Target Corporation - Forests 2019

F0. Introduction

F0.1

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

Minneapolis-based Target Corporation (NYSE:TGT) serves guests at 1,844 stores and via Target.com. Since 1946, Target has given 5 percent of its profit to communities. For more information about Target’s commitment to corporate responsibility, visit https://corporate.target.com/corporateresponsibility/.

CDP system functionality only allows for 365 days to be reflected in the start and end date fields below. The results contained in this CDP survey are for Target’s fiscal year 2018 (Feb. 4, 2018 through Feb. 2, 2019), which consisted of only 364 days.

F0.2

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

<table>
<thead>
<tr>
<th>Reporting year</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>February 4 2018</td>
<td>February 3 2019</td>
</tr>
</tbody>
</table>

F0.3

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

USD

F0.4

(F0.4) Select the stage(s) of the value chain which best represents your organization’s area of operation pertaining to forest risk commodities.

<table>
<thead>
<tr>
<th>Stage of the value chain</th>
<th>Stage of the value chain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>Retailing</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>Retailing</td>
</tr>
<tr>
<td>Cattle Products</td>
<td>Retailing</td>
</tr>
<tr>
<td>Soy</td>
<td>Retailing</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>Retailing</td>
</tr>
<tr>
<td>Other</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>
(F0.5) Do you produce, use, or sell materials or products that contain any of the forest risk commodities?

<table>
<thead>
<tr>
<th>Material</th>
<th>Produce/use</th>
<th>Disclosing</th>
<th>Explanation if produce/use but not disclosing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>Yes</td>
<td>Yes</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>Yes</td>
<td>Yes</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Cattle</td>
<td>Yes</td>
<td>No</td>
<td>Within our owned brands, cattle sourcing takes two forms – beef and leather. We have evaluated our sourcing position in牛肉和 recognizing that with our sourcing locations of the US and Australia (grass-fed) – we have a limited deforestation impact. In 2018, Target joined the U.S. Roundtable for Sustainable Beef (USRSB), a multi-stakeholder initiative to advance, support and communicate continuous improvement in U.S. beef value chain sustainability. When the USRSB’s Sustainability Assessment Guidelines are finalized in 2019, we will begin reporting on our performance across indicators in four categories: animals, people, planet and profit. We are also a member of the Leather Working Group, and through that effort have been collecting data on our leather sourcing volumes.</td>
</tr>
<tr>
<td>Products</td>
<td>Yes</td>
<td>No</td>
<td>Due to the nature of our animal protein businesses being domestically sourced, the most materially relevant volume (over 90%) of soy is domestic. We are currently evaluating the rest of our grocery assortment for materiality to deforestation risks from imported soy. Meat, dairy, and all other products containing soy as an ingredient represented less than five percent of Target’s sales in 2018.</td>
</tr>
<tr>
<td>Soy</td>
<td>Yes</td>
<td>No</td>
<td>Our initial data collection efforts have indicated that the rubber in some of our owned-brand products likely comes from high-risk deforestation areas. As such, we have started conversations with external stakeholders and other brands to determine how we might best mitigate our impact in this commodity and engage in multi-stakeholder engagements.</td>
</tr>
<tr>
<td>Other</td>
<td>No</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Rubber</td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>

F0.6

(F0.6) Are there any parts of your direct operations not included in your disclosure?

No

F0.7

(F0.7) Are there any parts of your supply chain not included in your disclosure?

Yes

F0.7a

(F0.7a) Identify the parts of your supply chain not included in your disclosure.

<table>
<thead>
<tr>
<th>Exclusion</th>
<th>Description of exclusion</th>
<th>Potential for forests-related risk</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business activity</td>
<td>Non owned-brand products sold in our retail operations (including store and online) are excluded from this disclosure.</td>
<td>Potential for forests-related risk but not evaluated</td>
<td>We have the greatest insight as well as influence over our owned-brand portfolio and supply chain.</td>
</tr>
</tbody>
</table>

F1. Current state

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

**Forest risk commodity**  
Timber

**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  
Goods Not For Resale (GNFR)

**Source**  
Contracted suppliers (processors)  
Contracted suppliers (manufacturers)

**Country/Region of origin**  
Don't know

**% of procurement spend**  
Don't know

**Comment**

**F1.2**

**Forest risk commodity**  
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/Region of origin**  
Don't know

**% of procurement spend**  
Don't know

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

<table>
<thead>
<tr>
<th>Forest risk commodity</th>
<th>% of revenue dependent on commodity</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>Please select</td>
<td>We do not know the percentage of revenue dependent on Timber as we have not evaluated it.</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>Please select</td>
<td>We do not know the percentage of revenue dependent on Palm Oil as we have not evaluated it.</td>
</tr>
<tr>
<td>Cattle products</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td>Soy</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
</tbody>
</table>

(F1.3) Do you own or manage land used for the production of your disclosed commodity(ies)?

- **Forest risk commodity**
  - Timber

  - **Own and/or manage land?**
    - Don't own or manage land

  - **Type of control**
    - <Not Applicable>

  - **Description of type of control**
    - <Not Applicable>

  - **Country/Region**
    - <Not Applicable>

  - **Land type**
    - <Not Applicable>

  - **Size (Hectares)**
    - <Not Applicable>

  - **Do you have a system in place to monitor forests-related risks?**
    - <Not Applicable>

  - **Type of monitoring system**
    - <Not Applicable>

  - **Description of monitoring system**
    - <Not Applicable>

  - **Recent infraction(s)**
    - <Not Applicable>

  - **Explanation of infraction**
    - <Not Applicable>

- **Forest risk commodity**
  - Palm Oil

  - **Own and/or manage land?**
    - Don't own or manage land

  - **Type of control**
    - <Not Applicable>

  - **Description of type of control**
    - <Not Applicable>

  - **Country/Region**
    - <Not Applicable>
F1.5

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

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Data availability/Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>Data not available</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>Consumption data available, disclosing</td>
</tr>
<tr>
<td>Cattle products</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Soy</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

F1.5a

(F1.5a) Disclose your production and/or consumption data.

Forest risk commodity
- Palm Oil

Data type
- Consumption data

Volume
- 2214 Metric tons

Data coverage
- Full commodity production/consumption

Please explain
(F1.5c) Why is production and/or consumption data not available for your disclosed commodity(ies)?

**Forest risk commodity**

**Primary reason**
Insufficient data on operations

Please explain

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F1.6

(F1.6) Have you identified sufficient sources of sustainable materials to meet your current operational needs? If yes, what are you doing to ensure the security/continuity of this supply?

**Timber**

**Sustainable source identified**
Yes

**Primary action to ensure supply**
Supplier improvement plans to increase capacity of supply

Please explain

Once we have more data and a better understanding of the potential impact of our supply chain, we plan to engage in capacity building activities in the value chain.

**Palm Oil**

**Sustainable source identified**
Yes

**Primary action to ensure supply**
Supplier improvement plans to increase capacity of supply

Please explain

Once we have more data and a better understanding of the potential impact of our supply chain, we plan to engage in capacity building activities in the value chain. We are driving demand for and awareness of the importance of certified sustainable palm oil by requiring it in Target's owned-brand products covered by our commitment and our work in multi-stakeholder groups like The Consumer Goods Forum. In 2017, we also 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 and impact programs in producing nations and share best practices.

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F1.7

(F1.7) Has your organization experienced any detrimental forests-related impacts?

No

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F2. Procedures

F2.1

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

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

Timber

Value chain stage
Supply chain

Coverage
Partial

Risk assessment procedure
Assessed in an environmental risk assessment

Frequency of assessment
Annually

How far into the future are risks considered?
Up to 1 year

Tools and methods used to identify and assess risks
External consultants

Please explain
We work with outside groups (WWF 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
Six-monthly or more frequently

How far into the future are risks considered?
1 to 3 years

Tools and methods used to identify and assess risks
Internal company methods
External consultants

Please explain
We partner with Proforest to identify risks in our supply chain.

(F2.1b) Which of the following issues are considered in your organization's forests-related risk assessment(s)?

Availability of forest risk commodities

Relevance & inclusion
Relevant, always included

Please explain
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 palm, wood, paper and wood-based fibers in our priority owned brands, and wood-based fibers in 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-bound and measurable goals.
Quality of forest risk commodities

Relevance & inclusion
Relevant, always included

Please explain
Target considers the risk of forest commodities not meeting its quality requirements, and as such evaluates the quality of all sustainably-certified materials closely.

Impact of activity on the status of ecosystems and habitats

Relevance & inclusion
Relevant, always included

Please explain
Forests deliver irreplaceable ecosystem services that mitigate climate change, foster habitat biodiversity and offer livelihoods for communities. They also provide essential raw materials for many of the owned-brand products and packaging that bring joy to our guests. Target is committed to aiding in the global effort to end deforestation and forest degradation. We’re working with vendors, suppliers and other stakeholders to implement our Responsible Sourcing Policy on Forest Products. Our goal is to progressively increase the amount of responsibly sourced fiber we use. Palm oil has been another area of focus. At the end of 2018, 38% of palm oil in owned brand products covered by our 2015 commitment was certified sustainable via the Roundtable on Sustainable Palm Oil’s (RSPO’s) physical certification (Mass Balance or Segregated), and the remaining 62% was covered by RSPO’s PalmTrace credits. Additionally, 84% of the palm volume was traced to the importer. 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.

Regulation

Relevance & inclusion
Relevant, always included

Please explain
Like all companies, Target is subject to laws, and breach of these could result in criminal or civil lawsuits. As part of its scenario analysis on climate-related risks and opportunities, Target looked at risks relating to potential regulations on forest commodity products. Regulations relating to the production/import of key commodities could adversely affect a large number of Target owned brand products, potentially leading to increased costs or affecting Target's ability to supply products.

Climate change

Relevance & inclusion
Relevant, always included

Please explain
Target’s operational presence across the US and our global supply chain lead to exposure to climate-related risks, including changes in water availability, changes in climate patterns or rising temperatures or even loss of market demand suffering from geopolitical instability in certain regions. In accordance with TCFD guidelines, transition and physical risks and opportunities associated with forest-related commodities are included in our scenario-analysis for climate impacts under both business-as-usual and low-carbon trajectories.

Impact on water security

Relevance & inclusion
Please select

Please explain

Tariffs or price increases

Relevance & inclusion
Relevant, always included

Please explain
Potential price increases for raw materials were highlighted in Target’s scenario analysis for climate-related impacts. Many forest risk commodities are raw materials and packaging for Target products, and are subject to price fluctuation, especially in the case where there are price fluctuations in feedstocks. Any price increase impacts a large range of Target’s products. Additionally, Target’s “Responsible Sourcing Policy for Forest Products” requires that products come from certified sources where possible. Target anticipates that the growing demand from global manufacturing and retail organizations for certified products could lead to price increases for these commodities.
Loss of markets

Relevance & inclusion
Relevant, always included

Please explain
As part of its scenario analysis, Target looks at risks relating to loss of market from shifting consumer preferences. Target anticipates that consumer choices may increasingly be influenced by overall sustainability performance of companies, as customers become more conscious of issues surrounding climate change and deforestation. Failure of a company to understand and adapt to consumers’ changing purchasing behaviors and to meet new expectations of the market may thus translate into reduced demand for unsustainable products. Sustainable procurement of forest related commodities and working with our suppliers to increase transparency have been highlighted as key risk mitigations in our scenario analysis to maintain current markets.

Brand damage related to forest risk commodities

Relevance & inclusion
Relevant, always included

Please explain
Target's scenario analysis for climate-related risks identified that significant reputational damage could occur from unsustainable use of resources, particularly relating to water and forest commodities. To ensure that Target is operating in line with consumer and stakeholder expectations, Target has published its “Responsible Sourcing Policy for Forest Products.” Irresponsible procurement of palm oil could cause significant reputational damage, and Target recently released a new palm oil commitment. The commitment sets out goals for sustainable palm oil use and traceability. Since 2015, Target has been actively engaged in multi-stakeholder initiatives focused on sustainable palm oil. Since launching our goal in 2015, Target has partnered with Proforest, the Consumer Goods Forum, and the RSPO with aspirations of eliminating deforestation and improving the livelihoods of those in the palm oil sector.

Corruption

Relevance & inclusion
Relevant, not included

Please explain

Social impacts

Relevance & inclusion
Relevant, always included

Please explain
Target requires FPIC (free, prior and informed consent), which aims to mitigate risks of negative social impacts from forest commodities such as deforestation or effects on indigenous communities. Additionally, Target has selected the forest product certifications it uses ensuring that each has a social component.

Other, please specify

Relevance & inclusion
Please select

Please explain

F2.1c
Which of the following stakeholders are considered in your organization’s forests-related risk assessments?

Customers

Relevance & inclusion
Relevant, not included

Please explain
At this time Target does not include more specific data on stakeholders in the risk assessment.

Employees

Relevance & inclusion
Relevant, not included

Please explain
At this time Target does not include more specific data on stakeholders in the risk assessment.

Investors

Relevance & inclusion
Relevant, not included

Please explain
At this time Target does not include more specific data on stakeholders in the risk assessment.

Local communities

Relevance & inclusion
Relevant, not included

Please explain
At this time Target does not include more specific data on stakeholders in the risk assessment.

NGOs

Relevance & inclusion
Relevant, always included

Please explain
Target collaborates with NGOs such as the World Wildlife Fund (WWF) to assess and manage forest-related risks.

Other forest risk commodity users/producers at a local level

Relevance & inclusion
Relevant, not included

Please explain
At this time Target does not include more specific data on stakeholders in the risk assessment.

Regulators

Relevance & inclusion
Relevant, always included

Please explain
Target assesses and adheres to the regulations governing forests and commodities, such as the Lacey Act in the US.

Suppliers

Relevance & inclusion
Relevant, sometimes included

Please explain
The suppliers who produce products sold at Target stores are key stakeholders for identifying and managing forest-related risks.

Other stakeholders, please specify

Relevance & inclusion
Relevant, not included

Please explain
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?

<table>
<thead>
<tr>
<th>Forest risk commodity</th>
<th>Risk identified?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>Yes</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>Yes</td>
</tr>
<tr>
<td>Cattle Products</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Soy</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

F3.1a

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

Target considers multiple factors in evaluating risk. Target considers risks substantive when they are assessed to be high or critical using proprietary criteria. Importantly, something that has a “substantive impact on our business” is not necessarily “material” to investors as defined by the SEC.

Target's answers to this questionnaire contain forward-looking statements, which are based on our current assumptions and expectations. These statements are typically accompanied by the words “expect,” “may,” “could,” “believe,” “would,” “might,” “anticipates,” or similar words. All such forward-looking statements are intended to enjoy the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, as amended. Although we believe there is a reasonable basis for the forward-looking statements, our actual results could be materially different. The most important factors which could cause our actual results to differ from our forward-looking statements are set forth in our description of risk factors in Item 1A of our Form 10-K for the fiscal year ended February 2, 2019, 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.

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

**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. Upon discovery that we have not completed our due diligence in this endeavor, we can expect significant brand and/or reputational damage. We support responsibly managed forests, and to that end, introduced our new Responsible Sourcing Policy on Forest Products in 2017. This policy helps us toward 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 tissues and paper towels, wrapping paper, furniture and rayon used in apparel, which comes from wood pulp. Then we plan to work on sourcing our owned-brands’ packaging from sustainably managed forests. By the end of fiscal year 2018, we expect that our party supplies brand, Spritz, will be our first owned brand to be fully compliant with our forest products policy. In 2017, the Spritz team started introducing Forest Stewardship Council (FSC) Chain-of-Custody certification and is on track to meet this goal. We have also committed to making our up&up, Pillowfort and Cat & Jack brands fully compliant with our forest products policy by 2020, and Threshold and Smith & Hawken fully compliant by 2022.

**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)**
<Not Applicable>

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

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

**Explanation of financial impact figure**
We are unable to estimate a potential financial impact at this time due to the lack of quantified materials.

**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 plan to directly engage with any supplier who is not in compliance with our sustainable timber expectations.

**Cost of response**
We do not currently quantify the cost of response to this risk.

**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. At the end of 2018, 38% of palm oil in owned-brand products covered by our 2015 commitment was certified sustainable via the Roundtable on Sustainable Palm Oil's (RSPO’s) physical certification (Mass Balance or Segregated), and the remaining 62% was covered by RSPO’s PalmTrace credits. Additionally, 84% of the palm volume was traced to the importer. 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.

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)
<Not Applicable>

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

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

Explanation of financial impact figure
We are unable to estimate a potential financial impact at this time due to the lack of quantified materials.

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 plan to directly engage with any supplier who is not in compliance with our sustainable palm oil expectations.

Cost of response

Explanation of cost of response
We do not currently quantify the cost of response to this risk.

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

<table>
<thead>
<tr>
<th></th>
<th>Have you identified opportunities?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>Yes</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>Yes</td>
</tr>
<tr>
<td>Cattle products</td>
<td>&lt;Not Applicable&gt;</td>
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<tr>
<td>Soy</td>
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<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>
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

**Type of opportunity**
- Resilience

**Where in your value chain does the opportunity occur?**
- Supply chain

**Primary forests-related opportunity**
- Improved supply chain engagement

**Financial incentives**
- Not Applicable

**Company-specific description & strategy to realize opportunity**
We are driving demand for and awareness of the importance of certified sustainable timber by committing to sourcing Target's owned-brand wood-based products from well-managed forests. Target works actively with its vendors, suppliers, and other stakeholders to eliminate any unacceptable sources of timber and progressively increase the amount of responsible wood, paper, paper-based packaging and wood-based fiber over time.

**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)**
- Not Applicable

**Potential financial impact figure – minimum (currency)**
- Not Applicable

**Potential financial impact figure – maximum (currency)**
- Not Applicable

**Explanation of financial impact figure**
We do not currently quantify the cost of this financial impact.

**Forest risk commodity**
- Palm Oil

**Type of opportunity**
- Resilience

**Where in your value chain does the opportunity occur?**
- Supply chain

**Primary forests-related opportunity**
- Improved supply chain engagement

**Financial incentives**
- Not Applicable

**Company-specific description & strategy to realize opportunity**
We are driving demand for and awareness of the importance of certified sustainable palm oil by requiring it in Target's owned-brand products covered by our commitment and our work in multi-stakeholder groups like The Consumer Goods Forum. In 2017, we also
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 and impact programs in producing nations and share best practices.

**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)**
<Not Applicable>

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

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

**Explanation of financial impact figure**
We do not currently quantify the cost of this financial impact.

**Forest risk commodity**
Palm Oil

**Type of opportunity**
Products & services

**Where in your value chain does the opportunity occur?**
Supply chain

**Primary forests-related opportunity**
Increased transparency

**Financial incentives**
<Not Applicable>

**Company-specific description & strategy to realize opportunity**
We are driving demand for and awareness of the importance of certified sustainable palm oil by requiring it in Target's owned-brand products covered by our commitment and our work in multi-stakeholder groups like The Consumer Goods Forum. In 2017, we also 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 and impact programs in producing nations and share best practices.

**Estimated timeframe for realization**
1-3 years

**Magnitude of potential impact**
Please select

**Likelihood**
Please select

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

**Potential financial impact figure (currency)**
<Not Applicable>

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

**Potential financial impact figure – maximum (currency)**
<Not Applicable>
Explaination of financial impact figure

Forest risk commodity
Palm Oil

Type of opportunity
Markets

Where in your value chain does the opportunity occur?
Supply chain

Primary forests-related opportunity
Driving demand for sustainable materials

Financial incentives
<Not Applicable>

Company-specific description & strategy to realize opportunity
We are driving demand for and awareness of the importance of certified sustainable palm oil by requiring it in Target's owned-brand products covered by our commitment and our work in multi-stakeholder groups like The Consumer Goods Forum. In 2017, we also 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 and impact programs in producing nations and share best practices.

Estimated timeframe for realization
Please select

Magnitude of potential impact
Please select

Likelihood
Please select

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

Potential financial impact figure (currency)
<Not Applicable>

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

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

Explanation of financial impact figure

Forest risk commodity
Palm Oil

Type of opportunity
Markets

Where in your value chain does the opportunity occur?
Supply chain

Primary forests-related opportunity
Please select

Financial incentives
<Not Applicable>

Company-specific description & strategy to realize opportunity
We are driving demand for and awareness of the importance of certified sustainable palm oil by requiring it in Target's owned-brand products covered by our commitment and our work in multi-stakeholder groups like The Consumer Goods Forum. In 2017, we also 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 and impact programs in producing nations and share best practices.
Estimated timeframe for realization
Please select

Magnitude of potential impact
Please select

Likelihood
Please select

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

Potential financial impact figure (currency)
<Not Applicable>

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

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

Explanation of financial impact figure

F4. Governance

F4.1

(F4.1) Does your organization have a policy that includes forests-related issues?
Yes, we have a documented forests policy that is publicly available

F4.1a

(F4.1a) Select the options to describe the scope and content of your policy.

<table>
<thead>
<tr>
<th>Row</th>
<th>Scope</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Selected products only</td>
<td>Commitment to eliminate deforestation and/or conversion Commitment to eliminate forests degradation Commitment to protect rights and livelihoods of local communities Commitment to stakeholder awareness and education List of timebound commitments and targets Reference to international standards and widely-recognized forests-related initiatives</td>
</tr>
</tbody>
</table>

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. For more information, please see our Corporate site: https://corporate.target.com/corporateresponsibility/planet/deforestation.
## (F4.1b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Do you have a commodity specific sustainability policy?</th>
<th>Scope</th>
<th>Content</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>Yes</td>
<td>Selected products only</td>
<td>Commitment to eliminate deforestation and/or conversion</td>
<td>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 owned brand products and packaging when available and meeting product performance requirements and competitive market conditions. Read more about Target's work in this space by reviewing the Forest Products section of our corporate website (LINK: <a href="https://corporate.target.com/corporateresponsibility/planet/sustainable-products">https://corporate.target.com/corporateresponsibility/planet/sustainable-products</a>).</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>Yes</td>
<td>Selected products only</td>
<td>Commitment to eliminate deforestation and/or conversion</td>
<td>Read more about Target's work in this space by reviewing the Palm Oil section of our corporate website (LINK: <a href="https://corporate.target.com/corporate-responsibility/planet/deforestation">https://corporate.target.com/corporate-responsibility/planet/deforestation</a>).</td>
</tr>
<tr>
<td>Cattle Products</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Soy</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>
(F4.2) Is there board-level oversight of forests-related issues within your organization?
Yes

F4.2a

(F4.2a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

<table>
<thead>
<tr>
<th>Position of individual</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board-level committee</td>
<td>Target's Board of Directors retains oversight responsibility over the Corporation's key strategic risks including those relating to corporate responsibility matters. The Nominating &amp; Governance Committee of the Board of Directors has overall oversight responsibility over corporate responsibility matters. Target recognizes that environmental, social and governance issues are of increasing importance to many investors. The Vice President of Corporate Responsibility and the Corporate Responsibility team work with functional leaders across the company to determine strategies, policies and goals related to sustainability and regularly report to and seek input from the Nominating &amp; Governance Committee on those matters, including forests-related issues.</td>
</tr>
</tbody>
</table>

F4.2b

(F4.2b) Provide further details on the board’s oversight of forests-related issues.

<table>
<thead>
<tr>
<th>Frequency that forests-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which forests-related issues are integrated</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled  some meetings</td>
<td>Monitoring implementation and performance</td>
<td>The Board of Directors’ review of environmental and social topics is obtained through the updates it receives from the Nominating and Governance Committee. The Nominating and Governance Committee reviews environmental and social topics at least semi-annually. This happens independently of our financial reporting process, which includes economic topics, and is overseen throughout the year by the Audit and Finance Committee, which provides regular reports to the Board of Directors. Target's Vice President of Corporate Responsibility presents to the Nominating and Governance Committee semi-annually on corporate responsibility related topics.</td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding corporate responsibility strategy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding major plans of action</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding risk management policies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding strategy</td>
<td></td>
</tr>
</tbody>
</table>
(F4.3) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

<table>
<thead>
<tr>
<th>Name of the position(s) and/or committee(s)</th>
<th>Responsibility</th>
<th>Frequency of reporting to the board on forests-related issues</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Sustainability Officer (CSO)</td>
<td>Both assessing and managing forests-related risks and opportunities</td>
<td>As important matters arise</td>
<td>The Vice President of Corporate Responsibility oversees corporate responsibility across Target. They report to the Executive Vice President and Chief Marketing Officer at Target.</td>
</tr>
</tbody>
</table>

F4.4

(F4.4) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

No, and we do not plan to introduce them in the next two years

F4.5

(F4.5) 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

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?

<table>
<thead>
<tr>
<th>Long-term business objectives</th>
<th>Are forests-related issues integrated?</th>
<th>Long-term time horizon (years)</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial planning</td>
<td>Yes, forests-related issues are integrated</td>
<td>5-10</td>
<td>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.</td>
</tr>
</tbody>
</table>

F6. Implementation

F6.1
(F6.1) 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

F6.1a

(F6.1a) 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)

F6.1b
(F6.1b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Commodity coverage
Timber

Criteria
No conversion of natural habitats
No forest degradation
No new development on peatland
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
No sourcing of illegally produced and/or traded forest risk commodities

Operational coverage
Supply chain

% of total production/consumption covered by commitment
91-99%

Cutoff date
2018

Commitment timeframe
2021-25

Please explain
The percentage covered (91-99%) is the percentage of owned-brand production, which is the scope of this disclosure.

Commodity coverage
Palm Oil

Criteria
No new development on peatland
Adoption of Free, Prior and Informed Consent (FPIC) principles
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
91-99%

Cutoff date
2015

Commitment timeframe
2018

Please explain
Target has engaged with suppliers and participated in initiatives to increase the sustainability of its palm oil supply chain over the past five years. Target is pleased to report that at the end of 2018, 38% of palm oil in owned-brand products covered by our 2015 commitment was certified sustainable via the Roundtable on Sustainable Palm Oil’s (RSPO’s) physical certification (Mass Balance or Segregated), and the remaining 62% was covered by RSPO’s PalmTrace credits. Additionally, 84% of the palm volume was traced to the importer. 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. The percentage covered (91-99%) is the percentage of owned-brand production, which is the scope of this disclosure.
(F6.2) Did you have any quantified targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?
Yes

F6.2a

(F6.2a) Provide details of your 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

Form of commodity covered
Paper
Boards, plywood, engineered wood
Primary packaging
Cellulose-based textile fiber

Type of target
Third-party certification scheme

Coverage
Supply chain

Traceability point
<Not Applicable>

Third-party certification scheme
FSC Chain of Custody
FSC Controlled Wood
PEFC Chain of Custody
SFI Chain of Custody

Start year
2016

Start figure
0%

Target year
2018

Target
100%

% achieved
91-99%

Please explain
2018 was a year of acceleration into the finish line for the Spritz brand. Working towards the goal, we utilized FSC certification across all product categories within the Brand. We fell just short of meeting the goal primarily due to the availability of FSC-certified materials. Going forward we will be looking for solutions to fill these final gaps in supply of FSC-certified materials.

Target reference number
Target 2

Forest risk commodity
Palm Oil

Form of commodity covered
Crude palm oil (CPO)
Palm kernel oil derivatives
**Type of target**
Third-party certification scheme

**Coverage**
Supply chain

**Traceability point**
<Not Applicable>

**Third-party certification scheme**
- RSPO Segregated
- RSPO Mass Balance
- RSPO Book and Claim

**Start year**
2015

**Start figure**
0%

**Target year**
2018

**Target**
100%

**% achieved**
100%

**Please explain**
All palm oil in Target’s owned-brand food (Market Pantry, Archer Farms, Simply Balanced), personal care (up&up) and household cleaning products (up&up) will be fully traceable and sustainably sourced by 2018 or sooner. At the end of 2018, 38% of palm oil in owned brand products covered by our 2015 commitment was certified sustainable via the Roundtable on Sustainable Palm Oil’s (RSPO’s) physical certification (Mass Balance or Segregated), and the remaining 62% was covered by RSPO’s PalmTrace credits. Additionally, 84% of the palm volume was traced to the importer.

**Target reference number**
Target 3

**Forest risk commodity**
Timber

**Form of commodity covered**
- Paper
- Boards, plywood, engineered wood
- Primary packaging
- Cellulose-based textile fiber

**Type of target**
Third-party certification scheme

**Coverage**
Supply chain

**Traceability point**
<Not Applicable>

**Third-party certification scheme**
- FSC Chain of Custody
- FSC Controlled Wood
- PEFC Chain of Custody
- SFI Chain of Custody

**Start year**
2017

**Start figure**
11-20%
Target year
2022

Target
100%

% achieved
11-20%

Please explain
Source all owned-brand, paper-based packaging from sustainably managed forests by 2022. Our 13.9 percent progress in 2017 is based on reporting from our Home, Hardlines and Apparel & Accessories categories. Continued work on this goal revolves around additional baseline assessments as well as vendor engagement. Today’s work will allow Target to build the foundation for future success.

Target reference number
Target 4

Forest risk commodity
Timber

Form of commodity covered
Paper
Boards, plywood, engineered wood
Primary packaging
Cellulose-based textile fiber

Type of target
Third-party certification scheme

Coverage
Supply chain

Traceability point
<Not Applicable>

Third-party certification scheme
FSC Chain of Custody
FSC Controlled Wood
PEFC Chain of Custody
SFI Chain of Custody

Start year
2017

Start figure
0%

Target year

Target
100%

% achieved
Please select

Please explain
Aim to source all of the wood, paper, paper-based packaging and wood-based fiber used in Target’s owned-brand products from forests that are well-managed and credibly certified – and whenever possible, from post-consumer recycled materials.
Primary packaging
Cellulose-based textile fiber

**Type of target**
Third-party certification scheme

**Coverage**
Supply chain

**Traceability point**
<Not Applicable>

**Third-party certification scheme**
- FSC Chain of Custody
- FSC Controlled Wood
- PEFC Chain of Custody
- SFI Chain of Custody

**Start year**
2017

**Start figure**
0%

**Target year**
2020

**Target**
100%

**% achieved**
31-40%

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

**Target reference number**
Target 6

**Forest risk commodity**
Timber

**Form of commodity covered**
- Paper
- Boards, plywood, engineered wood
- Primary packaging
- Cellulose-based textile fiber

**Type of target**
Third-party certification scheme

**Coverage**
Supply chain

**Traceability point**
<Not Applicable>

**Third-party certification scheme**
- FSC Chain of Custody
- FSC Controlled Wood
- PEFC Chain of Custody
- SFI Chain of Custody

**Start year**
2017

**Start figure**
Don't know

**Target year**
F6.3

(F6.3) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Do you have system(s) in place?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>No</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>No</td>
</tr>
<tr>
<td>Cattle products</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Soy</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

F6.3b

(F6.3b) 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**

**Primary reason**

Insufficient data on operations

**Please explain**

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

**Forest risk commodity**

**Palm Oil**

**Primary reason**

Insufficient data on operations

**Please explain**

We are working to increase the portion of material that is traceable via RSPO's certification models.

F6.4

(F6.4) Do you specify any third-party certification schemes for your disclosed commodity(ies)? Indicate the volume and percentage of your production and/or consumption covered.

**Forest risk commodity**

**Timber**

Do you specify any certification scheme?

Yes
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 continue to work closely with our owned-brand vendor base to meet our goal. 38% of palm oil in products covered by our commitment was certified sustainable via the Roundtable on Sustainable Palm Oil (RSPO)’s physical certification (Mass Balance or Segregated), and the remaining 62% was covered by RSPO’s PalmTrace credits. Target continues to engage its vendors on the implementation of Target’s responsible palm oil sourcing commitment through a biannual survey to determine the volume of palm oil and palm kernel oil used in the owned-brand products covered by its commitment, including the percentage that is certified as sustainable, classified across PalmTrace Credits, Mass Balance and Segregated. Our commitment covers palm volumes purchased directly by our vendors for use in owned-brand products, vendors that source palm oil indirectly through finished product components and vendors that source palm oil and kernel derivatives in household and personal care products. In 2018, Target: • Continued collecting and validating volume and traceability data from all vendors, including supplier engagement and active follow-up, with our partner, Proforest; • Engaged with key importers into the U.S. market on traceability; • Engaged critical vendors
regarding their path toward Target policy compliance; • Supported vendors/suppliers on process to deliver certified products; •
Shared tools, training materials and guidance documents to aid commitment implementation; and • Participated in 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 and impact
programs in producing nations and share best practices. 2,214 tons of palm oil, palm kernel oil, and derivatives were used in
products covered in our commitment. Of that, 1,364 tons were Book and Claim, 821 tons were Mass Balance, and 29 tons were
Segregated.

F6.5

(F6.5) Do you specify any sustainable production/procurement standards for your disclosed commodity(ies), other than
third-party certification? Indicate the percentage of production/consumption covered and if you monitor supplier
compliance with these standards.

Forest risk commodity
Timber

Do you specify any sustainability standards?
No

Type of standard
<Not Applicable>

Description of standard
<Not Applicable>

% of total commodity volume covered by standard
<Not Applicable>

Do you have a system in place to monitor compliance with this standard?
<Not Applicable>

Type(s) of monitoring system
<Not Applicable>

% of suppliers in compliance with standards
<Not Applicable>

Please explain

Forest risk commodity
Palm Oil

Do you specify any sustainability standards?
No

Type of standard
<Not Applicable>

Description of standard
<Not Applicable>

% of total commodity volume covered by standard
<Not Applicable>

Do you have a system in place to monitor compliance with this standard?
<Not Applicable>

Type(s) of monitoring system
<Not Applicable>

% of suppliers in compliance with standards
<Not Applicable>

Please explain
F6.7

(F6.7) Are you working with your direct suppliers to support and improve their capacity to supply sustainable raw materials?

<table>
<thead>
<tr>
<th></th>
<th>Are you working with direct suppliers?</th>
<th>Supplier engagement approach</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>Yes, working with direct suppliers</td>
<td>Collecting data in central database</td>
<td>Target is working 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.</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>Yes, working with direct suppliers</td>
<td>Collecting data in central database, Encouraging certification, Encouraging work with multi-stakeholder groups, Workshops and training</td>
<td></td>
</tr>
<tr>
<td>Cattle products</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Soy</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

F6.8

(F6.8) Are you working beyond your first-tier supplier(s) to manage and mitigate forests-related risks?

<table>
<thead>
<tr>
<th></th>
<th>Are you working beyond first tier?</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>No, not working beyond the first tier</td>
<td></td>
</tr>
<tr>
<td>Palm Oil</td>
<td>No, not working beyond the first tier</td>
<td></td>
</tr>
<tr>
<td>Cattle products</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Soy</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

F6.9

(F6.9) Do you participate in external initiatives or activities to further the implementation of your policies concerning the sustainability of your disclosed commodity(ies)?

Forest risk commodity
Timber

Do you participate in activities/initiatives? Yes

Activities
Involved in industry platforms

Initiatives
<Not Applicable>

Please explain
Target will continue to work in multi-stakeholder collaborations and initiatives like The Consumer Goods Forum and other industry initiatives that are developing industry-wide approaches to deforestation. Target's Forest Products Policy (LINK: https://corporate.target.com/_media/TargetCorp/csr/pdf/Target-Forest-Products-Policy.pdf)

**Forest risk commodity**
- **Timber**

**Do you participate in activities/initiatives?**
- Yes

**Activities**
- Engaging with non-governmental organizations

**Initiatives**
- <Not Applicable>

**Please explain**
Target will continue to work in multi-stakeholder collaborations and initiatives like The Consumer Goods Forum and other industry initiatives that are developing industry-wide approaches to deforestation. Target's Forest Products Policy (LINK: https://corporate.target.com/_media/TargetCorp/csr/pdf/Target-Forest-Products-Policy.pdf)

**Forest risk commodity**
- **Palm Oil**

**Do you participate in activities/initiatives?**
- Yes

**Activities**
- Involved in multi-partnership or stakeholder initiatives

**Initiatives**
- Roundtable on Sustainable Palm Oil (RSPO)
- Other, please specify (North American Sustainable Palm Oil Network, Consumer Goods Forum)

**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 and impact programs in producing nations and share best practices. Target continues to engage in sustainable palm oil efforts via the Consumer Goods Forum.

**Forest risk commodity**
- **Palm Oil**

**Do you participate in activities/initiatives?**
- Yes

**Activities**
- Involved in industry platforms

**Initiatives**
- <Not Applicable>

**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 and impact programs in producing nations and share best practices. Target continues to engage in sustainable palm oil efforts via the Consumer Goods Forum.
(F7.1) Has your organization identified any linkages or trade-offs between forests and other environmental issues in its direct operations and/or other parts of its value chain?
Yes

F7.1a

(F7.1a) Describe the linkages or trade-offs and the related management policy or action.

<table>
<thead>
<tr>
<th>Linkage/tradeoff</th>
<th>Type of linkage/tradeoff</th>
<th>Description of linkage/tradeoff</th>
<th>Policy or action</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Decreased GHGs emissions</td>
<td>We recognize that one of many devastating effects of deforestation is its contribution to climate change. Trees remove carbon dioxide, and when they are cut down we lose not only the value of carbon capture, but those trees also release stored carbon.</td>
<td>We introduced a climate policy and goals to address emissions across our supply chain, which aim to reduce our absolute Scope 1, 2 and 3 greenhouse gas emissions by 30 percent below 2017 levels by 2030, as well as help 80 percent of our suppliers set science-based reduction targets on their Scope 1 and 2 emissions by 2023. These goals are approved by the Science-Based Targets initiative, and build on our commitments to source 100% renewable energy and improve energy efficiency in our domestic operations.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Linkage/tradeoff</th>
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<th>Description of linkage/tradeoff</th>
<th>Policy or action</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Increased water quality</td>
<td>Water is one of our world's most critical natural resources. Deforestation and forest degradation have had negative impacts on many global watersheds and a decline in water quality and quantity around the globe. As we believe that clean, drinkable water and sanitation are human rights and should be accessible for all, we recognize the interdependence of clean water and forests.</td>
<td>In acting as stewards of freshwater, we recognize our current and future efforts to end deforestation are directly related to our water efforts.</td>
</tr>
</tbody>
</table>

F8. Verification

F8.1

(F8.1) Do you verify any forests information reported in your CDP disclosure?
Yes
(F8.1a) 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 RSP membership of vendors and volume of palm used in products that are in scope of policy.

**Verification standard**

Please explain
RSPO website and a biannual vendor survey

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F9. Barriers and challenges

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**F9.1**

(F9.1) Describe the key barriers or challenges to avoiding forests-related risks in your direct operations or in other parts of your value chain.

**Forest risk commodity**
Timber

**Coverage**
Supply chain

**Primary barrier/challenge type**
Supply chain complexity

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

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**Forest risk commodity**
Palm Oil

**Coverage**
Supply chain

**Primary barrier/challenge type**
Supply chain complexity

**Comment**
Our primary challenge is that we rely upon the remainder of our supply chain partners when impacting change through policies and goals. As a retailer, we rarely have visibility beyond our first tier of suppliers, let alone control over sourcing, procurement, or manufacturing processes beyond what we specify for a finished product. Additionally, since we don't source these commodities directly, and we only use them in small amounts, we're at the mercy of others to collect accurate data and information. Due to these facts, we also have some reliance upon certification, which is often more expensive, laborious and difficult to achieve for our suppliers. Finally, as a mass retailer active in many categories of consumer goods, our supply chain is wide and shallow, meaning we have many vendor partners with small amounts of business, thus making data collection, enforcement of policies and impact on deforestation difficult to achieve.
(F9.2) Describe the main measures that would improve your organization’s ability to manage forests-related risks.

**Forest risk commodity**

**Timber**

**Coverage**

Supply chain

**Main measure**

Improved data collection and quality

**Comment**

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

**Forest risk commodity**

**Palm Oil**

**Coverage**

Supply chain

**Main measure**

Improved data collection and quality

**Comment**

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

F18. 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.

F18.1

(F18.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Director, Corporate Responsibility</td>
<td>Environment/Sustainability manager</td>
</tr>
</tbody>
</table>
Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

<table>
<thead>
<tr>
<th>I am submitting my response</th>
<th>Public or Non-Public Submission</th>
<th>I am submitting to</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public</td>
<td>Investors</td>
</tr>
</tbody>
</table>

Please confirm below

I have read and accept the applicable Terms