; and standards and expectations of third parties. All such forward-looking statements are intended to enjoy the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, as amended. Although we believe there is a reasonable basis for the forward looking statements, our actual results could be materially different. The most important factors that could cause our actual results to differ from our forward-looking statements are set forth in our description of risk factors included in Part I, Item 1A, Risk Factors of our Form 10-K for the fiscal year ended January 30, 2021, which should be read in conjunction with the forward looking statements in this report. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update any forward-looking statement.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

<table>
<thead>
<tr>
<th>Reporting year</th>
<th>Start date</th>
<th>End date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>February 2 2020</td>
<td>January 31 2021</td>
</tr>
</tbody>
</table>

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

- China
- India
- Singapore
- United States of America
- Viet Nam

W0.4
(W0.4) Select the currency used for all financial information disclosed throughout your response.
USD

(W0.5)

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.
Companies, entities or groups over which operational control is exercised

(W0.6)

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?
No

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

<table>
<thead>
<tr>
<th>Direct use importance rating</th>
<th>Indirect use importance rating</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sufficient amounts of good quality freshwater available for use</td>
<td>Important</td>
<td>Important</td>
</tr>
<tr>
<td>Sufficient amounts of recycled, brackish and/or produced water available for use</td>
<td>Not important at all</td>
<td>Not important at all</td>
</tr>
</tbody>
</table>

W1.2
Target consumes water almost exclusively from municipal water utilities and uses utility bills to calculate withdrawal volumes. A small number of sites (less than 1% of stores) use well water or lake/pond water for irrigation, and we do not have a meter at these facilities to report the amount of water captured and used for irrigation there. We measure the total volumes of water withdrawals annually.

Since Target discharges water almost exclusively into municipal water sources, we do not measure the discharge quality by standard effluent parameters. Therefore, we determined the quality of water discharged by standard effluent parameters to be not relevant and we do not anticipate it will change in the future.

Since Target discharges water almost exclusively into municipal water sources, we do not measure the discharge volumes by treatment method. Therefore, we determined the discharge volume by treatment method to be not relevant, and we do not anticipate it will change in the future.

Since Target discharges water almost exclusively into municipal water sources, we do not measure the total discharge volumes. Therefore, we determined the total volumes of water discharges to be not relevant and we do not anticipate it will change in the future.

Since Target discharges water almost exclusively into municipal water sources, we do not measure the discharge quality by standard effluent parameters. Therefore, we determined the quality of water discharged by standard effluent parameters to be not relevant and we do not anticipate it will change in the future.

Since Target discharges water almost exclusively into municipal water sources, we do not measure the discharge volumes by destination. Therefore, we determined the discharge volume by destination to be not relevant, and we do not anticipate it will change in the future.

Since Target discharges water almost exclusively into municipal water sources, we do not measure the discharge volumes by source of water withdrawals annually. Therefore, we determined our total volume of water consumption to be not relevant, and we do not anticipate it will change in the future.

Although Target measures and tracks our withdrawal amounts, we do not measure our discharge volumes, and therefore cannot quantify our net consumption.

For our U.S. direct operations, including stores, distribution centers, and headquarters locations, our buildings’ water is supplied almost exclusively via municipal systems. We focus our efforts on reducing our water usage in the communities in which we operate. For 2020, Target’s water withdrawal from third-party water suppliers was 10,571 ML, down from 10,986 ML in 2019. This decrease was driven by specific demand reduction initiatives. The decrease was also a factor of Covid-related impacts as Target temporarily stopped café, deli, and Starbucks offerings during the pandemic for a few months. It is likely that future years will likely see a slight increase in water withdrawals as we return to normal operations post-pandemic.

To classify as WRI High or Extremely High Baseline water stress.

Target re-evaluated water risk in 2020, we saw a change in characterization of our facilities’ water risk from our prior evaluation. Our water use decreased in 2020. This led to a decrease in our water withdrawn from areas with water stress. We have 53S stores, DCs, or HQ locations that classify as WRI High or Extremely High Baseline water stress.
### W1.2h

**Provide total water withdrawal data by source.**

<table>
<thead>
<tr>
<th>Source</th>
<th>Relevance</th>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh surface water, including rainwater, water from wetlands, rivers, and lakes</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>Target's water comes almost exclusively from municipal water utilities.</td>
</tr>
<tr>
<td>Brackish surface water/Seawater</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>Target's water comes almost exclusively from municipal water utilities.</td>
</tr>
<tr>
<td>Groundwater – renewable</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>Target's water comes almost exclusively from municipal water utilities.</td>
</tr>
<tr>
<td>Groundwater – non-renewable</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>Target's water comes almost exclusively from municipal water utilities.</td>
</tr>
<tr>
<td>Produced/Entrained water</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>Target's water comes almost exclusively from municipal water utilities.</td>
</tr>
<tr>
<td>Third party sources</td>
<td>Relevant</td>
<td>10571</td>
<td>About the same</td>
<td>All of our buildings' water is supplied via municipal systems. Withdrawals were 10,571 ML, down from 10,986 ML in 2019. This decrease was driven by specific demand reduction initiatives. The decrease was also a factor of Covid-related impacts as Target temporarily stopped café, deli, and Starbucks offerings during the pandemic for a few months. It is likely that future years will likely see a slight increase in water withdrawals as we return to normal operations post-pandemic.</td>
</tr>
</tbody>
</table>

### W1.4

**Do you engage with your value chain on water-related issues?**

Yes, our suppliers

### W1.4a

**What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?**

**Row 1**

- % of suppliers by number: 76-100
- % of total procurement spend: Unknown

**Rationale for this coverage**

Target requires environmental data inclusive of water use and management from all Tier 1 factories that produce Target owned brand product as well as Tier 2 factories.

**Impact of the engagement and measures of success**

Target utilizes the Higg data to conduct a hotspot mapping to understand who are the heavy water users in Target's manufacturing supply chain, and identify the water consumption and water risk by product and facility type. We also incorporate the results from WRI Water Risk Filter into the hotspot mapping to understand the water risk by geographical distribution. The data was analyzed so we are able to understand which supplier has high potential in improving water efficiency, installing water meter for better water management and recycling or reusing water. With this analysis, we are able to identify potential suppliers to engage this data to inform participation in water efficiency programs such as Clean by Design and Vietnam Improvement Program and to prioritize our engagement on water quality and use with our manufacturing supply chain. To date we have worked with Target's owned-brand suppliers via improvement programs to reduce their total water consumption of over 83 billion liters of water annually.

**Comment**

We require all of our Tier 1 factories that produce Target owned brand product as well as Tier 2 factories to complete the Higg FEM self-assessment annually (except those regulated by FDA), which is considered as Target reports on our water use, risks and management information. To date we have worked with Target's owned-brand suppliers via improvement programs to reduce their total water consumption of over 83 billion liters of water annually.
(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement
Onboarding & compliance

Details of engagement
Inclusion of water stewardship and risk management in supplier selection mechanism
Requirement to adhere to our code of conduct regarding water stewardship and management

% of suppliers by number
76-100

% of total procurement spend
Unknown

Rationale for the coverage of your engagement
All Tier 1 factories that produce Target owned brand product (except those FDA regulated) as well as Tier 2 factories are required to complete the Higg FEM self-assessment annually.

Impact of the engagement and measures of success
Target ensures all owned-brand products are compliant with local regulations prior to production. We do this through our pre-production audit by asking specific questions to validate our water standard within Target's Standards Of Vendor Engagement (SOVE)

Comment

Type of engagement
Innovation & collaboration

Details of engagement
Encourage/incentivize innovation to reduce water impacts in products and services
Encourage/incentivize suppliers to work collaboratively with other users in their river basins
Educate suppliers about water stewardship and collaboration

% of suppliers by number
Unknown

% of total procurement spend
Unknown

Rationale for the coverage of your engagement
Target works with high impact owned-brand suppliers in China, Vietnam, Taiwan, India and Cambodia to improve on innovation and water efficiency. We collaborate with the industry and NGOs like WWF, the Apparel Impact Institute and the International Finance Corporation to scale local supply chain efforts and create awareness through joint projects.

Impact of the engagement and measures of success
WWF China Water Stewardship Taihu Program: In September 2020, one online supplier training on water stewardship was held to provide practical expertise and technology on how to reduce water risks related to factory daily production, as well as how to work with stakeholders in a collective way to create a net positive environment. Target has 32 fabric suppliers with 48 participants joining the training. We extended our partnership with WWF to Moradabad, India in piloting water saving technology for the electroplating process in one of our brassware factories. Vietnam Improvement Program (VIP): Since 2016, we have collaborated with the IFC to create the Vietnam Improvement Program (VIP) which aims to promote green manufacturing in Vietnam, focused on footwear and apparel. In 2020, the program recruited 2 recurring mills in Vietnam because they want to adopt high investment options for further water savings. Under the partnership with IFC, we have a total of 59 factories participating. Clean by Design: In between 2018 to 2020, 29 participating fabric mills in China and Taiwan were able to achieve an average 17% water saving annually, which equals to over 5 billion liters of water. In 2020, we expanded our CbD work to Pakistan and Vietnam while continuing our work in China and India and have newly recruited a total of 30 textile mills engaging on energy and water efficiency initiative

Comment
For the Taihu program, suppliers learned about water stewardship on policy updates, standards, technologies and water risk analysis. As a long-term supporter of NRDC – now the Apparel Impact Institute – in driving the Clean by Design (CBD) initiative, we collaborate with our supply chain to minimize the environmental impacts of textile mills.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?
No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?
Yes, fines, enforcement orders or other penalties but none that are considered as significant

W2.2a
(W2.2a) Provide the total number and financial value of all water-related fines.

Row 1

Total number of fines
1

Total value of fines
1200

% of total facilities/operations associated
0

Number of fines compared to previous reporting year
Higher

Comment
We did receive one violation at one facility due to a missed stormwater sample during a semi-annual monitoring period. All the samples that have been collected have been within permit limits. This is higher than previous years where we have had zero fines, enforcement orders, or penalties for water-related regulatory violations.

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?
Yes, water-related risks are assessed
(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

**Direct operations**

- **Coverage**: Full
- **Risk assessment procedure**: Water risks are assessed as a standalone issue
- **Frequency of assessment**: Every three years or more
- **How far into the future are risks considered?**: More than 6 years
- **Type of tools and methods used**: Tools on the market
- **Tools and methods used**: WRI Aqueduct

**Comment**
We use the WRI Aqueduct tool to evaluate U.S. stores, distribution centers, and headquarter facilities.

**Supply chain**

- **Coverage**: Full
- **Risk assessment procedure**: Water risks are assessed as a standalone issue
- **Frequency of assessment**: Annually
- **How far into the future are risks considered?**: Unknown
- **Type of tools and methods used**: Tools on the market
- **Tools and methods used**: WRI Aqueduct, Other, please specify (Higg FEM)

**Comment**
Target requires all of our Tier 1 factories that produce Target owned brand product as well as Tier 2 factories to complete the Higg FEM self-assessment annually (except those regulated by FDA), which is considered as Target reports on our water use, risks and management information. We also incorporate the results from WRI Aqueduct into the hotspot mapping to understand the water risk by geographical distribution.

**Other stages of the value chain**

- **Coverage**: None
- **Risk assessment procedure**: <Not Applicable>
- **Frequency of assessment**: <Not Applicable>
- **How far into the future are risks considered?**: <Not Applicable>
- **Type of tools and methods used**: <Not Applicable>
- **Tools and methods used**: <Not Applicable>
- **Comment**: 

---

W3.3b
The status of ecosystems and habitats within the border of our direct operations is not significantly impacted and therefore not relevant to our water risk assessment.
### (W3.3c) Which of the following stakeholders are considered in your organization’s water-related risk assessments?

<table>
<thead>
<tr>
<th>Relevance &amp; explanation</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customers</strong></td>
<td>At this time Target only assesses physical, regulatory and reputational risk at facilities and does not include more specific basin-level input and/or data on the specific stakeholder group of customers in the risk assessment. However, the company’s 2020 water risk assessment is informing key basin geographies across our properties, manufacturing supply chain and raw materials where greater understanding of stakeholder water risks would inform Target’s Strategic Freshwater Approach. We do not anticipate this will change in the future.</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>At this time Target only assesses physical, regulatory and reputational risk at facilities and does not include more specific basin-level input and/or data on the specific stakeholder group of employees in the risk assessment. However, the company’s 2020 water risk assessment is informing key basin geographies across our properties, manufacturing supply chain and raw materials where greater understanding of stakeholder water risks would inform Target’s Strategic Freshwater Approach. We do not anticipate this will change in the future.</td>
</tr>
<tr>
<td><strong>Investors</strong></td>
<td>At this time Target only assesses physical, regulatory and reputational risk at facilities and does not include more specific basin-level input and/or data on the specific stakeholder group of investors in the risk assessment. However, the company’s 2020 water risk assessment is informing key basin geographies across our properties, manufacturing supply chain and raw materials where greater understanding of stakeholder water risks would inform Target’s Strategic Freshwater Approach. We do not anticipate this will change in the future.</td>
</tr>
<tr>
<td><strong>Local communities</strong></td>
<td>At this time Target only assesses physical, regulatory and reputational risk at facilities and does not include more specific basin-level input and/or data on the specific stakeholder group of local communities in the risk assessment. However, the company’s 2020 water risk assessment is informing key basin geographies across our properties, manufacturing supply chain and raw materials where greater understanding of stakeholder water risks would inform Target’s Strategic Freshwater Approach. We do not anticipate this will change in the future.</td>
</tr>
<tr>
<td><strong>NGOs</strong></td>
<td>At this time Target only assesses physical, regulatory and reputational risk at facilities and does not include more specific basin-level input and/or data on the specific stakeholder group of NGOs in the risk assessment. However, the company’s 2020 water risk assessment is informing key basin geographies across our properties, manufacturing supply chain and raw materials where greater understanding of stakeholder water risks would inform Target’s Strategic Freshwater Approach. We do not anticipate this will change in the future.</td>
</tr>
<tr>
<td><strong>Other water users at a basin/catchment level</strong></td>
<td>At this time Target only assesses physical, regulatory and reputational risk at facilities and does not include more specific basin-level input and/or data on the specific stakeholder group of other water users at a basin/catchment level in the risk assessment. However, the company’s 2020 water risk assessment is informing key basin geographies across our properties, manufacturing supply chain and raw materials where greater understanding of stakeholder water risks would inform Target’s Strategic Freshwater Approach. We do not anticipate this will change in the future.</td>
</tr>
<tr>
<td><strong>Regulators</strong></td>
<td>At this time Target only assesses physical, regulatory and reputational risk at facilities and does not include more specific basin-level input and/or data on the specific stakeholder group of regulators in the risk assessment. However, the company’s 2020 water risk assessment is informing key basin geographies across our properties, manufacturing supply chain and raw materials where greater understanding of stakeholder water risks would inform Target's Strategic Freshwater Approach. We do not anticipate this will change in the future.</td>
</tr>
<tr>
<td><strong>River basin management authorities</strong></td>
<td>At this time Target only assesses physical, regulatory and reputational risk at facilities and does not include more specific basin-level input and/or data on the specific stakeholder group of river basin management authorities in the risk assessment. However, the company's 2020 water risk assessment is informing key basin geographies across our properties, manufacturing supply chain and raw materials where greater understanding of stakeholder water risks would inform Target's Strategic Freshwater Approach. We do not anticipate this will change in the future.</td>
</tr>
<tr>
<td><strong>Statutory special interest groups at a local level</strong></td>
<td>At this time Target only assesses physical, regulatory and reputational risk at facilities and does not include more specific basin-level input and/or data on the specific stakeholder group of statutory special interest groups at a local level in the risk assessment. However, the company's 2020 water risk assessment is informing key basin geographies across our properties, manufacturing supply chain and raw materials where greater understanding of stakeholder water risks would inform Target's Strategic Freshwater Approach. We do not anticipate this will change in the future.</td>
</tr>
<tr>
<td><strong>Suppliers</strong></td>
<td>At this time Target only assesses physical, regulatory and reputational risk at facilities and does not include more specific basin-level input and/or data on the specific stakeholder group of suppliers in the risk assessment. However, the company’s 2020 water risk assessment is informing key basin geographies across our properties, manufacturing supply chain and raw materials where greater understanding of stakeholder water risks would inform Target’s Strategic Freshwater Approach. We do not anticipate this will change in the future.</td>
</tr>
<tr>
<td><strong>Water utilities at a local level</strong></td>
<td>At this time Target only assesses physical, regulatory and reputational risk at facilities and does not include more specific basin-level input and/or data on the specific stakeholder group of water utilities at a local level in the risk assessment. However, the company's 2020 water risk assessment is informing key basin geographies across our properties, manufacturing supply chain and raw materials where greater understanding of stakeholder water risks would inform Target's Strategic Freshwater Approach. We do not anticipate this will change in the future.</td>
</tr>
<tr>
<td><strong>Other stakeholder, please specify</strong></td>
<td>Not considered</td>
</tr>
</tbody>
</table>
W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?
Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Target considers multiple factors in evaluating risk. Target considers risks substantive when they are assessed to be high or critical using proprietary criteria. Importantly, something that has a "substantive financial or strategic impact on our business" is not necessarily "material" to investors as defined by the SEC. In the context of climate-related issues and this response, Target leverages both the TCFD framework and our internal Enterprise Risk Management Framework. We considered level of financial impact, likelihood of potential events occurrence over time and our ability to mitigate potential risks.

Target's answers to this questionnaire contain forward-looking statements, which are based on our current assumptions and expectations. These statements are typically accompanied by the words "expect," "may," "could," "believe," "would," "might," "anticipates," or similar words. All such forward-looking statements are intended to enjoy the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, as amended. Although we believe there is a reasonable basis for the forward-looking statements, our actual results could be materially different. The most important factors which could cause our actual results to differ from our forward-looking statements are set forth in our description of risk factors in Item 1A of our Form 10-K for the fiscal year ended February 1, 2020, which should be read in conjunction with the forward-looking statements in this report. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update any forward-looking statement.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

<table>
<thead>
<tr>
<th>Total number of facilities exposed to water risk</th>
<th>% company-wide facilities this represents</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>535</td>
<td>26-50</td>
<td>In 2020, Target re-evaluated water risk by utilizing the WRI Aqueduct water risk atlas tool. By populating facility locations, Target was able to conduct a water risk assessment for physical, quality, and flooding risk for our stores, distribution centers, and HQ locations where we withdraw water and use in our operations. 29% of our facilities were identified as located in an area of high or extremely high water stress.</td>
</tr>
</tbody>
</table>

W4.1c

CDP
By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

<table>
<thead>
<tr>
<th>Country/Area &amp; River basin</th>
<th>United States of America</th>
<th>Other, please specify (Numerous river basins)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of facilities exposed to water risk</td>
<td>535</td>
<td></td>
</tr>
<tr>
<td>% company-wide facilities this represents</td>
<td>26-50</td>
<td></td>
</tr>
<tr>
<td>Production value for the metals &amp; mining activities associated with these facilities</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td>% company’s annual electricity generation that could be affected by these facilities</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td>% company’s global oil &amp; gas production volume that could be affected by these facilities</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td>% company’s total global revenue that could be affected</td>
<td>Unknown</td>
<td></td>
</tr>
</tbody>
</table>

Comment
In 2020, Target re-evaluated water risk by utilizing the WRI Aqueduct water risk atlas tool. By populating facility locations, Target was able to conduct a water risk assessment for physical, quality, and flooding risk for our stores, distribution centers, and HQ locations where we withdraw water and use in our operations. 29% of our facilities were identified as located in an area of high or extremely high water stress.
W4.2 Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin
United States of America

Type of risk & Primary risk driver
Reputation & markets
Increased stakeholder concern or negative stakeholder feedback

Primary potential impact
Brand damage

Company-specific description
Target stakeholders (guests, investors, etc.) expect that we are acting responsibly and have oversight of our value chain as related to water. We can expect significant brand and/or reputational damage if Target stakeholders do not perceive our efforts to be sufficient. We focus our fresh water stewardship efforts in areas and on issues where our influence and support can help deliver the greatest impact.

Timeframe
4-6 years

Magnitude of potential impact
Unknown

Likelihood
Unknown

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
Impact not quantified financially

Primary response to risk
Engage with NGOs/special interest groups

Description of response
Target's response includes engagement with other stakeholders in the river basin and engagement with suppliers.

Cost of response
Cost of response not quantified at corporate level

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin
India

Stage of value chain
Supply chain

Type of risk & Primary risk driver
Reputation & markets
Increased stakeholder concern or negative stakeholder feedback

Primary potential impact
Company brand damage

Company-specific description
Target stakeholders (guests, investors, etc.) expect that we are acting responsibly and have oversight of our value chain as related to water. We can expect significant brand and/or reputational damage if Target stakeholders do not perceive our efforts to be sufficient. We focus our fresh water stewardship efforts in areas and on issues where our influence and support can help deliver the greatest impact.

Timeframe
1-3 years
Magnitude of potential impact
Unknown

Likelihood
Unknown

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
Impact not quantified financially

Primary response to risk

<table>
<thead>
<tr>
<th>Supplier engagement</th>
<th>Other, please specify (NGO Collaboration)</th>
</tr>
</thead>
</table>

Description of response

Cost of response

Explanation of cost of response
Cost of response not quantified at corporate level

Country/Area & River basin

<table>
<thead>
<tr>
<th>China</th>
<th>Not known</th>
</tr>
</thead>
</table>

Stage of value chain
Supply chain

Type of risk & Primary risk driver

<table>
<thead>
<tr>
<th>Reputation &amp; markets</th>
<th>Increased stakeholder concern or negative stakeholder feedback</th>
</tr>
</thead>
</table>

Primary potential impact
Company brand damage

Company-specific description
Target stakeholders (guests, investors, etc.) expect that we are acting responsibly and have oversight of our value chain as related to water. We can expect significant brand and/or reputational damage if Target stakeholders do not perceive our efforts to be sufficient. We focus our fresh water stewardship efforts in areas and on issues where our influence and support can help deliver the greatest impact.

Timeframe
1-3 years

Magnitude of potential impact
Unknown

Likelihood
Unknown

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
Impact not quantified financially

Primary response to risk

<table>
<thead>
<tr>
<th>Supplier engagement</th>
<th>Other, please specify (NGO Collaboration)</th>
</tr>
</thead>
</table>

Description of response

Cost of response

Explanation of cost of response
Cost of response not quantified at corporate level
Country/Area & River basin

Singapore  Not known

Stage of value chain
Supply chain

Type of risk & Primary risk driver
Reputation & markets  Increased stakeholder concern or negative stakeholder feedback

Primary potential impact
Company brand damage

Company-specific description
Target stakeholders (guests, investors, etc.) expect that we are acting responsibly and have oversight of our value chain as related to water. We can expect significant brand and/or reputational damage if Target stakeholders do not perceive our efforts to be sufficient. We focus our fresh water stewardship efforts in areas and on issues where our influence and support can help deliver the greatest impact.

Timeframe
1-3 years

Magnitude of potential impact
Unknown

Likelihood
Unknown

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
Impact not quantified financially

Primary response to risk
Supplier engagement  Other, please specify (NGO Collaboration)

Description of response

Cost of response
Cost of response not quantified at corporate level

Country/Area & River basin

Viet Nam  Not known

Stage of value chain
Supply chain

Type of risk & Primary risk driver
Reputation & markets  Increased stakeholder concern or negative stakeholder feedback

Primary potential impact
Company brand damage

Company-specific description
Target stakeholders (guests, investors, etc.) expect that we are acting responsibly and have oversight of our value chain as related to water. We can expect significant brand and/or reputational damage if Target stakeholders do not perceive our efforts to be sufficient. We focus our fresh water stewardship efforts in areas and on issues where our influence and support can help deliver the greatest impact.

Timeframe
1-3 years

Magnitude of potential impact
Unknown

Likelihood
Unknown

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
Impact not quantified financially

Primary response to risk
Supplier engagement  Other, please specify (NGO Collaboration)

Description of response

Cost of response
Cost of response not quantified at corporate level
Unknown

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
Impact not quantified financially

Primary response to risk

<table>
<thead>
<tr>
<th>Supplier engagement</th>
<th>Other, please specify (NGO Collaboration)</th>
</tr>
</thead>
</table>

Description of response

Cost of response

Explanation of cost of response
Cost of response not quantified at corporate level

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?
No

W4.3b

(W4.3b) Why does your organization not consider itself to have water-related opportunities?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not yet evaluated</td>
<td>At this point in time, Target has investigated and pursued opportunities at the product level, such as high-efficiency laundry detergents, but not yet evaluated water-related opportunities at the strategic level.</td>
</tr>
</tbody>
</table>

W5. Facility-level water accounting

W5.1
(W6.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number
Please select

Facility name (optional)
Country/Area & River basin
Please select

Latitude
Longitude

Located in area with water stress
Please select

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
Comparison of total withdrawals with previous reporting year
Please select

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
Withdrawals from brackish surface water/seawater
Withdrawals from groundwater - renewable
Withdrawals from groundwater - non-renewable
Withdrawals from produced/entrained water
Withdrawals from third party sources

Total water discharges at this facility (megaliters/year)
Comparison of total discharges with previous reporting year
Please select

Discharges to fresh surface water
Discharges to brackish surface water/seawater
Discharges to groundwater
Discharges to third party destinations

Total water consumption at this facility (megaliters/year)
Comparison of total consumption with previous reporting year
Please select

Please explain

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?
Yes, we have a documented water policy that is publicly available

W6.1a
W6.1a Select the options that best describe the scope and content of your water policy.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Content</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company-wide</td>
<td>Business dependency on water</td>
<td>Description of business impact on water</td>
</tr>
<tr>
<td></td>
<td>Water-related performance standards for direct operations</td>
<td>Description of water-related standards for procurement</td>
</tr>
<tr>
<td></td>
<td>Reference to international standards and widely-recognized water initiatives</td>
<td>Business Dependency on Water: Our direct use in stores depends on sufficient amounts of good quality freshwater available for use. These uses include heating, cooling, providing access to clean, running water for guests in restroom facilities, and clean in place procedures. Clean water is deemed vital, and without it, our direct operations would not be able to adequately serve our guests and team members as they shop and work in Target-owned facilities. Our indirect use in contracted manufacturing facilities depends on sufficient amounts of good quality freshwater available for use. These uses include textile dying, finishing processes, access to water for workforce use in restroom facilities and clean in place procedures. Clean water is deemed vital, and without it, our indirect operations would not be able to manufacture the products that we source and sell. Business Impact on Water: Water is important to the success of our business operations, from our supply chains to our stores and the communities within which we operate. We’ll focus our freshwater stewardship efforts in areas and on issues where our influence and support can help deliver the greatest impact. Water-related performance standards for direct operations: Across our stores, distribution centers and headquarters locations, we’re taking action to reduce water scarcity. Improve water quality outcomes and manage storm-water flows. By 2025: 15% absolute water reduction for stores, distribution centers and headquarters locations (baseline 2010). Water-related standards for procurement: Our water footprint starts with growing the raw materials needed to produce our products, such as food and fiber, so we’re working to better understand our basin-level impacts to prioritize our responses. By 2023: Source 100% sustainable cotton for our owned brand and exclusive national brand products. Reference to international standards and widely-recognized water initiatives: we recently joined the ZDHC Roadmap to Zero Program, and will use its wastewater guidelines for our 2025 manufacturing goal for water. The guidelines were designed to help companies reduce hazardous chemicals in manufacturing and prevent them from being discharged in wastewater and impacting surrounding communities.</td>
</tr>
<tr>
<td></td>
<td>Company water targets and goals</td>
<td>Commitment to align with public policy initiatives, such as the SDGs.</td>
</tr>
<tr>
<td></td>
<td>Commitment beyond regulatory compliance</td>
<td>Commitment to water-related innovation.</td>
</tr>
<tr>
<td></td>
<td>Commitment to stakeholder awareness and education</td>
<td>Commitment to water stewardship and/or collective action.</td>
</tr>
<tr>
<td></td>
<td>Acknowledgement of the human right to water and sanitation</td>
<td>Recognition of environmental linkages, for example, due to climate change.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

<table>
<thead>
<tr>
<th>Position of individual</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board-level committee</td>
<td>Target’s Board of Directors is active and retains oversight responsibility over the Corporation’s key strategic risks including those relating to corporate responsibility matters. The Nominating and Governance Committee of the Board of Directors has overall oversight responsibility over corporate responsibility matters. Target recognizes that environmental, social and governance issues are of increasing importance to many investors. Target’s Board remains persistent in their willingness to advance the company’s strategy, and make certain that all our talent and resources are aligned with the strategy, and overseeing our corporate social responsibility and sustainability strategies. Target’s Board meets with Corporate Responsibility management and other functional leaders across the company to determine strategies, policies, and goals related to sustainability and regularly report to and seek input from the Nominating and Governance Committee on those matters, including climate-related issues.</td>
</tr>
</tbody>
</table>

W6.2b
(W6.2b) Provide further details on the board's oversight of water-related issues.

<table>
<thead>
<tr>
<th>Frequency that water-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which water-related issues are integrated</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled - some meetings</td>
<td>Monitoring implementation and performance</td>
<td>The Board of Directors' review of environmental and social topics is obtained through the updates it receives from the Nominating and Governance Committee. The Nominating and Governance Committee reviews environmental and social topics semi-annually. This happens independently of our financial reporting process, which includes economic topics, and is overseen throughout the year by the Audit and Finance Committee, which provides regular reports to the Board of Directors. Target's Senior Vice President of Corporate Responsibility presents to the Nominating and Governance Committee semi-annually on corporate responsibility related topics.</td>
</tr>
<tr>
<td>Scheduled - some meetings</td>
<td>Reviewing and guiding major plans of action</td>
<td></td>
</tr>
<tr>
<td>Scheduled - some meetings</td>
<td>Reviewing and guiding risk management policies</td>
<td></td>
</tr>
<tr>
<td>Scheduled - some meetings</td>
<td>Reviewing and guiding strategy</td>
<td></td>
</tr>
<tr>
<td>Scheduled - some meetings</td>
<td>Reviewing and guiding corporate responsibility strategy</td>
<td></td>
</tr>
</tbody>
</table>

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)
Other, please specify (Senior Vice President of Corporate Responsibility)

Responsibility
Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
As important matters arise

Please explain
The Senior Vice President of Corporate Responsibility oversees corporate responsibility across Target. This role reports to the Chief Communications Officer.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

<table>
<thead>
<tr>
<th>Provide incentives for management of water-related issues</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>No, and we do not plan to introduce them in the next two years</td>
<td></td>
</tr>
</tbody>
</table>

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, other

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

In early 2018 we announced a holistic approach to freshwater stewardship that acknowledges water as part of a bigger global system linked to other megatrends such as climate change, rapid urbanization and population growth. Target's Water cross-functional team worked closely with our Government Affairs staff to ensure they were briefed and understand the Freshwater approach as it relates to policy. We promote sustainable water management in California as an active member of the California Water Action Collaborative, and by engaging collectively with other companies to support public policies that advance resilient water solutions through Ceres' Connect the Drops campaign. The California Water Action Collaborative (CWAC) is a platform for diverse stakeholders - including leading environmental organizations, food & beverage companies, agricultural producers, and others - to come together and pursue collective action projects that will improve California's water security for people, business, agriculture and nature. Ceres' Connect the Drops showcases the strong leadership of California companies and urges policymakers to advance resilient water solutions that ensure sustainable management of the state's stressed, and often unpredictable water supplies.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, and we have no plans to do so
W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

<table>
<thead>
<tr>
<th>Are water-related issues integrated?</th>
<th>Long-term time horizon (years)</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>No, water-related issues were reviewed but not considered as strategically relevant/significant</td>
<td>5-10</td>
<td>Water-related issues are not material – they are an annual expense, but not one that will drive significant or strategically relevant impacts.</td>
</tr>
<tr>
<td>No, water-related issues were reviewed but not considered as strategically relevant/significant</td>
<td>5-10</td>
<td>Water-related issues are not material – they are an annual expense, but not one that will drive significant or strategically relevant impacts.</td>
</tr>
<tr>
<td>No, water-related issues were reviewed but not considered as strategically relevant/significant</td>
<td>5-10</td>
<td>Target has a long-range plan process that takes into account financial forecasts of water prices and investments. Water-related issues are not material – they are an annual expense, but not one that will drive significant or strategically relevant impacts.</td>
</tr>
</tbody>
</table>

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)
100

Anticipated forward trend for CAPEX (+/- % change)
100

Water-related OPEX (+/- % change)
0.2

Anticipated forward trend for OPEX (+/- % change)
7.5

Please explain
In 2020, we did not invest capital expense for water-related initiatives after previously investing in projects in 2019. In 2021, we are investing capital funds for water-related conservation initiatives to increase irrigation efficiency in 200+ stores in mostly high risk water areas. In regards to operating expense changes, 2020 resulted in lower use due to service (Starbucks, Café) shut downs as a result of the Covid-19 Pandemic but still impacted by increasing inflation/rate changes. 2021 is expected to result in pre-pandemic usage levels but due to increased inflation costs are expected to increase overall.

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

<table>
<thead>
<tr>
<th>Use of climate-related scenario analysis</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>We continue to explore connections between water and climate (i.e. mitigation, adaptation) and are considering the role water stewardship can play in long-term business resilience. We recognize the long-term impacts climate change and carbon regulations have on our business. We now examine environmental impacts embedded within our supply chain to understand our exposure to climate change. In addition to our climate policy, goals, and updated carbon-reduction goals to encompass Scope 3 emissions, we also completed our TCFD Climate risk analysis for the first time in 2019. We have also joined other companies in the BSR Value Chain Risk to Resilience working group to best determine our strategy to more comprehensively integrate climate risk into our core business practices. Although we have taken many steps on our journey of risk mitigation, we are working to better understand how to most efficiently implement more resilient business strategies going forward.</td>
</tr>
</tbody>
</table>

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?
Yes

W7.3b
(W7.3b) What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization’s response?

<table>
<thead>
<tr>
<th>Climate-related scenarios and models applied</th>
<th>Description of possible water-related outcomes</th>
<th>Company response to possible water-related outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 Other, please specify (RCP 4.5, RCP 8.5, SSP2, SSP3)</td>
<td>As part of our scenario analysis for climate-related whole business impacts, we used the WRI Aqueduct tool to highlight water-related risks and opportunities. The WRI Aqueduct tool generates projections for future water stress, seasonal water variability, water supply and water demand, which are informed by two different climate-related scenarios, RCP 4.5 and RCP 8.5, and two shared socio-economic pathways, SSP2 and SSP3. For our top five geographical markets (based on revenue), we reviewed and analyzed the above indicators against two pathways (BAU and optimistic) and two time scales (to 2020 and to 2040). We also analyzed locations that are integral to our supply chain to understand how the raw materials in our products might be affected, e.g. the risk of water stress in cotton-producing regions of Texas. The outcomes vary depending on the level of optimism assigned to them, as well as the time scale. Results of our analysis reveal, for example, changes in water stress in Southern US states under BAU and optimistic conditions to 2040. Outcomes could impact Target in a variety of ways. In areas prone to drought, for example, water use restrictions could impact the whole of Target’s value chain from raw material production to operational facilities, to downstream use of products that require water, e.g. shampoo, laundry detergent, etc.</td>
<td>Both the BAU and optimistic scenarios revealed water-related risks for our operations and supply chain. We recognize the tension between protecting this critical natural resource and needing to operate our business. To address this, Target has established a water-related goal of an absolute water reduction by 15 percent in stores, distribution centers, and headquarters locations by 2025. Additionally, created together with World Wildlife Fund (WWF), our freshwater stewardship framework takes a holistic approach by incorporating our existing water management aspirations as well as our work in climate change, chemicals management and sustainable resource use. We are working to address the impacts of growing the raw materials we need to produce products, from grocery items to cotton fibers. One such effort is our strategic collaboration with the Better Cotton Initiative (BCI). BCI Farmers are trained to use water efficiently and reduce their use of the most harmful chemicals. We joined the ZDHC Roadmap to Zero Programme and plan to use its wastewater guidelines as we set our 2025 manufacturing water goal. Across our stores, distribution centers and headquarters, we are addressing water scarcity, water quality compliance and storm water flows.</td>
</tr>
</tbody>
</table>

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

Target is working to better understand the true cost of water and will be looking at its impact on our business.

W8. Targets

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

<table>
<thead>
<tr>
<th>Levels for targets and/or goals</th>
<th>Monitoring at corporate level</th>
<th>Approach to setting and monitoring targets and/or goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 Company-wide targets and goals</td>
<td>Targets are monitored at the corporate level</td>
<td>Target launched our corporate Freshwater Stewardship Approach in March 2018. We have focused our efforts and set initial goals in four key areas where we can make the most impact: 1. Raw Materials: Our water footprint starts with growing the raw materials needed to produce our products, such as food and fiber, so we are working to better understand our basin-level impacts to prioritize our responses. 2. Manufacturing: Working in our areas of greatest impact, we’ll enable our owned-brand manufacturers to do more with less water where local conditions demand, and aim for net-positive water quality outcomes in priority watersheds for people and nature. 3. Direct Operations: Across our stores, distribution centers and headquarters locations, we are taking action to reduce water scarcity, improve water quality outcomes and manage storm water flows. 4. Beyond the Fence line: We’ll work with others around the world to encourage progress in the areas above and beyond our own business and operations, through cross-sector partnerships, team member engagement, philanthropic investments and more. We are now working thoughtfully on ensuring we have good monitoring in place to track progress on the goals that have been set.</td>
</tr>
</tbody>
</table>

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

**Target reference number**

Target 1

**Category of target**

Water withdrawals

**Level**

Store/facility

**Primary motivation**

Water stewardship

**Description of target**

Our target is to reduce absolute water withdrawal by 15 percent in stores, distribution centers, and headquarters locations by 2025.
For our U.S. direct operations, including stores, distribution centers, and headquarters locations, we are taking action to reduce water scarcity, improve water quality outcomes and manage storm water flows. It is important work that will help ensure the communities where we do business have clean, safe water for generations to come. We have implemented different programs across our operations, including retrofitting restrooms with more efficient fixtures, incorporating native landscaping, and optimizing irrigation systems through an irrigation efficiency program. We have made significant progress while also helping lead the rest of the retail industry in this space. In 2020, we used 2,792,980,221 gallons. This equates to a 17.1% reduction in withdrawals from our 2010 baseline.

Target reference number
Target 2

Category of target
Other, please specify (Increase procurement of sustainable raw materials)

Level
Business activity

Primary motivation
Water stewardship

Description of target
By 2022, we will source 100 percent sustainable cotton for our owned-brand and exclusive national-brand products.

Quantitative metric
Other, please specify (% increase in procurement of certified crops)

Baseline year
2018

Start year
2018

Target year
2022

% of target achieved
100

Please explain
Based on a survey of our business partners, in 2019, we sourced 79,776 metric tonnes of cotton as Better Cotton and 3,600 metric tonnes of cotton grown in the U.S. by Cotton LEADS producers.

Target reference number
Target 3

Category of target
Water use efficiency

Level
Business activity

Primary motivation
Water stewardship

Description of target
By 2022, we will improve water efficiency in textile dyeing and finishing factories located in priority watersheds by 15 percent.

Quantitative metric
% reduction in total water withdrawals

Baseline year
2018

Start year
2018

Target year
2022

% of target achieved
100

Please explain
Target is a collaborator on the Apparel Impact Institute's Clean by Design (CbD) and International Financial Corporation's Vietnam Improvement Program (VIP) which focuses on improving process efficiency for water and energy saving. In 2019, VIP expanded to Cambodia while maintaining in Vietnam to include additional 23 facilities. In 2018/19 CbD, 30 participating fabric mills in China and Taiwan were able to achieve a final 20% water savings which equals to over 3.5 million cubic meters. We continue our work in 2019 and expanded to India so we are able to engage additional 27 textile suppliers.
Target reference number
Target 4

Category of target
Other, please specify (Design principles for increased H20 efficiency)

Level
Business activity

Primary motivation
Water stewardship

Description of target
By 2025, we will design 100 percent of garment-washed owned-brand apparel utilizing water-saving design principles.

Quantitative metric
Other, please specify (Percentage of garment-washed owned-brand apparel using water-saving design principles)

Baseline year
2018

Start year
2018

Target year
2025

% of target achieved
In 2019, 49.1% of our SKUs of garment-washed owned-brand apparel, inclusive of our denim and non-denim categories, utilized water-saving design principles.

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal
Other, please specify (Complying with ZDHC standards)

Level
Business activity

Motivation
Commitment to the UN Sustainable Development Goals

Description of goal
By 2025, all owned-brand apparel textile facilities comply with Zero Discharge of Hazardous Chemicals (ZDHC) Progressive level wastewater standard.

Baseline year
2018

Start year
2018

End year
2025

Progress
In early 2019 we met with ZDHC to develop an implementation plan and roadmap to achieve this goal by 2025. We continue to map the wastewater performance with our strategic apparel suppliers in 2020.

Goal
Other, please specify (Increase procurement of sustainable raw materials )

Level
Business activity

Motivation
Water stewardship

Description of goal
By 2022, we will source 100 percent sustainable cotton for our owned-brand and exclusive national-brand products.

Baseline year
2018

Start year
2018

End year
2022

Progress
Based on a survey of our business partners, in 2019, we sourced 79,776 metric tonnes of cotton as Better Cotton and 3,600 metric tonnes of cotton grown in the U.S. by Cotton LEADS producers.
Level
Business activity

Motivation
Water stewardship

Description of goal
By 2022, we will improve water efficiency in textile dyeing and finishing factories located in priority watersheds by 15 percent.

Baseline year
2018

Start year
2018

End year
2022

Progress
Target is a collaborator on the Apparel Impact Institute's Clean by Design (CbD) and International Financial Corporation's Vietnam Improvement Program (VIP) which focuses on improving process efficiency for water and energy saving. For Clean by Design, 29 participating fabric mills in China and Taiwan were able to achieve an average 17% water saving annually, which equals to over 5 billion liters of water in between 2019 and 2020. In 2020, we expanded our CbD work to Pakistan and Vietnam while continuing our work in China and India and have newly recruited a total of 30 textile mills engaging on energy and water efficiency initiatives.

Goal
Other, please specify (Design principles for increased H20 efficiency)

Level
Business activity

Motivation
Water stewardship

Description of goal
By 2025, we will design 100 percent of garment-washed owned-brand apparel utilizing water-saving design principles. Quantified by, Percentage of garment-washed owned-brand apparel using water-saving design principles

Baseline year
2018

Start year
2018

End year
2025

Progress
74% achieved. In 2020, 74% of our SKUs of garment-washed owned-brand apparel, inclusive of our denim and non-denim categories, utilized water-saving design principles. We are on track to achieve our goal of designing 100% of garment-washed owned-brand apparel utilizing water-saving design principles by 2025.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?
Yes

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

<table>
<thead>
<tr>
<th>Disclosure module</th>
<th>Data verified</th>
<th>Verification standard</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>W1 Current state</td>
<td>We verify Higg data for Tier 2 wet processing apparel textile mills.</td>
<td>Other, please specify (Higg)</td>
<td>We verify Higg data for Tier 2 wet processing apparel textile mills.</td>
</tr>
</tbody>
</table>

W10. Sign off

W-FI
W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

<table>
<thead>
<tr>
<th>Row 1</th>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Senior Vice President of Corporate Responsibility</td>
<td>Other, please specify</td>
</tr>
</tbody>
</table>

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate’s Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

No

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

I am submitting to | Public or Non-Public Submission
---|---
Investors | Public

Please confirm below
I have read and accept the applicable Terms