

Welcome to your CDP Forests Questionnaire 2022

F0. Introduction

F0.1

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

Target Corporation (Target, the Corporation, or the Company) was incorporated in Minnesota in 1902. Our corporate purpose is to help all families discover the joy of everyday life. We offer to our customers, referred to as "guests," everyday essentials and fashionable, differentiated merchandise at discounted prices. We operate as a single segment designed to enable guests to purchase products seamlessly in stores or through our digital channels. Since 1946, Target has given 5% of its profit in cash, products, and through the Target Foundation to communities, which today equals millions of dollars a week.

Our team, technology, and operations enable us to meet our corporate purpose and offer a preferred shopping experience to our guests through a durable, growth-driving enterprise strategy that differentiates Target in the marketplace.

Our strategy is made up of six pillars that define what we aim to deliver in the coming years – each focused on a specific initiative

- Delivering affordability to our guests.
- Differentiating from our competition with our owned brands and a curated assortment of leading national brands.
- Investing to create an engaging and differentiated shopping experience.



- Leveraging our stores-as-hubs to efficiently provide a convenient and safe experience for our guests whether they purchase online or physically in-store; • Maintaining and enhancing our relevancy to deepen engagement with guests.
- Leveraging our size and scale to benefit people, the planet, and our business, primarily through Target Forward, the sustainability-focused component of our overall business strategy, announced in 2021.

Target’s responses in this report on matters that relate to the degree of risk or impact should not be viewed as an indication that such risks or impacts could be “material” as such term is used for SEC reporting purposes. Target’s responses to this questionnaire contain forward-looking statements, which are based on our current assumptions and expectations. These statements are typically accompanied by the words “commit,” “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 29, 2022, which should be read in conjunction with the forward looking statements in this report. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update any forward-looking statement.

F0.2

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

	Start Date	End Date
Reporting year	January 31, 2021	January 30, 2022

F0.3

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

USD

F0.4

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

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Retailing	
Palm oil	Disclosing	Retailing	
Cattle products	Not disclosing	Retailing	We are not disclosing due to data constraints, but will be assessing future opportunities to disclose.
Soy	Not disclosing	Retailing	We are not disclosing due to data constraints, but will be assessing future opportunities to disclose.
Other - Rubber	Not disclosing	Retailing	We are not disclosing due to data constraints, but will be assessing future opportunities to disclose.
Other - Cocoa	Not disclosing	Retailing	We are not disclosing due to data constraints, but will be assessing future opportunities to disclose.
Other - Coffee	Not disclosing	Retailing	We are not disclosing due to data constraints, but will be assessing future opportunities to disclose.

F0.5

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

Yes

F0.5a

(F0.5a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.

Value chain stage	Exclusion	Description of exclusion	Potential for forests-related risk	Please explain
Direct operations	Business activity	National brands and store operations	Potential for forests-related risk but not evaluated	We have more insight, oversight, as well as influence over our owned-brand portfolio and supply chain. We lack comprehensive ingredient data for national brand products and alignment with the approach retail peers are taking in focusing on owned brands. While we cannot give a quantitative measure of commodity usage excluded, we are aware that our national brand portfolio sales are larger than our owned brand sales, so it is likely our disclosure represents less than half of Target's total consumption. This explanation holds true for both timber products and palm oil.

F0.6

(F0.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	3647601083

F1. Current state

F1.1

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

Timber products

Activity

Retailing/onward sale of commodity or product containing commodity

Form of commodity

Sawn timber, veneer, chips

Pulp

Paper

Boards, plywood, engineered wood

Primary packaging

Secondary packaging

Tertiary packaging

Cellulose-based textile fiber

Source

Contracted suppliers (processors)

Contracted suppliers (manufacturers)

Country/Area of origin

Cambodia

China

Indonesia

United States of America

Viet Nam

% of procurement spend

1-5%

Comment

Data based on spend for wood, paper, and regenerated cellulose sales value only

Palm oil

Activity

Retailing/onward sale of commodity or product containing commodity

Form of commodity

Crude palm oil (CPO)

Crude palm kernel oil (CPKO)

Refined palm oil

Palm oil derivatives

Palm kernel oil derivatives

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Brazil

Cambodia

Colombia

Côte d'Ivoire

Gabon

Ghana

Guatemala

India

Indonesia

Malaysia

Papua New Guinea

Philippines

Solomon Islands

Thailand

% of procurement spend

Don't know

Comment

We do not currently have a process to calculate the total sales for all items containing palm oil.

F1.2

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

	% of revenue dependent on commodity	Comment
Timber products	1-5%	Data is reflective of wood, paper and regenerated cellulose only. For Target branded products our estimate is \$2.1B in retail sales across products containing wood, paper and regenerated cellulose fiber. This represents about 2% of total retail sales at Target.
Palm oil	Don't know	We do not know the percentage of revenue dependent on palm oil as we have not evaluated it.

F1.5

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

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

F1.5a

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

Forest risk commodity

Palm oil

Data type

Consumption data

Commodity production/ consumption volume

7,541.63

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Partial commodity production/consumption

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

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

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

Please explain

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

Forest risk commodity

Timber products

Data type

Consumption data

Commodity production/ consumption volume

32,280

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Partial commodity production/consumption

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

No, and we are not planning to verify volumes as deforestation- and/or conversion-free

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

Please explain

Consumption only represents Target branded product use of regenerated cellulose fiber. Wood and paper consumption is not yet available due to inability to accurately measure material consumption in mixed material products outside of apparel. While we cannot give a quantitative measure of commodity usage excluded, we are aware that our national brand portfolio sales are larger than our owned brand sales, so it is likely our disclosure represents less than half of Target's total consumption.

F1.5b

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

Forest risk commodity

Timber products

Country/Area of origin

Viet Nam

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

40

Please explain

Consumption only represents Target branded product use of regenerated cellulose fiber. Wood and paper consumption is not yet available due to inability to accurately measure material consumption in mixed material products outside of apparel.

These calculations are based on order quantities, item weights and item material mix. This data is readily available in our apparel businesses.

We require all owned brand suppliers to adhere to the Canopy pledge for regenerated cellulose fibers. Canopy audits help ensure that fiber producers are not sourcing from ancient and endangered forests as well as causing deforestation.

Forest risk commodity

Timber products

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

7

Please explain

Consumption only represents Target branded product use of regenerated cellulose fiber. Wood and paper consumption is not yet available due to inability to accurately measure material consumption in mixed material products outside of apparel.

These calculations are based on order quantities, item weights and item material mix. This data is readily available in our apparel businesses.

We require all owned brand suppliers to adhere to the Canopy pledge for regenerated cellulose fibers. Canopy audits help ensure that fiber producers are not sourcing from ancient and endangered forests as well as causing deforestation.

Forest risk commodity

Timber products

Country/Area of origin

Cambodia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

5

Please explain

Consumption only represents Target branded product use of regenerated cellulose fiber. Wood and paper consumption is not yet available due to inability to accurately measure material consumption in mixed material products outside of apparel.

These calculations are based on order quantities, item weights and item material mix. This data is readily available in our apparel businesses.

We require all owned brand suppliers to adhere to the Canopy pledge for regenerated cellulose fibers. Canopy audits help ensure that fiber producers are not sourcing from ancient and endangered forests as well as causing deforestation.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

35

Please explain

Country of Origin: China

Consumption only represents Target branded product use of regenerated cellulose fiber. Wood and paper consumption is not yet available due to inability to accurately measure material consumption in mixed material products outside of apparel.

These calculations are based on order quantities, item weights and item material mix. This data is readily available in our apparel businesses.

We require all owned brand suppliers to adhere to the Canopy pledge for regenerated cellulose fibers. Canopy audits help ensure that fiber producers are not sourcing from ancient and endangered forests as well as causing deforestation.

Forest risk commodity

Timber products

Country/Area of origin

India

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

4

Please explain

Consumption only represents Target branded product use of regenerated cellulose fiber. Wood and paper consumption is not yet available due to inability to accurately measure material consumption in mixed material products outside of apparel.

These calculations are based on order quantities, item weights and item material mix. This data is readily available in our apparel businesses.

We require all owned brand suppliers to adhere to the Canopy pledge for regenerated cellulose fibers. Canopy audits help ensure that fiber producers are not sourcing from ancient and endangered forests as well as causing deforestation.

Forest risk commodity

Timber products

Country/Area of origin

Nicaragua

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

3

Please explain

Consumption only represents Target branded product use of regenerated cellulose fiber. Wood and paper consumption is not yet available due to inability to accurately measure material consumption in mixed material products outside of apparel.

These calculations are based on order quantities, item weights and item material mix. This data is readily available in our apparel businesses.



We require all owned brand suppliers to adhere to the Canopy pledge for regenerated cellulose fibers. Canopy audits help ensure that fiber producers are not sourcing from ancient and endangered forests as well as causing deforestation.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

2

Please explain

Country of Origin: Haiti

Consumption only represents Target branded product use of regenerated cellulose fiber. Wood and paper consumption is not yet available due to inability to accurately measure material consumption in mixed material products outside of apparel.

These calculations are based on order quantities, item weights and item material mix. This data is readily available in our apparel businesses.

We require all owned brand suppliers to adhere to the Canopy pledge for regenerated cellulose fibers. Canopy audits help ensure that fiber producers are not sourcing from ancient and endangered forests as well as causing deforestation.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

2

Please explain

Country of origin: Bangladesh

Consumption only represents Target branded product use of regenerated cellulose fiber. Wood and paper consumption is not yet available due to inability to accurately measure material consumption in mixed material products outside of apparel.

These calculations are based on order quantities, item weights and item material mix. This data is readily available in our apparel businesses.

We require all owned brand suppliers to adhere to the Canopy pledge for regenerated cellulose fibers. Canopy audits help ensure that fiber producers are not sourcing from ancient and endangered forests as well as causing deforestation.

Forest risk commodity

Timber products

Country/Area of origin

Guatemala

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

Please explain

Consumption only represents Target branded product use of regenerated cellulose fiber. Wood and paper consumption is not yet available due to inability to accurately measure material consumption in mixed material products outside of apparel.

These calculations are based on order quantities, item weights and item material mix. This data is readily available in our apparel businesses.

We require all owned brand suppliers to adhere to the Canopy pledge for regenerated cellulose fibers. Canopy audits help ensure that fiber producers are not sourcing from ancient and endangered forests as well as causing deforestation.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

1

Please explain

Country of Origin: Pakistan

Consumption only represents Target branded product use of regenerated cellulose fiber. Wood and paper consumption is not yet available due to inability to accurately measure material consumption in mixed material products outside of apparel.

These calculations are based on order quantities, item weights and item material mix. This data is readily available in our apparel businesses.



We require all owned brand suppliers to adhere to the Canopy pledge for regenerated cellulose fibers. Canopy audits help ensure that fiber producers are not sourcing from ancient and endangered forests as well as causing deforestation.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

24

Please explain

We calculate out % total production by looking at the % of volumes coming from mills in each country as compared to our total volumes

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

72

Please explain

We calculate out % total production by looking at the % of volumes coming from mills in each country as compared to our total volumes

Forest risk commodity

Palm oil

Country/Area of origin

Colombia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

Please explain

We calculate out % total production by looking at the % of volumes coming from mills in each country as compared to our total volumes

Forest risk commodity

Palm oil

Country/Area of origin

Brazil

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

Please explain

We calculate out % total production by looking at the % of volumes coming from mills in each country as compared to our total volumes

Forest risk commodity

Palm oil

Country/Area of origin

Guatemala

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

Please explain

We calculate out % total production by looking at the % of volumes coming from mills in each country as compared to our total volumes

Forest risk commodity

Palm oil

Country/Area of origin

Cambodia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

Please explain

We calculate out % total production by looking at the % of volumes coming from mills in each country as compared to our total volumes

Forest risk commodity

Palm oil

Country/Area of origin

Côte d'Ivoire

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

Please explain

We calculate out % total production by looking at the % of volumes coming from mills in each country as compared to our total volumes

Forest risk commodity

Palm oil

Country/Area of origin

Gabon

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

Please explain

We calculate out % total production by looking at the % of volumes coming from mills in each country as compared to our total volumes

Forest risk commodity

Palm oil

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

1

Please explain

Country of origin: Ghana

We calculate out % total production by looking at the % of volumes coming from mills in each country as compared to our total volumes

Forest risk commodity

Palm oil

Country/Area of origin

India

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

Please explain

We calculate out % total production by looking at the % of volumes coming from mills in each country as compared to our total volumes

Forest risk commodity

Palm oil

Country/Area of origin

Papua New Guinea

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

Please explain

We calculate out % total production by looking at the % of volumes coming from mills in each country as compared to our total volumes

Forest risk commodity

Palm oil

Country/Area of origin

Philippines

State or equivalent jurisdiction

% of total production/consumption volume

1

Please explain

We calculate out % total production by looking at the % of volumes coming from mills in each country as compared to our total volumes

Forest risk commodity

Palm oil

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

1

Please explain

Country of Origin: Solomon Islands

We calculate out % total production by looking at the % of volumes coming from mills in each country as compared to our total volumes

Forest risk commodity

Palm oil

Country/Area of origin

Thailand

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

Please explain

We calculate out % total production by looking at the % of volumes coming from mills in each country as compared to our total volumes

F1.5e

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

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

No

Data type

Volume produced/consumed

Metric

Country/Area of origin

State or equivalent jurisdiction

% of total production/consumption volume

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

Comment

F1.6

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

No

F1.7

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

Forest risk commodity

Palm oil

Have you monitored or estimated your deforestation/conversion footprint?

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

Coverage

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

Known or estimated deforestation/ conversion footprint (hectares)

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

Forest risk commodity

Timber products

Have you monitored or estimated your deforestation/conversion footprint?

No, and we do not plan to monitor or estimate our deforestation/conversion footprint in the next two years

Coverage

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

Known or estimated deforestation/ conversion footprint (hectares)

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

F2. Procedures

F2.1

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

Yes, forests-related risks are assessed

F2.1a

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

Timber products

Value chain stage

Supply chain

Coverage

Partial

Risk assessment procedure

Assessed in an environmental risk assessment

Frequency of assessment

Not defined

How far into the future are risks considered?

1 to 3 years

Tools and methods used

External consultants

Issues considered

Impact of activity on the status of ecosystems and habitats

Stakeholders considered

NGOs

Suppliers

Please explain

Target works with outside groups like Preferred By Nature and Canopy for timber to determine our supply chain risks

Palm oil

Value chain stage

Supply chain

Coverage

Partial

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

Every two years

How far into the future are risks considered?

1 to 3 years

Tools and methods used

Internal company methods
External consultants

Issues considered

Impact of activity on the status of ecosystems and habitats

Stakeholders considered

Customers
Employees
Investors
Local communities

NGOs
Suppliers

Please explain

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

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

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

F2.2

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

	Value chain mapping	Primary reason for not mapping your value chain	Explain why your organization does not map its value chain and outline any plans to introduce it
Timber products	No, and we do not plan to map the value chain within the next two years	Important, but not an immediate business priority	Focusing on higher risk commodities first.
Palm oil	Yes, we have partially mapped the value chain		

F2.2a

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

Forest risk commodity

Palm oil



Scope of value chain mapping

- Tier 1 suppliers
- Tier 2 suppliers
- Tier 3 suppliers
- Tier 4+ suppliers

% of total suppliers covered within selected tier(s)

75

Description of mapping process and coverage

We have mapped the palm oil included in 100% of our own brand food and beverage, essentials, beauty, and candles products to mill.

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

We plan to continue traceability work with the remaining 25% of suppliers later this year.

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

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

F3. Risks and opportunities

F3.1

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

	Risk identified?
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Timber products	Yes
Palm oil	Yes

F3.1a

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

We consider multiple factors in evaluating risk. For the purposes of evaluating our mitigation plans associated with climate risk for the CDP survey, Target considers risks substantive when they are assessed 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. For purposes of our ESG Report and those website disclosures, we use the Global Reporting Initiative’s definition of materiality, which is different than the definition used for filings with the Securities and Exchange Commission (SEC). In the context of climate-related issues and this response, Target leverages both the TCFD framework and our internal Enterprise Risk Management Framework. We considered level of financial impact, likelihood of potential events occurrence over time and our ability to mitigate potential risks. In our Corporate Responsibility Report (ESG Report) and the corporate responsibility disclosures on our website, we report against topics that are important to our business and our stakeholders.

F3.1b

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

Forest risk commodity

Timber products

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Brand damage

Company-specific description

Target stakeholders (guests, investors, etc.) expect that we are acting responsibly and have oversight of our supply chain as related to timber. If there were a discovery that we had not completed our due diligence in this endeavor, we would expect significant brand and/or reputational damage. We support responsibly managed forests, and to that end, introduced our Responsible Sourcing Policy for Forest Products in 2017. This policy helps us on our long term intention that all wood, paper, paper-based packaging, and wood-based fiber used in the products we purchase and sell is sourced from well-managed forests that have been credibly certified and/or are from post-consumer recycled materials. We are starting with owned brand products containing wood or paper-based materials, like paper towels, wrapping paper, furniture, and rayon used in apparel. Target's owned brand paper-based retail packaging hit 86% compliance with the goals in our policy. Our Spritz brand of paper-based party products has been able to maintain 99% compliance through the use of Forest Stewardship Council (FSC) certified materials, only limited by certified material availability. Our up&up, Pillowfort, and Cat&Jack brands have now collectively reached 92% compliance as of the end of 2021. These brands are helping us and our suppliers understand how to similarly achieve our 2022 goals in our Threshold and Smith&Hawken brands, which were at 31% by the end of 2021.

Timeframe

1-3 years

Magnitude of potential impact

Medium-low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial

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

Primary response to risk

Engagement with suppliers

Description of response

Target continuously engages with our suppliers to ensure they are using sustainably sourced timber. We directly engage with any supplier who is not in compliance with our sustainable timber expectations.

Cost of response

100,000

Explanation of cost of response

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

Forest risk commodity

Palm oil

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Brand damage

Company-specific description

Target stakeholders (guests, investors, etc.) expect that we are acting responsibly and have oversight of our supply chain as related to palm oil. Upon discovery that we have not completed our due diligence in this endeavor, we can expect significant brand and/or reputational damage. To address this risk, Target requires owned brand suppliers of Food & Beverage, Essentials & Beauty, and Candles covered by our palm oil commitment to supply palm oil ingredients that comply with by one of the four RSPO trading models (Book and Claim, Mass Balance, Segregated, or Identity Preserved). In 2021, 72% of the palm oil covered by our commitment was certified via RSPO's Mass Balance certification, 1% through Segregated certification, 10% through Identity Preserved certification and the other 17% was covered by RSPO's PalmTrace credits. 100% of the PalmTrace credits were purchased from smallholder farmers. Additionally, 87% of the palm oil can be traced to the importer. Target will continue to collaborate with companies in our supply chain and industry stakeholders to leverage our collective scale, influence and expertise to promote sustainable palm oil. We will also continue to report annually on our progress.

Timeframe

1-3 years

Magnitude of potential impact

Medium-low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial

The impact has not been quantified financially

Primary response to risk

Engagement with suppliers

Description of response

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

Cost of response

Explanation of cost of response

Cost of response not quantified at corporate level

F3.2

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

	Have you identified opportunities?
Timber products	Yes
Palm oil	Yes

F3.2a

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

Forest risk commodity

Timber products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Supply chain

Other parts of the value chain

Primary forests-related opportunity

Increased demand for certified materials

Company-specific description & strategy to realize opportunity

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

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

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

From 2020 to 2021 our certified factory base grew 283% from 31 factories to 88 factories. The results are showing with our owned brand forest products. Target now has over 1,500 FSC certified products approved under our FSC trademark license.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium-low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

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

Forest risk commodity

Palm oil

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Increased demand for certified materials

Company-specific description & strategy to realize opportunity

As a retailer purchasing goods from manufacturers, we are able to use our leverage to create demand for certified materials. To that end, we are using our purchasing of owned brand products to increase demand from our suppliers for palm oil that is produced more sustainably and increase our level of transparency. In 2019, Target announced a new Palm Oil Sustainability Commitment with two specific ambitions: 1) All owned brand suppliers would be Roundtable on Sustainable Palm Oil (RSPO) physically certified products by the end of 2022 2) We are

working to trace all palm oil to mill by the end of 2022. In addition to these more ambitious goals, the new commitment covered a much broader array of products across the food and beverage, essentials and beauty, and candles divisions to ensure we were actively engaging with all of the areas of store that have notable palm oil usage.

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

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

Between 2019 and 2021, our suppliers procurement of RSPO physically certified palm oil increased by 80%. Target now has more than 3,000 owned brand products that contain physical certified palm oil. In addition, we achieved traceability to mill level for 76% of our supply of palm oil in 2021 and are working to increase that percentage by the end of 2022.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Medium-low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure



Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

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

F4. Governance

F4.1

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

Yes

F4.1a

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

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

F4.1b

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

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy	Given the breadth of ESG matters for our company, oversight of ESG issues is allocated throughout the Board and its Committees, with the Governance and Sustainability Committee of our Board having oversight of our environmental stewardship practices (including, water stewardship, climate and energy, among others) and forest-related goals. Our Senior Vice President of Corporate Responsibility reports quarterly to the Governance and Sustainability Committee of the Board on ESG-related topics, which includes our implementation and execution plans and activities related to Target Forward, the sustainability component of our overall business strategy, and our Target Forward goals and commitments.

F4.1d

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

Row 1

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

Not assessed

F4.2

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

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Other, please specify Senior Vice President, Corporate Responsibility	Both assessing and managing forests-related risks and opportunities	As important matters arise	The Senior Vice President of Corporate Responsibility oversees corporate responsibility across Target. They report to the Executive Vice President and Chief Communications Officer at Target.
Other, please specify Vice President, Responsible Sourcing & Sustainability	Both assessing and managing forests-related risks and opportunities	As important matters arise	The Vice President of Responsible Sourcing & Sustainability oversees our global commitment to manufacturing our goods and services in a responsible and sustainable manner. The Vice President of Responsible Sourcing & Sustainability reports to our SVP & President of Owned Brand Sourcing.
Other, please specify Vice President of Product Insights, Strategy & Responsible Design	Both assessing and managing forests-related risks and opportunities	As important matters arise	The Vice President of Product Insights, Strategy & Responsible Design oversees our global commitment to designing our owned brand products in a responsible and sustainable manner. They report to our SVP of Product Design & Packaging

F4.3

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

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

F4.4

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

No, and we have no plans to do so

F4.5

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

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

F4.5a

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

	Scope	Content	Please explain
Row 1	Company-wide	Commitment to eliminate deforestation Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Commitment to stakeholder awareness and engagement Commitment to align with the SDGs	Target recognizes that the ecosystem services provided by forests around the world are irreplaceable. Forests are critical to mitigating climate change, providing a carbon sink, fostering habitat for biodiversity, protecting water supplies, providing livelihoods for communities, and are a renewable resource for products and packaging throughout our supply chain. We commit to working with our owned brand suppliers to protect forests by eliminating deforestation and forest degradation from our value chain. More specifically, we will focus on eliminating deforestation of primary forests and areas of High Conservation Value, as well as High Carbon Stock forest areas and peatlands (regardless of depth). As a retailer with a wide variety of products, we understand the responsibility we have to protect forests around the world. We are committed to aiding in the global effort to end deforestation and forest degradation, and focus our efforts in the places we can have the most positive impact today – specifically palm oil and wood-based materials. We are committed to sustainably sourcing wood, paper, and wood-based fibers in our priority owned brands; palm in all of our owned brands; and wood-based fibers in our owned brand packaging. We will build on our existing priority raw material commitments by evaluating high-risk commodities – including soy, leather, and rubber – and their material significance to Target. Where necessary, we will address salient issues with relevant time-

	<p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>List of timebound milestones and targets</p>	<p>bound and measurable goals. Furthermore, Target recognizes that forests are not the only ecosystem under threat from commodity production. We are currently undertaking efforts to identify how and where conversion of other types of natural habitat, like grasslands and savannahs, touches our supply chain, such as our domestic beef supply chain. Our policy does not currently cover National Brand products as we have the greatest insight as well as influence over our owned-brand portfolio and supply chain. For more information, please see our Corporate site: https://corporate.target.com/sustainability-ESG/environment/materials-and-deforestation</p>
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F4.5b

(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	Yes	Company-wide	<p>Commitment to eliminate deforestation</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>List of timebound commitments and targets</p>	<p>Target is committed to sourcing wood-based products from well managed forests to avoid contributing to deforestation or forest degradation. Target will work actively with its vendors, suppliers, and other stakeholders to implement our policy by eliminating any unacceptable sources, and progressively increasing the amount of responsible wood, paper, paper-based packaging, and wood-based fiber over time. Our long-term intention is that all wood, paper, paper-based packaging, and wood-based fiber used in products that we purchase and sell is sourced from well-managed forests that have been credibly certified and/or are from post-consumer recycled materials. When certified or recycled materials are not available, Target will work with its suppliers to ensure they are meeting policy requirements. This commitment applies to all Target's owned brand products and packaging</p>

				<p>containing a majority of wood-based material. Our policy does not currently cover National Brand products as we have the greatest insight as well as influence over our owned-brand portfolio and supply chain. Target requires wood, paper, paper-based packaging, and wood-based fiber vendors to comply with the requirements of the US Lacey Act. Target relies on the use of certification schemes within our supply chain to achieve our policy commitment. While Target recognizes the value that many certifications bring to the market such as SFI -Sustainable Forestry Initiative and PEFC - Programme for the Endorsement of Forest Certification, we have a preference for FSC – Forest Stewardship Council certification and will work with our suppliers to help them achieve full chain of custody and increase the penetration of FSC certified products available in our stores and online. 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 requirements.</p>
Palm oil	Yes	Company-wide	<p>Commitment to eliminate deforestation</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to stakeholder awareness and engagement</p>	<p>This commitment applies to palm oil, palm kernel oil, and derivatives in Target’s owned brand food, household cleaning, personal care, baby care, beauty, cosmetics, and candle products. We plan to update this policy in 2023.</p> <p>As a next step in Target’s multi-year endeavor to responsibly source palm oil, Target commits to moving beyond the use of a credit system toward the use of physically certified palm oil. Our goal is for palm oil in our products to be certified by the Roundtable on Sustainable Palm Oil (RSPO) or an equivalent standard with a mass balance, segregated, or identity preserved supply chain certification by the end of 2022. Target also aims to increase the portion of segregated and identity preserved palm oil used in its products over time.</p>

		<p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound commitments and targets</p> <p>Description of forests-related standards for procurement</p>	<p>Target aspires to source palm oil that is produced in accordance with the following key principles, which are part of the RSPO standard:</p> <p>Palm oil cultivation must not cause deforestation of primary forests, areas of High Conservation Value or High Carbon Stock forest areas</p> <p>Palm oil developments must not be planted on peat lands regardless of depth</p> <p>Land prepared for the planting or replanting of palm trees must not be prepared by burning</p> <p>Palm oil developments must proceed on the basis of Free, Prior, and Informed Consent</p> <p>Workers, including women and migrant workers, must be provided wages, benefits and working conditions that are fair and in accordance with local law</p> <p>Suppliers must provide a safe and healthy working environment that complies with local laws and minimizes occupational hazards. All workers have the right to engage in work willingly, without surrendering identification and without the payment of fees</p> <p>Suppliers must comply with all age-related working restrictions as set by local law and adhere to international standards as defined by the International Labor Organization regarding age-appropriate work</p> <p>Furthermore, Target believes transparent and traceable supply chains enable</p>
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				industry collaboration, shared accountability and positive change. As such, Target aims to complete tracing its palm oil supply chain to the mill level by the end of 2022. This information will facilitate meaningful dialogue and action to protect forests and improve livelihoods.
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F4.6

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

Yes

F4.6a

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

Other, please specify

Canopy, We Mean Business

F4.6b

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

Forest risk commodity

Timber products

Criteria

No conversion of natural ecosystems

No conversion of High Conservation Value areas

No sourcing of illegally produced and/or traded forest risk commodities

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

No cutoff date

Commitment target date

2021-25

Please explain

Our goals cover all Target owned-brand production, which is the scope of this disclosure.

Forest risk commodity

Palm oil

Criteria

No new development on peat regardless of depth

No conversion of High Carbon Stock forests

Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities

Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date



2019

Commitment target date

2021-25

Please explain

Target has engaged with suppliers and participated in initiatives to increase the sustainability of its palm oil supply chain over the past 7 years. Target is pleased to report that in 2021, 72% of the palm oil covered by our commitment was certified via RSPO’s Mass Balance certification, 1% through Segregated certification, 10% through Identity Preserved certification, and the other 17% was covered by RSPO’s PalmTrace credits. 100% of the PalmTrace credits were purchased from smallholder farmers. Additionally, 87% of the palm oil can be traced to the importer. Target will continue to collaborate with companies within our supply chain and industry stakeholders to leverage our collective scale, influence, and expertise to promote sustainable palm oil. We will also continue to report annually on our progress.

As a next step in Target’s multi-year endeavor to responsibly source palm oil, Target commits to moving beyond the use of a credit system toward the use of physically certified palm oil. Our goal is for palm oil in our owned brand products to be certified by the Roundtable on Sustainable Palm Oil (RSPO) or an equivalent standard with a mass balance, segregated, or identity preserved supply chain certification by the end of 2022. Target also aims to increase the portion of segregated and identity preserved palm oil used in its owned brand products over time. Target aims to trace its palm oil supply chain to the mill level by the end of 2022.

F5. Business strategy

F5.1

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

	Are forests-related issues integrated?	Long-term time	Please explain

		horizon (years)	
Long-term business objectives	Yes, forests-related issues are integrated	5-10	<p>Responsible Sourcing & Sustainability is an integral part of Target’s business strategy. In 2016, we launched our 2020 Responsible Sourcing Aspirations which included a commitment to sustainably managed forests and palm oil. At Target, we also understand that our guest expects sustainable forest products. One way we communicate this commitment is by being an FSC trademark license holder. The FSC trademark license allows Target to use the Forest Stewardship Council's logo in marketing (on Target.com, in store, and in our weekly ad) to both support FSC's approach to sustainable forestry as well as to help educate our guest about sustain-able forest management. The use of the FSC logo in marketing is supported across Target's owned brands and appears on over 1,500 of products at Target. On the palm oil side, we require that all owned brand products are physically certified by RSPO by the end of 2022 and are aiming to increase the percentage of palm oil that is Segregated or Identity Preserved from there.</p> <p>Please reference the following links: Target's Deforestation Page: https://corporate.target.com/sustainability-ESG/environment/materials-and-deforestation</p> <p>Target's Forest Products Policy: https://corporate.target.com/sustainability-ESG/environment/materials-and-deforestation/forest-products</p> <p>Target's Palm Oil commitments: https://corporate.target.com/sustainability-esg/environment/materials-and-deforestation/palm-oil</p>
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	<p>Our palm oil strategy is to commit to time bound goals to achieve greater levels of sustainability through the RSPO certification program, work with suppliers to meet our palm oil commitment, and engagement in NASPON to support the further progress of sustainable palm oil in the North American market.</p> <p>Please reference the following links</p> <p>Target's Deforestation Page:</p>

			<p>https://corporate.target.com/corporate-responsibility/planet/deforestation</p> <p>Target's Forest Products Policy: https://corporate.target.com/sustainability-ESG/environment/materials-and-deforestation/forest-products</p> <p>Target's Palm Oil commitments: https://corporate.target.com/corporate-responsibility/planet/deforestation/palm-oil-commitment</p>
Financial planning	Yes, forests-related issues are integrated	5-10	Target has included cost impacts due to increased raw material costs from converting our supply chain to more certified forest products in the company's financial planning processes.

F6. Implementation

F6.1

(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.

Target reference number

Target 1

Forest risk commodity

Timber products

Type of target

Third-party certification

Description of target

Source all owned-brand, paper-based packaging from sustainably managed forests by 2022

Linked commitment

Other environmental commitments

Traceability point

Third-party certification scheme

FSC Chain of Custody
FSC Controlled Wood
PEFC Chain of Custody
SFI Chain of Custody

Start year

2017

Target year

2022

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

86

Please explain

Source all owned-brand, paper-based packaging from sustainably managed forests by 2022. In 2021 we reached 86%. Continued work on this goal revolves around supplier engagement. Today's work will allow Target to build the foundation for future success.

Target reference number

Target 2

Forest risk commodity

Timber products

Type of target

Third-party certification

Description of target

By the end of 2020, the up&up, Pillowfort, and Cat & Jack brands will be fully compliant with our forest products policy.

Linked commitment

Other environmental commitments

Traceability point

Third-party certification scheme

FSC Chain of Custody
FSC Controlled Wood
PEFC Chain of Custody
SFI Chain of Custody

Start year

2017

Target year

2020

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

92

Please explain

2020 was a goal year for these three brands and while much was accomplished, the goal of 100% was not realized. However, pursuit of this goal did not end with the passing of the goal date. As of the end of 2021 the composite of these three brands has reached 92%.

Target reference number

Target 3

Forest risk commodity

Timber products

Type of target

Third-party certification

Description of target

By the end of 2022, the Threshold and Smith & Hawken brands will be fully compliant with our forest products policy

Linked commitment

Other environmental commitments

Traceability point

Third-party certification scheme

FSC Chain of Custody
FSC Controlled Wood
PEFC Chain of Custody
SFI Chain of Custody

Start year

2017

Target year

2022

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

31

Please explain

Threshold and Smith&Hawken brand progress was measured for the second time this year and have achieved compliance with 31% of the forest product items in the assortment. Progress on these brands will continue in 2022 as our product development and sourcing teams become more sophisticated in working with the constraints that third party certifications present.

Target reference number

Target 4

Forest risk commodity

Palm oil

Type of target

Traceability

Description of target

Target aims to trace its palm oil supply chain to the mill level by the end of 2022. This information will facilitate meaningful dialogue and action to protect forests and improve livelihoods

Linked commitment

Other environmental commitments

Traceability point

Mill

Third-party certification scheme

Start year

2019

Target year

2022

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

87

Please explain

Target has traced 87% of our palm oil to the importer. We will continue to trace our palm oil supply chain to achieve traceability to the mill by the end of 2022.

Target reference number

Target 5

Forest risk commodity

Palm oil

Type of target

Third-party certification

Description of target

This commitment applies to palm oil, palm kernel oil, and derivatives in Target's owned brand food, household cleaning, personal care, baby care, beauty, cosmetics, and candle products. Target commits to moving beyond the use of a credit system toward the use of physically certified palm oil. Our goal is for palm oil in our products to be certified by the Roundtable on Sustainable Palm Oil (RSPO) or an equivalent standard with a mass balance, segregated, or identity preserved supply chain certification by the end of 2022. Target also aims to increase the portion of segregated and identity preserved palm oil used in its products over time.

Linked commitment

Other environmental commitments

Traceability point

Third-party certification scheme

RSPO Segregated
RSPO Mass Balance
RSPO Book and Claim

Start year

2015

Target year

2022

Quantitative metric



Target (number)

Target (%)

100

% of target achieved

83

Please explain

In 2018, Target achieved our first palm oil goal; our products in scope for our palm oil commitment were sustainable via RSPO’s Book & Claim, Mass Balance, Segregated, or Identity Preserved supply chain models. We published our next goal in 2019, increasing the scope of product categories and committing to achieving a physically certified supply chain by the end of 2022 using the RSPO’s Mass Balance, Segregated, or Identity Preserved supply chain certifications. In 2021, 72% of our volumes were certified mass balance, segregated(1%), or identity preserved (10%). We will continue to progress towards a fully physically certified supply chain.

F6.2

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

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	No			
Palm oil	Yes	Supplier survey with third party partner analysis	Specific supplier(s)	We have more insight, oversight, as well as influence over our owned-brand portfolio and supply chain, thus we are excluding national brand and store operations.

				All owned brand food, beverage, essentials, beauty, and candle products are included within our traceability system.
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F6.2a

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

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Palm oil	Mill	75

F6.2b

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

Forest risk commodity

Timber products

Primary reason

Insufficient data on operations

Please explain

We are moving towards chain of custody certification for owned brand products.

F6.3

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

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

Palm oil	Yes	100
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F6.3a

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

Forest risk commodity

Timber products

Third-party certification scheme

SFI Chain of Custody

Chain-of-custody model used

% of total production/consumption volume certified

Form of commodity

Volume of production/ consumption certified

Metric for volume

Is this certified by more than one scheme?

No

Please explain

Throughout 2018, the forest policy implementation work was focused on certifying more factories to chain of custody standards like FSC, SFI, and PEFC with a preference for FSC when available. We do not currently have data to breakdown by specific standard.

Forest risk commodity

Timber products

Third-party certification scheme

PEFC Chain of Custody

Chain-of-custody model used

% of total production/consumption volume certified

Form of commodity

Volume of production/ consumption certified

Metric for volume

Is this certified by more than one scheme?

No

Please explain

Throughout 2018, the forest policy implementation work was focused on certifying more factories to chain of custody standards like FSC, SFI, and PEFC with a preference for FSC when available. We do not currently have data to breakdown by specific standard.

Forest risk commodity

Timber products

Third-party certification scheme

FSC Chain of Custody

Chain-of-custody model used

% of total production/consumption volume certified

Form of commodity

Volume of production/ consumption certified

Metric for volume

Is this certified by more than one scheme?

No

Please explain

Throughout 2018, the forest policy implementation work was focused on certifying more factories to chain of custody standards like FSC, SFI, and PEFC with a preference for FSC when available. We do not currently have data to breakdown by specific standard.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Mass Balance

Chain-of-custody model used

% of total production/consumption volume certified

82

Form of commodity

Crude palm oil (CPO)

Crude palm kernel oil (CPKO)

Refined palm oil

Palm oil derivatives

Palm kernel oil derivatives

Volume of production/ consumption certified

7,541.63

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Target will continue to collaborate with supply chain partners and industry stakeholders to leverage our collective scale, influence, and expertise to promote sustainable palm oil. We will also continue to report annually on our progress. As a next step in Target's multi-year endeavor to responsibly source palm oil, Target commits to moving beyond the use of a credit system toward the use of physically certified palm oil. Our goal is for palm oil in our owned brand products to be certified by the Roundtable on Sustainable Palm Oil (RSPO) or an equivalent standard

with a mass balance, segregated, or identity preserved supply chain certification by the end of 2022. Target also aims to increase the portion of segregated and identity preserved palm oil used in its owned brand products over time. Target continues to engage its suppliers on the implementation of Target's responsible palm oil sourcing commitment through an annual survey to determine the volume of palm oil and derivatives and palm kernel oil and derivatives used in the owned-brand products covered by its commitment, including the percentage that is certified as sustainable, classified across Palm Trace Credits, MassBalance and Segregated. Our commitment covers palm volumes purchased directly by our suppliers for use in owned-brand products, suppliers that source palm oil indirectly through finished product components and suppliers that source palm oil and kernel derivatives in household and personal care products. 7541.63 tons of palm oil, palm kernel oil, and derivatives were used in products covered in our commitment. Of that, 1329.93 tons were Book and Claim, 5418.48 tons were Mass Balance, 20.45 tons were Segregated, and 707.81 tons were Identity Preserved. 100% of the Palm Trace credits were purchased from smallholder farmers.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Credits/Book & Claim

Chain-of-custody model used**% of total production/consumption volume certified**

10

Form of commodity

Crude palm oil (CPO)

Crude palm kernel oil (CPKO)

Refined palm oil

Palm oil derivatives

Palm kernel oil derivatives

Volume of production/ consumption certified

875

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Target will continue to collaborate with supply chain partners and industry stakeholders to leverage our collective scale, influence and expertise to promote sustainable palm oil. We will also continue to report annually on our progress. As a next step in Target's multi-year endeavor to responsibly source palm oil, Target commits to moving beyond the use of a credit system toward the use of physically certified palm oil. Our goal is for palm oil in our owned brand products to be certified by the Roundtable on Sustainable Palm Oil (RSPO) or an equivalent standard with a mass balance, segregated, or identity preserved supply chain certification by the end of 2022. Target also aims to increase the portion of segregated and identity preserved palm oil used in its owned brand products over time. Target continues to engage its suppliers on the implementation of Target's responsible palm oil sourcing commitment through an annual survey to determine the volume of palm oil and derivatives and palm kernel oil and derivatives used in the owned-brand products covered by its commitment, including the percentage that is certified as sustainable, classified across Palm Trace Credits, Mass Balance and Segregated. Our commitment covers palm volumes purchased directly by our suppliers for use in owned-brand products, suppliers that source palm oil indirectly through finished product components and suppliers that source palm oil and kernel derivatives in household and personal care products. In 2021, 7541.63 tons of palm oil, palm kernel oil, and derivatives were used in products covered in our commitment. Of that, 1329.93 tons were Book and Claim, 5418.48 tons were Mass Balance, 20.45 tons were Segregated, and 707.81 tons were Identity Preserved. 100% of the Palm Trace credits were purchased from smallholder farmers.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Segregated

Chain-of-custody model used

% of total production/consumption volume certified

7

Form of commodity

Crude palm oil (CPO)

Crude palm kernel oil (CPKO)

Refined palm oil

Palm oil derivatives

Palm kernel oil derivatives

Volume of production/ consumption certified

630

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Target will continue to collaborate with supply chain partners and industry stakeholders to leverage our collective scale, influence and expertise to promote sustainable palm oil. We will also continue to report annually on our progress. As a next step in Target's multi-year endeavor to responsibly source palm oil, Target commits to moving beyond the use of a credit system toward the use of physically certified palm oil. Our goal is for palm oil in our owned brand products to be certified by the Roundtable on Sustainable Palm Oil (RSPO) or an equivalent standard with a mass balance, segregated, or identity preserved supply chain certification by the end of 2022. Target also aims to increase the portion of segregated and identity preserved palm oil used in its owned brand products over time. Target continues to engage its suppliers on the implementation of Target's responsible palm oil sourcing commitment through an annual survey to determine the volume of palm oil and



derivatives and palm kernel oil and derivatives used in the owned-brand products covered by its commitment, including the percentage that is certified as sustainable, classified across Palm Trace Credits, Mass Balance and Segregated. Our commitment covers palm volumes purchased directly by our suppliers for use in owned-brand products, suppliers that source palm oil indirectly through finished product components and suppliers that source palm oil and kernel derivatives in household and personal care products. In 2021, 7541.63 tons of palm oil, palm kernel oil, and derivatives were used in products covered in our commitment. Of that, 1329.93 tons were Book and Claim, 5418.48 tons were Mass Balance, 20.45 tons were Segregated, and 707.81 tons were Identity Preserved. 100% of the Palm Trace credits were purchased from smallholder farmers.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Identity Preserved

Chain-of-custody model used

% of total production/consumption volume certified

1

Form of commodity

Crude palm oil (CPO)

Crude palm kernel oil (CPKO)

Refined palm oil

Palm oil derivatives

Palm kernel oil derivatives

Volume of production/ consumption certified

10



Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Target will continue to collaborate with supply chain partners and industry stakeholders to leverage our collective scale, influence and expertise to promote sustainable palm oil. We will also continue to report annually on our progress. As a next step in Target’s multi-year endeavor to responsibly source palm oil, Target commits to moving beyond the use of a credit system toward the use of physically certified palm oil. Our goal is for palm oil in our owned brand products to be certified by the Roundtable on Sustainable Palm Oil (RSPO) or an equivalent standard with a mass balance, segregated, or identity preserved supply chain certification by the end of 2022. Target also aims to increase the portion of segregated and identity preserved palm oil used in its owned brand products over time. Target continues to engage its suppliers on the implementation of Target’s responsible palm oil sourcing commitment through an annual survey to determine the volume of palm oil and derivatives and palm kernel oil and derivatives used in the owned-brand products covered by its commitment, including the percentage that is certified as sustainable, classified across Palm Trace Credits, Mass Balance and Segregated. Our commitment covers palm volumes purchased directly by our suppliers for use in owned-brand products, suppliers that source palm oil indirectly through finished product components and suppliers that source palm oil and kernel derivatives inhousehold and personal care products. In 2021, 7541.63 tons of palm oil, palm kernel oil, and derivatives were used in products covered in our commitment. Of that, 1329.93 tons were Book and Claim, 5418.48 tons were Mass Balance, 20.45 tons were Segregated, and 707.81 tons were Identity Preserved. 100% of the Palm Trace credits were purchased from smallholder farmers.

F6.4

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

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

F6.6

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

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

F6.6a

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

Palm oil

Procedure to ensure legal compliance

We require that all of our suppliers are in compliance with the legal compliance principles that are part of the RSPO standard. Our suppliers must demonstrate their compliance with the following principles through our annual survey:

Palm oil cultivation must not cause deforestation of primary forests, areas of High Conservation Value or High Carbon Stock forest areas.

Palm oil developments must not be planted on peat lands regardless of depth .

Land prepared for the planting or replanting of palm trees must not be prepared by burning .

Palm oil developments must proceed on the basis of Free, Prior, and Informed Consent.

Workers, including women and migrant workers, must be provided wages, benefits and working conditions that are fair and in accordance with local law .Suppliers must provide a safe and healthy working environment that complies with local laws and minimizes occupational hazards .

All workers have the right to engage in work willingly, without surrendering identification and without the payment of fees. Suppliers must comply with all age-related working restrictions as set by local law and adhere to international standards as defined by the International Labor

Organization regarding age-appropriate work

Country/Area of origin

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

Law and/or mandatory standard(s)

Other, please specify
RSPO

Comment

F6.7

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

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	No, not working with smallholders				

Palm oil	Yes, working with smallholders	Financial and commercial incentives			We purchased 875 book and claim credits from 2 different independent smallholder producers. 100% of the book and claim credits covering our palm oil are from smallholder farmers.
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F6.8

(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Capacity building	Disseminating technical materials	Don't know	Engagement with suppliers on the topic of forest product certification has led to significant growth in factory level certification. At the end of 2021 there are 88 factories in our owned brand factory matrix certified to FSC, PEFC, or SFI standards. This historically was one of the large barriers to getting certified products.
Palm oil	Yes, working with direct suppliers	Supply chain mapping Capacity building Other	Disseminating technical materials Other, please specify Working with our suppliers to trace palm back to the importer	Don't know	Target is working with our suppliers to help them achieve physically certified palm oil ingredients in our owned brand products and working with suppliers to trace palm oil back to the importer.

F6.9

(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	No, not working beyond the first tier			
Palm oil	Yes, working beyond first tier	Supply chain mapping	Other, please specify Target is working with our suppliers of food and beverage, essentials and beauty, and candles to help them achieve physically certified palm oil ingredients in our owned brand products and working with suppliers to trace palm oil back to the mill.	We are working with our suppliers to conduct detailed traceability exercises in order to be able to trace all palm oil in Target owned brand products to all mills it may have been processed by.

F6.10

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

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Please explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	No	Important, but not an immediate priority	Focus of efforts is around certification status of forest products. Jurisdictional approaches require a deeper supply chain engagement that is not yet prioritized.

F6.11

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

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Engaging with non-governmental organizations

Country/Area

Subnational area

Initiatives

Please explain

Target will continue to work in multi-stakeholder collaborations and initiatives like TheConsumer Goods Forum and other industry initiatives that are developing industry-wide approaches to deforestation.

Target's Forest Products Policy: <https://corporate.target.com/sustainability-ESG/environment/materials-and-deforestation/forest-products>

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Subnational area

Initiatives

Roundtable on Sustainable Palm Oil (RSPO)

Other, please specify

North American Sustainable Palm Oil Network

Please explain

In 2017, Target joined the Roundtable on Sustainable Palm Oil's North American Sustainable Palm Oil Network, designed to facilitate cross-sector work in a pre-competitive space on the sourcing of Certified Sustainable Palm Oil (CSPO) in North America, foster collaboration, an impact programs in producing nations and share best practices. In 2020, Target joined a newly created working group focused on human rights in palm oil supply chains.

F6.12

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

No

F7. Verification

F7.1

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

Yes

F7.1a

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

Disclosure module

F6. Implementation

Data points verified

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

Verification standard

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

Please explain

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

Disclosure module

F6. Implementation

Data points verified

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

Verification standard

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

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

Please explain

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

F8. Barriers and challenges

F8.1

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

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Value chain complexity

Comment

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

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Value chain complexity

Comment

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

F8.2

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

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Improvement in data collection and quality

Comment

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

Forest risk commodity

Palm oil



Coverage

Supply chain

Main measure

Improvement in data collection and quality

Comment

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

F17 Signoff

F-FI

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

F17.1

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

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



Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please confirm below

I have read and accept the applicable Terms