Executive Summary

2016 Target Corporate Social Responsibility Report

At Target, we are focused on developing new ways to build on our legacy of corporate social responsibility by working together with our guests, team members and communities. In 2016, we continued our progress by focusing on four areas:

• Products: Inspiring Solutions for Better Living
• Team: Valuing Our Team Members
• Communities: Strengthening Our Global Neighborhoods
• Planet: Driving Positive Impact

Target has long been a place that brings people together. We take pride in helping families discover the joy in their everyday lives, whether it’s by making a weekly Target Run, finding an outfit for their newborn or running into a neighbor at one of the hundreds of community projects we sponsor each year.

Our guests shop with us knowing they can expect more, not only in the experience and products we offer, but in the high standards we hold ourselves to as a company.

Brian C. Cornell
Board Chairman and Chief Executive Officer

With the power of Target’s team, and our scale as one of the country’s largest retailers, we hope to be a catalyst for change across the industry. And unlike any other time, we have an opportunity to transform the guest experience beyond the register in a way that fulfills our purpose and unlocks long-term business value.

Jennifer Silberman
Vice President, Corporate Social Responsibility
Products: Inspiring Solutions for Better Living

Target strives to make better living attainable by making better-for-you products more accessible and affordable. Our guests care a lot about what’s in the products they use, so we are continually innovating to provide options in store and online to make the better choice the easy choice, every day.

Chemical Strategy

We announced a new chemical strategy focused on driving transparency, proactive chemical management and innovation across every product we sell, and throughout our business operations. It’s one of the most comprehensive chemical strategies in the U.S. retail industry.

- Striving for transparency: We aim for full visibility to the chemicals contained in – or used to make – the Target-owned and national brand products we sell and use.
- Focusing on chemical management: We are working closely with business partners to facilitate the management of chemicals throughout our supply chain.
- Investing in innovation: We are investing in awareness, transparency, infrastructure, open-sourced safety and hazard data and the development of safer alternatives for certain chemicals.

Direct Trade Coffee

We started by expanding the Archer Farms assortment from four to 20 direct trade options, meaning Target is directly connected to a specific farm or network of farms. All of our Archer Farms coffee is made from 100 percent Arabica coffee beans, and thanks to our focus on direct trade, we improved the bean quality and will now offer eight coffees with all-natural flavoring.

Sustainable Design Challenge

As part of our Made to Matter program, in 2016 we challenged brands to design products that met at least one of five criteria: reduce waste and packaging, rethink closed loop systems, create clean label products, address dietary and allergen restrictions, or reduce sugar. Twenty brands rose to the challenge, helping us offer a wide variety of new and innovative products for our guests.

Product Highlights

In 2016, we piloted an enterprise-wide wellness initiative we called “Well Chosen,” focused on healthier eating, active living and reducing stress.

- Engaged team members to host in-store events to promote healthier products
- Curated a “Well Chosen” collection on our Cartwheel app to increase interest and awareness of wellness products
- Hosted the largest wellness sampling at Target to-date with more than three million wellness brand samples and 400,000 brand coupons

To inspire and empower our guests, we now have more than 50 ethnic hair products in roughly 300 stores helping our guests solve their unique beauty needs.

Read more about our product efforts and what’s next in our 2016 report
Team:
Valuing Our Team Members

Target is a place where we value the individuals who come together as a team to serve our guests. We give our team members opportunities to grow professionally, take care of themselves and their families and make an impact on our guests and our local communities.

Investing in Well-Being

Target values and invests in our team members so they can take care of themselves and their families. In 2016, we launched our ongoing “I’m Fine” campaign to reduce the stigma around mental health and explain Target resources, which include free counseling to support them in any aspect of their life. We also expanded our time-off policies to provide team members paid time-off to use for well-being activities.

Fostering a Uniquely Connected Team and Community

We believe empowering our team members goes beyond one team or department – it’s about engaging team members across the company, providing them with tools that enable each person’s perspective to be valued and making their workplace a trusting place to have complex and sometimes difficult conversations. In addition, team members know their local communities better than anyone, and are encouraged to build stronger connections to their stores’ communities.

Supporting Growth and Development Opportunities

While we celebrate our ability to outpace gender benchmarks at all levels, we always strive for additional progress and will continue to work toward strengthening representation of multicultural women in our workforce. Playing an active role in accelerating that progress, CEO Brian Cornell was appointed to the board of directors of Catalyst, a leading nonprofit organization focused on advancing women in leadership.

Team Highlights

- Our African-American Business Council invited “Hidden Figures” author Margot Lee Shetterly to speak to hundreds of team members about her research and writing on women in science
- No. 22 on DiversityInc Magazine’s list of top companies for diversity
- One-third of Target engineer hires from college campuses in 2016 were women

Read more about our team member efforts and what’s next in our 2016 report
Communities: Strengthening Our Global Neighborhoods

We are committed to supporting communities where we do business. The Target community includes more than 1,800 stores and 40 distribution centers in the U.S., and more than 3,000 manufacturing facilities in over 48 countries. We aim to improve people’s livelihoods around the globe.

Sourcing Communities

In 2016, we announced our new responsible sourcing and sustainable design aspirations, including a focus on improving worker well-being by enriching and protecting the people who create our products, the families they support and the communities where they live and work. Every product sold at Target starts out in one of thousands of production facilities throughout the world. In each of them, we aspire to use more sustainable resources to help make life better for workers and their families, and protect the environment.

Store Communities

A Target store isn’t just a place to shop – it’s part of a community that team members call home. With six Target stores in the Baton Rouge area, the impact of 2016’s Louisiana floods was felt on a personal level. Along with Target volunteers handing out bottles of water and donating Target GiftCards to nonprofits, we donated over $350,000 to food banks, The Salvation Army, the American Red Cross and local schools affected by the flooding.

Hometown Support

Today we support our Minneapolis/St. Paul hometown in a number of ways, including investing in organizations that drive the arts, economic and workforce development or provide social services. To have the greatest impact, we are teaming up with partners such as the Itasca Project of St. Paul Foundation, Northside Achievement Zone and Meda, and entered into a unique partnership with THOR Companies, the largest minority-owned business in Minnesota.

Community Highlights

In partnership with DonorsChoose.org, we pledged more than $6 million to help more than 762,000 students live healthier, more active lives, funding more than 7,000 projects.

We granted nearly $40 million to more than 50 organizations across the country to help youth and families build life-long healthy habits.

In 2017, we made a broad commitment to furthering youth soccer’s growth and inspiring well-being among youth through support of both U.S. Youth Soccer and the U.S. Soccer Foundation.

Read more about our community efforts and what’s next in our 2016 report.
Planet: Driving Positive Impact

We are committed to supporting a healthy planet by using resources responsibly. That means expanding our use of renewable energy; finding new and better ways to recycle; implementing closed loop solutions; seeking out sustainable raw materials; reducing waste; and conserving water.

Climate and Energy

Increasingly, reductions in environmental impact come from a willingness to pursue meaningful solutions. At Target, that means committing to renewable energy. In 2016 we:

- Added rooftop solar panels to 157 new sites, ending the year with 350 sites with rooftop solar in total.
- Launched our first wind partnership with the Starwood Energy Group, offsetting 100 percent of the energy used at 60 of our stores throughout Texas.
- Received nine industry awards for operational efficiency and sustainability.

Waste

We donated 61.8 million pounds of food to Feeding America in 2016, which not only kept food out of landfills, but resulted in 51.5 million meals donated to those in need. We also performed waste stream audits as well as specific food audits, including 11 stores and four distribution centers, to understand what is being sent to landfills. Through the efforts of our store teams, we have already surpassed our overall 2020 retail waste diversion goal.

Water

Water is critically important to the success of our business operations – from our supply chains to our stores and the communities in which we operate. We focus our water stewardship efforts in areas and on issues where our influence and support can help deliver the greatest impact.