

Welcome to your CDP Water Security Questionnaire 2022

W0. Introduction

W0.1

(W0.1) 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.

W0.2

(W0.2) 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

W0.3

(W0.3) Select the countries/areas in which you operate.

American Samoa
Austria
Bangladesh
Belgium
Brazil
Bulgaria
Cambodia
Canada
Chile
Colombia
Costa Rica
Denmark
Dominican Republic
Ecuador
El Salvador
Ethiopia
France
Germany
Greece
Guatemala
Haiti
Honduras
Hong Kong SAR, China
India
Indonesia
Israel
Italy
Japan
Jordan
Malaysia

Mexico
Morocco
Netherlands
Nicaragua
Pakistan
Peru
Philippines
Poland
Portugal
Republic of Korea
Rwanda
Singapore
South Africa
Spain
Sri Lanka
Sweden
Switzerland
Taiwan, China
Thailand
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

W0.4

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

USD



W0.5

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

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

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

W1. Current state

W1.1

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

	Direct use importance rating	Indirect use importance rating	Please explain

<p>Sufficient amounts of good quality freshwater available for use</p>	<p>Vital</p>	<p>Vital</p>	<p>Direct use: Our direct water use in Target Properties depends on good quality freshwater availability. Primary water uses include heating, cooling, irrigation, WASH services (restrooms and drinking fountains), and providing business services such as Deli products and Starbucks. For these reasons, clean water is deemed vital, and without it, our direct operations would not be able to adequately serve our guests and team members while at Target facilities. Therefore, we rate sufficient amounts of good quality freshwater available for use as vital. The future of good quality freshwater available for use will continue to be vital as climate change impacts water availability and Target will continue need water for direct business operations.</p> <p>Indirect use: Our indirect use in contracted manufacturing facilities depends on sufficient amounts of good quality freshwater available for use. These uses include product and material dyeing and finishing processes, as well as access to water for workforce use in restroom facilities and clean in place procedures. Clean water is deemed vital, and without it, our indirect operations would not be able to manufacture the products that we source and sell. Therefore, we rate sufficient amounts of good quality freshwater available for use as vital.</p>
<p>Sufficient amounts of recycled, brackish and/or produced water available for use</p>	<p>Neutral</p>	<p>Not important at all</p>	<p>Direct use: Target does not use recycled, brackish, and/or produced water for direct operations. However, some of our third party sources (municipal water utilities) provide recycled water for use (Target has 7 known irrigation accounts and 5 water accounts). However, no viable Target produced solutions have been determined yet. Target is looking to innovate and test ways in which more recycled, brackish, and/or produced water can be supplied and used for direct operations including irrigation with the intent of increasing water resiliency in direct operations.</p> <p>Indirect Use: Indirect use: We do not use sufficient amounts of recycled, brackish and/or produced water in our indirect operations to warrant tracking, and therefore we rate availability of re- cycled, brackish and/or produced water not important today.</p>

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	76-99	Target consumes water almost exclusively from municipal water utilities and uses utility billing to calculate withdrawal volumes. Target uses the utility bill payment/platform vendor Engie Insights which uses algorithms to flag sites with unusual water withdrawal for further review by Target Team Members. If necessary, a work order will be created for the Target Store Team to resolve any leaks or other water related issues found as a result of the flagged utility bill. There are also multiple processes in place for Store Team Members to actively look for and identify possible leaks within the building and on the exterior of the site. A small number of sites (less than 1% of stores) use well water or lake/pond water for irrigation, and we do not have a meter at these facilities to report the amount of water withdrawals used for irrigation. We measure the total volume of water withdrawal annually. We measure % of operations through utility billing data on a monthly cadence.
Water withdrawals – volumes by source	Not relevant	Target consumes water almost exclusively from third party sources (municipal water utilities). Target understands the majority of the utility withdrawals are from ground sources within the United States however, because we do not regularly measure or monitor water withdrawal – volumes by source therefore we deem this question to be not relevant. Using the WRI Aqueduct tool, we annually assess the major and minor basin source for all our properties water withdrawals.
Water withdrawals quality	100%	All drinking fountains and water fillers have a water filtration system. Starbucks has specialized filtration reverse osmosis and/or water softeners at point of use for business products. All Target stores have at some point received a water quality test by a third-party vendor. All test results are documented and retained for Target records. All New Stores receive a quality test prior to store opening. At existing stores, PMLs measure water quality outside and inside of

		Starbucks water source for TDS (total dissolved solids) every time the water filter is changed (approx. every 3 months). Target employs a third-party vendor to install water softeners that serve the entire store (treating TDS, chlorides, etc) . 100 properties collected and sent samples to a 3rd party vendor for testing in 2021 as part of a maintenance check and/or equipment upgrades. We measure % of operations through utility billing data on a monthly cadence.
Water discharges – total volumes	Not relevant	Target's water discharge volume is less than total withdrawal due to water use for irrigation, Starbucks product consumption, creation of deli products, and washing related maintenance activities. Store Design calculates estimated discharge quantities per day for the various store formats, which are as follows: Pstore is 3 kgals per day excluding irrigation, Super Target is 5kgals per day excluding irrigation, smaller formats/new stores have more varied discharge volume. However, discharge volume is not regularly measured or monitored so we deem this question to be not relevant.
Water discharges – volumes by destination	Not relevant	<p>If water withdrawal source is municipal, then discharge destination is generally the same municipality/wastewater treatment (81% of Target properties have the same water and sewer utility provider). There are some publicly owned treatment facilities that service multiple municipalities, meaning in those cases (<19% of Target properties), the water withdrawal source is not the same as the discharge source.</p> <p>40 Target store locations have septic systems in which the water discharge is contained within the property and not discharged to any third party sources.</p> <p>We currently rate this as not relevant for Target as we are unable to measure this aspect and/or this is an aspect not measured and reported by our water utility providers.</p>
Water discharges – volumes by treatment method	Not relevant	In direct operations, Target discharges water almost exclusively to third parties (municipal water utilities) without treatment. Water softeners will discharge un-consumed water to the sewer system via regeneration process (regeneration cycle depends on usage, approx. 1-2 times per week). There is also a very small amount of water discharge to the natural environment without treatment due to stormwater or pressure washing/maintenance activities.

		<p>We currently rate this as not relevant for Target as we are unable to measure this aspect and/or this is an aspect not measured and reported by our water utility providers.</p>
Water discharge quality – by standard effluent parameters	Not relevant	<p>Where jurisdictions request water discharge quality testing by standard effluent parameters, those requirements are met by Target. However, since we do not regularly measure and monitor this across properties, we deem this question to be not relevant.</p> <p>We currently rate this as not relevant for Target as we are unable to measure this aspect and/or this is an aspect not measured and reported by our water utility providers.</p>
Water discharge quality – temperature	Not relevant	<p>Since Target discharges water almost exclusively into municipal water sources, we do not measure the discharge quality temperature. Target is aware that the cooling water systems and refrigeration systems affect the water temperature to roughly 50-80 degrees (F), however those are discharged into the utility provided sewer systems. There are roughly 5 properties that have boiler systems however they are closed loop systems and do not discharge to waste. Therefore, we deem the response to the question as not relevant.</p> <p>We currently rate this as not relevant for Target as we are unable to measure this aspect and/or this is an aspect not measured and reported by our water utility providers</p>
Water consumption – total volume	Not relevant	<p>Target consumes water almost exclusively from municipal water utilities and uses utility bills to calculate withdrawal volumes. We measure the total volume of water withdrawals annually. Some sites consume various amounts of water in production of business products (e.g. deli, Starbucks) and irrigation and all sites have water fountains for our guests and team members consumption. We do not measure total consumption because we do not track these various amounts of water that are consumed and do not leave via the municipal sewer system. Therefore, we determined our total volume of water consumption to be not relevant, and we do not anticipate it will change in the future.</p> <p>We currently rate this as not relevant for Target as we are unable to measure this aspect and/or this is an aspect not measured and reported by our water utility providers.</p>
Water recycled/reused	Not relevant	<p>Since there is no Target produced recycled/reused water it is not regularly measured or monitored. However, Target is looking to innovate and test ways in which more recycled, brackish, and/or produced water can be supplied and used for direct operations including</p>



		<p>irrigation. Once that occurs, Target plans to regularly measure and monitor this aspect.</p> <p>We currently rate this as not relevant for Target as we are unable to measure this aspect and/or this is an aspect not measured and reported by our water utility providers</p>
The provision of fully-functioning, safely managed WASH services to all workers	100%	<p>Target provides restroom facilities and drinking water (water fountains and/or water fillers) at all U.S. stores, distribution centers, and headquarters buildings available for all Team Members and guests. We maintain all WASH related equipment (showers, eye rinses, water fountains, restrooms, etc) and mobilize trained technicians as appropriate to ensure all WASH services are functioning properly. Every facility has processes in place to strive for checks on the functionality of WASH services every hour, if there are any non-functioning WASH services then Target Team Members escalate and resolve the issue in an appropriate and timely manner. For example, if restrooms become inoperable due to natural disasters or other incidents, Target will provide portable restroom facilities on site until the store restrooms can be repaired and operable. We measure % of operations through utility billing data on a monthly cadence.</p>

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	11,399	Higher	<p>In Targets' direct operations, including stores, distribution centers, and headquarters locations, water is supplied almost entirely via municipal systems. Although we increased efforts to continue to reduce water withdrawals, in 2021 Target withdrew 11,399 ML, slightly up from 10,571 ML in 2020.</p> <p>This increase was driven by newly operational facilities and aging infrastructure across Targets'</p>

			<p>portfolio causing leaks and inefficiencies. The increase was further driven by the reduction of Covid-related impacts as Target resumed full capacity of café, deli, and Starbucks offerings that were at times closed during the pandemic.</p> <p>Target also had significant business growth that attributed to the increase in consumption It is likely that future years will see similar or slight increase in withdrawals as Target continues to expand business while simultaneously making efforts to reduce water withdrawals. We will begin looking into metrics that can better assess how to decouple our water usage from our store growth such as water intensity.</p>
Total discharges			Although Target measures and tracks our withdrawal amounts, we do not measure our discharge volumes, and therefore cannot quantify our total discharge. However, we know the amount to be less than total withdrawals.
Total consumption			Although Target measures and tracks our withdrawal amounts, we do not measure our discharge volumes, and therefore cannot quantify our total consumption. However, we know the amount to be less than total withdrawals.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	26-50	Higher	WRI Aqueduct	Target used water withdrawal data and location coordinates from 1900+ global facilities to assess water stress using the WRI Aqueduct model. As Target re-evaluated water risk in 2021, we saw a change in characterization of our facilities' water risk from our prior evaluation. Our water use increased in 2021. This led to an increase in our water withdrawals from areas with water stress from 3,920 ML's to 4,261 ML's.

					<p>We have 543 stores, DCs, or HQ locations that classify as WRI High or Extremely High Baseline water stress.</p> <p>Combining internal Target properties and location attribute data with water withdrawal data from our 3rd party utility billing platform (Engie), we were able to assess the stress of all of Target’s properties using the WRI Aqueduct tool. Corresponding withdrawals from those locations identified as high baseline water stress or extremely high baseline water stress with the amount of water withdrawn from our properties we can measure water withdrawals from water stressed areas.</p>
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W1.3

(W1.3) Provide a figure for your organization’s total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	106,000,000,000	11,399	9,299,061.32116852	Our anticipated forward trend is to increase water withdrawal efficiency. Target has committed to water efficiency through its new Target Forward enterprise-wide sustainability commitment and initiatives. Across our stores, distribution centers and headquarters locations, we’re taking action to reduce water scarcity and improve water quality outcomes . We’ll continuously seek to improve Target’s position on water quantity and water quality within our U.S. building operations.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

76-100

% of total procurement spend

26-50

Rationale for this coverage

As a part of Target's Responsible Sourcing & Sustainability Oversight, which ensures that factories are meeting Target's Standards of Vendor Engagement, we require factories to submit a completed Higg FEM assessment which includes environmental data inclusive of water use and management. A completed Higg FEM assessment is required to doing business with Target. The scope of these factories includes Tier 1 factories producing Target owned brand products or National Brand where Target is the importer of record as well as Tier 2 factories. In total, these factories make up an estimated 50% of procurement spend for Target.

Impact of the engagement and measures of success

Data collected from the Higg FEM includes water consumption information from factories that quantified on an annual basis. We have received a higg FEM adoption rate of 89% from our Tier 1 and 2 factories.

In addition, Target utilizes the Higg FEM data to conduct a hotspot mapping to understand who are the heavy water users in Target's manufacturing supply chain, and identify the water consumption and water risk by product and facility type. We also incorporate the results from WRI Water Risk Filter into the hotspot mapping to understand the water risk by geographical distribution.

The data was analyzed so we are able to understand which supplier has high potential in improving water efficiency, installing water meter for better water management and recycling or reusing water. With this analysis, we are able to identify potential suppliers to engage this data to inform participation in water efficiency programs. Two stakeholders have been particularly successful in driving sustainable water use in our

home and apparel supply chain: the Apparel Impact Institute, and the International Finance Corporation (IFC) .In 2021, 32 apparel and home facilities completed programs across Cambodia, China, India and Pakistan achieved 17% average water savings.

Comment

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement

Onboarding & compliance

Details of engagement

Inclusion of water stewardship and risk management in supplier selection mechanism

Requirement to adhere to our code of conduct regarding water stewardship and management

☞ All of Target's vendor relationships are guided by the Vendor Code of Conduct, which includes our Standards of Vendor Engagement (SOVE). We require all vendors, suppliers, third-party sellers, manufacturers, contractors, subcontractors and their agents to abide by Target's Standards of Vendor Engagement (SOVE). Our SOVE covers topics that pertain to water use and management.

The Higg FEM assessment is required, annually as a part of Target's responsible sourcing & sustainability program, from all manufacturing locations that produce Target owned brand products, national brand products where Target is the importer of record, as well as tier 2 factories.

% of suppliers by number

76-100

% of total procurement spend

26-50

Rationale for the coverage of your engagement

Manufacturing locations that produce Target owned brand products, national brand products where Target is the importer of record, as well as tier 2 factories are in scope of Higg FEM.

Impact of the engagement and measures of success

100% of tier 1 and tier 2 factories are trained through onboarding on Target's compliance requirements related to water management.

Comment

Type of engagement

Innovation & collaboration

Details of engagement

Encourage/incentivize innovation to reduce water impacts in products and services

Encourage/incentivize suppliers to work collaboratively with other users in their river basins

Educate suppliers about water stewardship and collaboration

% of suppliers by number

Unknown

% of total procurement spend

Unknown

Rationale for the coverage of your engagement

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

Impact of the engagement and measures of success

Apparel Impact Institutes Clean By Design program – 22 factories across Pakistan, India and China completed programming in 2021 with an average water savings of 5%. Additionally, working with the International Finance Corporation’s Cambodia Improvement Program, 10 factories participated and completed in 2021 with an average 29% water savings

Comment

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

Yes

W2.1a

(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Country/Area & River basin

United States of America

Not known

Type of impact driver & Primary impact driver

Acute physical

Drought

Primary impact

Impact on company assets

Description of impact

Drought Related: Received 16 mandatory water efficiency, conservation, recycling or process standards notifications from third party suppliers (municipal utilities).

The megadrought that occurred and is continuing to occur in the southwest region of the united states has resulted in mandatory water conservation requirements and increased water utility rates resulting in increased utility costs and reduction of maintenance processes such as landscaping and irrigation. The impact is not substantive to Target's business but considered a growing risk across our portfolio as drought and other extreme weather conditions impact our facilities and communities.

Primary response

Comply with local regulatory requirements

Total financial impact

Description of response

No direct financial business impact due to drought related impacts, Target incurred indirect brand standard impact via degradation of landscaping due to watering restrictions.

For locations primarily impacted by drought, Target provides freshwater available for consumption from third party sources throughout the duration of the impact but immediately complies with conservation requirements via changes in or reductions to site operations such as irrigation until no longer required.

All responses are continuously evaluated for process improvements and those improvements will be implemented in response to future impacts to reduce financial or operational impacts.

Our response to impacts of drought is limited at this time but we do all that we can to mitigate any impacts that occur. When we receive local regulatory requirements, we comply and ensure that the impacted Target Field Team and appropriate vendors are notified of said requirements. We adopt water efficiency, water reuse, recycling and conservation practices such as smart irrigation controllers or changes to landscaping to reduce water needs for irrigation. Furthermore, we secure alternative water supply when water is not available through 3rd party vendors to

maintain WASH standards or landscaping needs.

Our current responses to the impacts are expected to improve our organizations resilience, preventing future financial or operational impacts

Country/Area & River basin

United States of America

Not known

Type of impact driver & Primary impact driver

Acute physical

Flood (coastal, fluvial, pluvial, groundwater)

Primary impact

Impact on company assets

Description of impact

Flood Related: 37 locations were damaged/received flood remediation efforts in 2021.

Primary response

Comply with local regulatory requirements

Total financial impact

988,755.72

Description of response

Target has a robust flood response strategy. The first step in the response process is to ensure the safety of Team Members and Guests, closing facilities where flooding is likely and/or if safety is compromised. If enough time is available before evacuation, then there are equipment and maintenance procedures to keep equipment secure and mitigate damage to buildings.

During a flood event, Target Headquarters is monitoring the situation 24/7 to provide Target Team Members, impacted guests, and Target facilities with the resources and assistance needed to successfully manage the impacts of flooding. After flooding has occurred, local vendors are activated to restore any damages from flooding and provide clean, safe water for WASH services.

In 2021, Target spent \$988,755.72 on natural disaster flood remediation efforts.

For locations primarily impacted by flooding, portions of operations or entire facilities will be immediately closed until safe to resume and physical site damage remediated. Locations that receive boil notices due to storms or flooding, business operations that consume water are immediately discontinued until safe to resume. These responses have been an effective response mechanism for Target to-date.

All responses are continuously evaluated for process improvements and those improvements will be implemented in response to future impacts to reduce financial or operational impacts.

Country/Area & River basin

United States of America

Not known

Type of impact driver & Primary impact driver

Acute physical

Storm (including blizzards, dust and sandstorm)

Primary impact

Impact on company assets

Description of impact

Storms impacted many Target facilities in 2021. An example of one storm that impacted Target is the ice storm that occurred in Texas in February of 2021. This storm caused severe water shortages and water boil events leading to partially or fully closed operations at many Target locations. It also caused significant damage to plumbing infrastructure and irrigation systems across the state, some of which Target is still seeing the impacts. Storms are considered a substantive impact to Target's direct operations.

Water emergencies from natural disasters such as hurricanes, floods, and power failures have several outcomes in stores. One of the biggest impacts from water emergencies are in stores that sell food in food production departments. However, food production departments aren't the only areas impacted:

Stores and food production departments are impacted in the following ways:

- No water for cleaning and hygiene (hand washing)
- Boil Order, Boil Order advisory means production department closure
- Restroom accessibility and sanitation
- Inventory management with bottled water
- Recovery Steps (filter replacement, ice bin flush)
- Product loss, expiration

Another big impact is labor from a store team having to navigate these disruptions. Our team has a process that we follow but depending on the experience of the store team, they may or may not need additional support.

Primary response

Secure alternative water supply

Total financial impact

0

Description of response

Target's primary response is to ensure that all Team Members and guests are immediately and remain safe from any water-related detrimental impacts and that any WASH water needs are supplemented through the appropriate emergency escalation process.

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

Yes, fines, enforcement orders or other penalties but none that are considered as significant

W2.2a

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

Row 1

Total number of fines

14

Total value of fines

14,186.14

% of total facilities/operations associated

1

Number of fines compared to previous reporting year

Higher

Comment

The violations received in 2021 are due to incorrect irrigating (outside of scheduled days/times) and missed site inspections (hydrant, backflow, etc.). Landscape Vendors are required to know proper irrigation schedule, however, there are cases of incorrect irrigation timing. As soon as notice is received for violation, Target Team Members work with landscape vendors to adjust irrigation schedule or plumbing vendors to complete inspections.

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market

Other

Tools and methods used

WRI Aqueduct

Internal company methods

Other, please specify

FEMA National Risk Index, The Atlas of Global Conservation, National Oceanic and Atmospheric Administration, State and Local Public Data. Partner tools: Factual, Emergency Risk International, ESRI

Contextual issues considered

Water availability at a basin/catchment level

Water quality at a basin/catchment level

Stakeholder conflicts concerning water resources at a basin/catchment level

Implications of water on your key commodities/raw materials

Water regulatory frameworks

Status of ecosystems and habitats

Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers

Employees

Investors

Local communities

NGOs

Regulators

Suppliers

Water utilities at a local level

Other water users at the basin/catchment level

Comment

Contextual Issues Considered:

Water Availability at a basin/catchment level, Water quality at a basin catchment level: Target has identified water stress as a strategic risk for

the enterprise. This risk reaches horizontally across the company and will have an impact on stores, supply chain, inventory, human resources, and security. Target will continue to refine processes to identify, prepare for, respond to and recover from water emergencies tactically such as floods, treatment inundation, boil water emergencies, and extreme weather; but also to grow the capability of our risk teams to understand how water shapes our operations in the long term.

Stakeholder conflicts concerning water resources at a basin/catchment level: Target's Government Affairs Team regularly monitors stakeholder conflicts that have the potential to impact Target properties or business operations.

Implications of water on your key commodities/raw materials: Target's sourcing and procurement Team regularly monitors impacts to key commodities and raw materials including implications of water on those materials.

Water regulatory frameworks: Target's Government Affairs Team regularly monitors any changes or impacts to water regulatory frameworks as it applies to Target's business.

Status of ecosystems and habitats: Target considers ecosystems and habitats in determining priorities for capital expenditures and maintenance processes.

Access to fully functioning, safely managed WASH services for all employees: (waiting on plumbing team response) Target ensures that safe water, sanitation, and hygiene services are provided for all Team Members and Guests at all facilities. Target complies with all OSHA WASH requirements and processes are in place at every facility to remain compliant with WASH standards. Water filters are installed at every drinking fountain location to ensure safe, clean water is provided for consumption. Restroom facilities provide the necessary hygiene requirements surrounding water temperature and hands-free fixtures. Food service areas are designed so that food preparation is separate from hand washing operations so as not to contaminate either process. Target is continuously working to improve WASH services provided to Team Members through new technologies and innovations and communicating these improvements to team members and guests so all can safely shop and work at Target.

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Water risks are assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

Up to 1 year

Type of tools and methods used

Tools on the market

Tools and methods used

WRI Aqueduct

Other, please specify

Higg FEM

Contextual issues considered

Water quality at a basin/catchment level

Implications of water on your key commodities/raw materials

Stakeholders considered

Local communities

NGOs

Regulators

Suppliers

Water utilities at a local level

Other water users at the basin/catchment level

Comment

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

W3.3b**(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

We believe clean, drinkable water and sanitation are human rights and should be accessible for all. Healthy ecosystems and sustainable water management are essential in the delivery of these basic rights and align with Target's values to benefit people and planet. Water is vital to the success of our business operations, from our supply chains to our stores and the communities within which we operate. To ensure we maintain the accessibility of quality freshwater and healthy ecosystems and communities, we have and continue to identify, assess, and respond to water-related risks within direct operations and other stages of our value chain.

Direct Operations: Target has identified water stress as a strategic risk for the enterprise. This risk reaches horizontally across the company and will have an impact on stores, supply chain, inventory, human resources, and security now and in the future. Using open-source public sector tools, partner intelligence and situational awareness tools such as WRI Aqueduct, FEMA National Risk Index, The Atlas of Global Conservation, National Oceanic and Atmospheric Administration, State and Local Public Data, Factual, Emergency Risk International, and ESRI; Target identified and will continue to assess water risks across the enterprise to focus its direct operation's water sustainability programs, projects, and process improvements at facilities and in communities where there exists and/or is potential for higher water risk in the future and continue to refine processes to identify, prepare for, respond to and recover from water emergencies tactically such as floods, treatment inundation, boil water emergencies, and extreme weather; but also to grow the capability of our risk teams to understand how water shapes our operations in the long term.

Supply Chain: The water risk information helped support our decision in scaling local supply chain efforts through collaborative work in strategic locations that are facing high water risks with our suppliers to understand and reduce water consumption within our supply chain through our partnership with the Apparel Impact Institute and the International Finance Corporation. Target utilizes the Higg FEM data and WRI Aqueduct tool to conduct a hotspot mapping to understand who are the heavy water users in Target's manufacturing supply chain, and identify the water consumption and water risk by product and facility type. The data is analyzed so we are able to understand which supplier has high potential in improving water efficiency, installing water meter for better water management and recycling or reusing water. With this analysis, we are able to identify potential

suppliers to engage this data to inform participation in water efficiency programs such as Clean by Design and Vietnam Improvement Program and to prioritize our engagement on water quality and use with our manufacturing supply chain. In 2019, we also used the water risk information that we gleaned from our assessment to embark upon multi-stakeholder collaborations in our agricultural supply chain, including becoming the first retailer named as a part of the Ag-Water Challenge where we made several commitments to advancing water stewardship in our agricultural supply chains. In 2021, we launched a new goal to leverage soil health practices to improve at least 1 million acres of land by 2025 and are building out a portfolio of projects in our supply chains that advance climate, water stewardship, and biodiversity outcomes.

For water returned to the environment via factory wastewater, we do take steps to ensure that it is clean; especially for factories generating industrial wastewater to make owned brand clothing. For these facilities, we expect them to adhere to the ZDHC Wastewater Guidelines, and require them to test against these standards on an annual basis. By 2025, our goal is for all owned-brand apparel textile facilities to comply with the progressive standards of the ZDHC Wastewater Guidelines

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

W4.1a

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

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.

W4.1b

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

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	543	26-50	In 2021, Target evaluated companywide facilities water risk by utilizing the WRI Aqueduct Water Risk Atlas Tool. Facilities included stores, supply chain facilities, headquarters, and other Target properties that withdraw and/or consume water. Using the tool, Target was able to conduct a baseline water risk assessment as well as other water risk assessments, however, for purposes of answering this question Target deems only the baseline water risk assessment as relevant. Baseline water risk is defined by WRI as “the ratio of total water withdrawals to available renewable surface and groundwater supplies. Water withdrawals include domestic, industrial, irrigation, and livestock consumptive and non consumptive uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. Higher values indicate more competition among users.” 29% of Target facilities were identified as located in an area of High or Extremely High water stress meaning they are exposed to water risks with the potential to have a substantive financial or strategic impact on Target’s business.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

United States of America

Other, please specify

Various water basins (California, Columbia and Northwestern United States Great Basin, Gulf Coast, North Atlantic Coast, Mississippi-Missouri, Colorado, Rao Grande, Saskatchewan, St Lawrence, North Atlantic Coast)

Number of facilities exposed to water risk

543

% company-wide facilities this represents

26-50

% company's total global revenue that could be affected

Unknown

Comment

In 2021, Target evaluated companywide facilities water risk by utilizing the WRI Aqueduct Water Risk Atlas Tool. Facilities assessed included stores, supply chain facilities, headquarters, and other Target properties that withdraw and/or consume water. Using the tool, Target was able to conduct a baseline water risk assessment as well as other water risk assessments via facility geographical coordinates, however, for purposes of answering this question Target deems only the baseline water risk assessment as relevant to this response. Baseline water risk is defined by WRI as “the ratio of total water withdrawals to available renewable surface and groundwater supplies. Water withdrawals include domestic, industrial, irrigation, and livestock consumptive and non consumptive uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. Higher values indicate more competition among users.” 29% of Target facilities were identified as located in an area of High or Extremely High water stress meaning they are exposed to water risks with the potential to have a substantive financial or strategic impact on Target’s business.

W4.2

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

Country/Area & River basin

United States of America

Other, please specify

Multiple

Type of risk & Primary risk driver

Chronic physical

Water scarcity

Primary potential impact

Increased operating costs

Company-specific description

Target has seen increasing acute, chronic, and regulatory water risks across the portfolio and correlates this with increased operating costs as a result. Our operating cost in the form of water utility expense has continued to increase even as we have decreased our total withdrawal in direct operations, thus we have calculated and planned for increasing operational costs.

Timeframe

More than 6 years

Magnitude of potential impact

Low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

1,100,000

Potential financial impact figure - maximum (currency)

2,200,000

Explanation of financial impact

Target estimates a water utility rate increase of 3-6% annually using a 5 year CAGR as the lower threshold and water industry insights of a 6% rate increase as the upper threshold. Targets water utility spend baseline estimate is \$36.6M so a 3-6% increase amounts to \$1.1 - \$2.2M in additional spend.

Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

Description of response

Target continues to explore and implement opportunities to optimize water efficiency, reduce water scarcity, manage stormwater flows and runoff, improve maintenance of infrastructure, improve monitoring, and increase investment in new technology. We do this by investing in smart irrigation controllers (\$860,000), repair and replace assets including backflow replacements, booster pump replacements, water main replacements, and water treatment upgrades and replacements (\$4,016,000), and make improvements to stormwater infrastructure (\$6,100,000 in direct investment plus \$2,100,000 in external funding). Target responds to stormwater water quality risk at approximately 800 self-maintained store locations and 40+ distribution locations. Responses and costs vary by issue, climate, and watershed needs and responses include unplanned (as needed) and planned years into the future. Target is committed to continuously improving infrastructure and maintenance practices around our infrastructure.

Cost of response

13,076,000

Explanation of cost of response

In 2021, Target spent:

\$860,000 on smart irrigation controllers at 201 store locations including an additional 69 flow meters and an active subscription through 2023. This cost is inclusive of equipment and labor for the project.

\$1,500,000 at 33 locations to replace the backflow. Combining replacement of existing end-of-life backflows and removing backflows out of vaults to make for easier identification of leaks. Spend Includes material, installation, 3rd party project management costs and design fees.

\$604,000 at 34 locations for booster pump replacement. Replacement of domestic booster pump - includes the material, installation and surveys.

\$212,000 to replace 4 water mains. The majority of this spend is design but also includes material, installation, 3rd party project management costs and design fees.

\$1,700,000 at 700 locations for water treatment replacement. Replacement for MRS-600 water softener & Whole Store Water Softeners & Point-of-Use systems. The spending amount is inclusive of materials, shipping and labor.

\$2.1M dollars to make capital improvements to its stormwater infrastructure, which included repairs to swales, ponds, and other vegetated features to ensure continued treatment of stormwater runoff at its stores and distribution facilities. Additionally, \$4.1M dollars were spent on upkeep of systems to maintain compliance with municipal regulations and to protect local waterbodies. Target also has partnered with local governmental bodies to retrofit sites with green stormwater infrastructure, enhancing older, predominantly paved sites with rain gardens and other features that filters stormwater runoff, uses climate-appropriate plantings, and reduces urban heat island effects.

Added a maintenance practice to visually inspect Watts 9D backflow at store locations and identified ones with enough damage to cause water withdrawal inefficiency. All damaged backflows were replaced resulting in approximately 300 stores replacing backflow valves by Target Property Management Team Members. RPZ backflows at all Target stores are required to have annual testing, work is in progress to physically move valves to above ground to provide easier maintenance and earlier leak identification.

W4.2a

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

Country/Area & River basin

India
Not known

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Reputation & markets
Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Company brand damage

Company-specific description

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

Timeframe

1-3 years

Magnitude of potential impact

Unknown

Likelihood

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Impact not quantified financially

Primary response to risk

Supplier engagement

Other, please specify

NGO Collaboration

Description of response

Target works with owned-brand suppliers in China , Vietnam, Taiwan and India to improve on innovation and water efficiency. We collaborate with the industry and NGOs such as the Apparel Impact Institute and the International Finance Corporation to scale local supply chain efforts and create awareness through joint projects.

Apparel Impact Institutes Clean By Design program – 22 factories across Pakistan, India and China completed programming in 2021 with an average water savings of 5%. Additionally, working with the International Finance Corporation's Cambodia Improvement Program, 10 factories participated and completed in 2021 with an average 29% water savings.

Cost of response

Explanation of cost of response

Cost of response not quantified at corporate level

Country/Area & River basin

China

Not known

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Reputation & markets

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Company brand damage

Company-specific description

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

Timeframe

1-3 years

Magnitude of potential impact

Unknown

Likelihood

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Impact not quantified financially

Primary response to risk

Supplier engagement

Other, please specify

NGO Collaboration

Description of response

Target works with owned-brand suppliers in China , Vietnam, Taiwan and India to improve on innovation and water efficiency. We collaborate with the industry and NGOs such as the Apparel Impact Institute and the International Finance Corporation to scale local supply chain efforts and create awareness through joint projects.

Apparel Impact Institutes Clean By Design program – 22 factories across Pakistan, India and China completed programming in 2021 with an average water savings of 5%. Additionally, working with the International Finance Corporation's Cambodia Improvement Program, 10 factories participated and completed in 2021 with an average 29% water savings.

Cost of response

Explanation of cost of response

Cost of response not quantified at corporate level

Country/Area & River basin

Viet Nam

Not known

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Reputation & markets

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Company brand damage

Company-specific description

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

Timeframe

1-3 years

Magnitude of potential impact

Unknown

Likelihood

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Impact not quantified financially

Primary response to risk

Supplier engagement

Other, please specify

NGO Collaboration

Description of response

Target works with owned-brand suppliers in China , Vietnam, Taiwan and India to improve on innovation and water efficiency. We collaborate with the industry and NGOs such as the Apparel Impact Institute and the International Finance Corporation to scale local supply chain efforts and create awareness through joint projects.

Apparel Impact Institutes Clean By Design program – 22 factories across Pakistan, India and China completed programming in 2021 with an average water savings of 5%. Additionally, working with the International Finance Corporation's Cambodia Improvement Program, 10 factories participated and completed in 2021 with an average 29% water savings.

Cost of response

Explanation of cost of response

Cost of response not quantified at corporate level

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Other, please specify

Cost savings Improved water efficiency in operations Water recovery from sewage management

Company-specific description & strategy to realize opportunity

As water stress continues to increase in our communities and potential to impact our business, people, and the planet. Reducing water stress has and will continue to be important. For this reason, Target is committed to explore and realize efficiency and resiliency opportunities. One example of an opportunity that is already being realized is grease trap water recovery. Grease trap recovery through a 3rd party vendor serviced 1700 stores in 2021 to collect 4,338,191 gallons resulting in 3,163,529 gallons being recycled and supplied to municipal water utilities

for reuse

Other examples include smart Irrigation Controllers, Infrastructure improvements and improved infrastructure maintenance processes, improved pollution abatement and control measures, and improved monitoring.

An example of an opportunity that has not yet been realized but one that Target hopes to realize in the next 1-3 years is the viability of rainwater harvesting and other alternative water sources that could be utilized for irrigation and interior, non-potable/non-contact purposes.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Low

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

We have not yet quantified this impact



W5. Facility-level water accounting

W5.1

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

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

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

W6.1a

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

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations	In 2018, Target created our freshwater stewardship approach and initial goals to help us address three important issues in communities where we operate: -- Improving water quality -- Optimizing water efficiency -- Increasing access to clean water BUSINESS DEPENDENCY ON WATER: Our direct use in stores depends on available, good quality freshwater available for use. Clean water is deemed vital, and with-out it, our direct operations would not be able to adequately serve our guests and team members as they shop and work in Target-owned

		<p>Description of water-related standards for procurement</p> <p>Company water targets and goals</p> <p>Commitment to align with public policy initiatives, such as the SDGs</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in local communities</p>	<p>facilities. Our indirect use of contracted manufacturing facilities depends on available, good quality freshwater available for use. Clean water is deemed vital, and without it, our indirect operations would not be able to manufacture the products that we source and sell.</p> <p>BUSINESS IMPACT ON WATER: Water is important to the success of our business operations, from our supply chains to our stores and the communities within which we operate. We'll focus our freshwater stewardship efforts in areas and on issues where our influence and support can help deliver the greatest impact.</p> <p>WATER-RELATED PERFORMANCE STANDARDS FOR DIRECT OPERATIONS: Across our stores, distribution centers and headquarters locations, we're taking action to reduce water scarcity, improve water quality outcomes and manage stormwater flows.</p> <p>WATER-RELATED STANDARDS FOR PROCUREMENT: Our water footprint starts with growing the raw materials needed to produce our products, such as food and fiber, so we're working to better understand our basin-level impacts to prioritize our responses. Of our various raw materials, we recognize that production of cotton has a large bearing on the water impact within the supply chain. A goal was set to source 100% sustainable cotton for our owned brand and exclusive national brand products by 2022. Our definition of sustainable cotton: 1. Ensure the cotton used in our supply chain is not cultivated or harvested using underage or forced labor, 2. Ensure working conditions in our supply chain are both ethical and compliant with applicable laws, 3. Optimize production practices to minimize environmental impact, such as water use and pollution, and chemical use.</p> <p>REFERENCE TO INTERNATIONAL STANDARDS AND WIDELY RECOGNIZED WATER INITIATIVES: We recently joined the ZDHC Roadmap to Zero Program and will use its wastewater guidelines for our 2025 manufacturing goal for water.</p>
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W6.2

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

Yes

W6.2a

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

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 water related issues.

W6.2b

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

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance 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 water-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.

		Reviewing and guiding corporate responsibility strategy	
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W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues
Row 1	Yes	As part of our Board and Committee evaluation process, individual director performance and subject matter competence is regularly reviewed.

W6.3

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

Name of the position(s) and/or committee(s)

Other, please specify

Senior Vice President of Corporate Responsibility

Responsibility

Assessing water-related risks and opportunities

Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

As important matters arise

Please explain

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

W6.4

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

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

W6.5

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

- Yes, direct engagement with policy makers
- Yes, trade associations
- Yes, funding research organizations

W6.5a

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

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



Target's Water Council continues to partner with Government Affairs to ensure they align with Target's commitment to the Freshwater Stewardship Approach. The Government Affairs Team regularly monitors and evaluates legislative, regulatory, and conflict impacts to water as it relates to Target's activities and commitments. The Government Affairs Team will engage in activities with policy makers, stakeholders, NGO's, trade associations, etc as necessary to influence water changes in a way that positively impacts Target, its guests, and the environment.

W6.6

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

No, and we have no plans to do so

W7. Business strategy

W7.1

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

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant	5-10	Target views Water use and management as an ESG Priority, but it is not currently assessed as a significant or strategically relevant issue in our Long-range planning process therefore we have no main objectives geared toward water-related issues at the moment. We are looking at the incorporation of water-related issues into our Target Forward strategy which is our enterprise-wide sustainability strategy.
Strategy for achieving long-term objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant	5-10	Target views Water use and management as an ESG Priority, but it is not currently assessed as a significant or strategically relevant issue in our Long-range planning process therefore we have no main financial strategies to achieve long-term objectives geared toward water-related issues at the moment. We are looking at the incorporation

			of water-related issues into our Target Forward strategy which is our enterprise-wide sustainability strategy.
Financial planning	No, water-related issues were reviewed but not considered as strategically relevant/significant	5-10	Target views Water use and management as an ESG Priority, but it is not currently assessed as a significant or strategically relevant issue in our Long-range planning process therefore we have no main objectives and/or financial plans geared toward water-related issues at the moment. We are looking at the incorporation of water-related issues into our Target Forward strategy which is our enterprise-wide sustainability strategy.

W7.2

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

Row 1

Water-related CAPEX (+/- % change)

-16.4

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

59

Water-related OPEX (+/- % change)

9.5

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

4.2

Please explain



Target is proactive in capital expenditure; when broken assets or leaks are discovered, items are repaired to functionality or determined needed to be fully replaced to avoid future/recurring leaks/issues. The intention is to be more efficient in operations and water withdrawals as well as prevent further damage from continued asset breaks and/or water leaks.

Capital expense is typical of planned, full asset and proactive replacements to prevent inefficient water use or recurring leaks from water infrastructure. These expenses include Backflow replacements, Grease interceptor replacements, Plumbing infrastructure replacements, Sanitary Pump replacements, Sewer line replacements, Stormwater infrastructure, Water main replacements, Water treatment replacements, and Irrigation replacements.

Operating Expense includes Target’s water, irrigation, and sewer utility expense.

W7.3

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

	Use of scenario analysis	Comment
Row 1	Yes	We continue to explore connections between water and climate (ie. mitigation, adaptation) and are considering the role water stewardship can play in long-term business resilience. We recognize the long-term impacts climate change and carbon regulations have on our business. We now examine environmental impacts embedded within our supply chain to understand our exposure to climate change. In addition to our climate policy, goals, and updated carbon-reduction goals to encompass Scope 3 emissions, we also have updated our TCFD Climate risk analysis. We are also a member of the BSR Value Chain Risk to Resilience working group to best determine our strategy to more comprehensively integrate climate risk into our core business practices. Although we have taken many steps on our journey of risk mitigation, we are working to better understand how to most efficiently implement more resilient business strategies going forward.

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization’s business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	Parameters: Our assets and tier 1 factories were analyzed using the Shared Socioeconomic Pathway (SSP) 5-8.5 forced CMIP6 climate models, originally created to support the IPCC's recent Sixth Assessment Report (AR6). SSP 5-8.5 is the scenario most aligned with RCP 8.5 in the new CMIP6 models. Utilizing the SSP 5-8.5 scenario, a proprietary modeling tool was used to conduct the analysis. The proprietary modeling tool identified the impact from six (6) perils: Drought, Flood, Hail, Tropical Cyclone, Wildfire, and Wind Gust. All assets and factories contained a single risk score (the combination value of the likelihood and impact of the peril) for each of the perils. The numerical value for the risk score represents the likelihood and impact of the natural disaster at the location in relation to the global likelihood and impact range of the	<p>Results of our analysis reveal, for example, changes in water stress southern US states under business-as-usual and optimistic conditions to 2040. Outcomes could impact Target in a variety of ways. In areas prone to drought, for example, water use restrictions could impact the whole of Target's value chain from raw material production, to operational facilities, to downstream use of products that require water, e.g. shampoo, laundry detergent, etc.</p> <p>From time-to-time, weather events have negatively affected the supply or increased the cost of certain products. The most significant recent example that demonstrates our ability to mitigate weather-related events affecting major vendors involved back-to-back Category 4</p>	Both the BAU and optimistic scenarios revealed water-related risks for our operations and supply chain. We recognize the tension between protecting this critical natural resource and needing it to operate our business. Our business is dependent on our ability to effectively manage our inventory in a broad range of merchandise categories, including products that are dependent on agriculture production like certain textiles, paper products, and grocery items. We source products from suppliers and vendors from a global network of facilities in nearly fifty countries. Our geographically diverse supply chain and extensive product assortment reduces the risk of droughts or other weather-related events materially affecting our business operations or the availability of our product offerings.

	<p>peril.</p> <p>Assumptions: SSP 5-8.5 generally assumes fossil fuel exploitation and energy intensive lifestyles, leading to a global temperature increase of 4oC relative to pre-industrial periods. We assumed that the impact of this results in an increase or decrease in the frequency and severity of the six (6) perils examined by our model, based on a global temperature rise of 4oC over our observed time horizon.</p> <p>Analytical Choices: To assess our chosen physical scenario, we engaged with an independent third-party consultant to conduct physical climate scenario modeling using a proprietary physical risk model, which was created and developed based on scientifically supported research and frameworks containing publicly available data taken from various domestic and international agencies. We examined physical risk impacts on a short-time, medium-time and long-time horizon, starting with 2025 and ending at 2040 (2025, 2030, 2035, 2040). To understand future projections under a high emissions scenario, we select the Shared Socioeconomic Pathway RCP 8.5. This</p>	<p>and Category 5 hurricanes in November 2020, which severely crippled banana supplies from Honduras and other parts of Central America, a major source of supply for our vendors. Bananas are among our highest volume items.</p> <p>Target maintains stormwater assets across the country at our stores, distribution centers and headquarters locations. To date, Target has made several investments in green infrastructure to help reduce impacts on local watersheds, including rain gardens, green roofs and stormwater retention basins.</p>	<p>To complement our risk mitigation through geographical diversification, we also leverage our freshwater stewardship framework in our decisions, which takes a holistic approach by incorporating our existing water management aspirations as well as our work in climate change, chemicals management and sustainable resource use. We have taken great actions to increase our awareness and mitigate our risks</p>
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		provided us the ability to observe what a potential risk impact would look like based on a drastic surface temperature rise over the 2 deg C threshold.		
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W7.4

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

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

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

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, but we plan to address this within the next two years	Important but not an immediate business priority	Target understands that we require water across our value chain and recognize the downstream impacts of water for consumer use and end of life use of products. As we implement new goals in service of Target Forward, our new enterprise initiative, we will begin to formulate a plan for classification of low water impact products and services across our enterprise.

W8. Targets

W8.1

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

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	<p>Water is an important throughout our whole value chain from our agricultural products to our apparel products and the communities we operate in. Target launched our corporate Freshwater Stewardship Approach in March 2018. We have focused our efforts in four key areas where we can make the most impact:</p> <ol style="list-style-type: none"> 1. Raw Materials: Our water footprint starts with growing the raw materials needed to produce our products, such as food and fiber, so we are working to better understand our basin-level impacts to prioritize our responses. 2. Manufacturing: Working in our areas of greatest impact, we'll enable our owned-brand manufacturers to do more with less water where local conditions demand, and aim for net-positive water quality outcomes in priority watersheds for people and nature. 3. Direct Operations: Across our stores, distribution centers and headquarters locations, we are taking action to reduce water scarcity, improve water quality outcomes and manage storm waterflows. 4. Beyond the Fence line: We'll work with others around the world to encourage progress in the areas above and beyond our own business and operations, through cross-sector partnerships, team member engagement, philanthropic investments and more. We are continuing to revise and renew our goals and targets as we learn more about local water conditions in the areas in which we operate.

W8.1a

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

Target reference number

Target 1

Category of target

Other, please specify

Increase procurement of sustainable raw materials

Level

Business activity

Primary motivation

Water stewardship

Description of target

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

Quantitative metric

Other, please specify

% increase in procurement of certified crops

Baseline year

2018

Start year

2018

Target year

2022

% of target achieved

92

Please explain

Our definition of sustainable cotton is three fold: 1. Ensure the cotton used in our supply chain is not cultivated or harvested using underage or forced labor, 2. Ensure working conditions in our supply chain are both ethical and compliant with applicable laws, 3. Optimize production practices to minimize environmental impact, such as water use and pollution, and chemical use.

Over 182,000 metric tonnes of BCI, Cotton Leads, Organic and Recycled cotton used. Over 182,000 metric tonnes of BCI, Cotton Leads, Organic and Recycled cotton used.

W8.1b

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

Goal

Other, please specify

Aim to achieve ZDHC progressive standard of the wastewater guidelines

Level

Business activity

Motivation

Commitment to the UN Sustainable Development Goals

Description of goal

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

Baseline year

2018

Start year



2018

End year

2025

Progress

In early 2019 we met with ZDHC to develop an implementation plan and roadmap to achieve this goal by 2025. We continue to map the wastewater performance with our strategic apparel suppliers in 2020. In 2021, we expanded on this work to all owned brand apparel textile facilities, and then required these suppliers to complete ZDHC Wastewater testing to assess performance.

W9. Verification

W9.1

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

Yes

W9.1a

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

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	We verify Higg data for Tier 2 wet processing apparel textile mills.	Other, please specify Higg	We verify Higg data for Tier 2 wet processing apparel textile mills.



W10. Sign off

W-FI

(W-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.

W10.1

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

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

W10.2

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

No

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?



	Annual revenue
Row 1	

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1		

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

SW3.1

(SW3.1) Provide any available water intensity values for your organization’s products or services.



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