

2024 Sustainability and Governance Report





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A Message from Our Chair and CEO



Brian Cornell
Chair and Chief Executive Officer

Every day, hundreds of thousands of Target team members set out to delight and deliver joy to millions of families in communities across the country.

They are guided by the idea, borne out over decades, that by bringing our purpose to life and responsibly stewarding resources, we're growing and building value for shareholders and all our stakeholders. Not just today, but for generations.

Over time, by investing in areas that differentiate and fortify our business, we have built a model that allows us to adapt and serve consumers in a fast-evolving marketplace. And as we navigate change in climate and the operating environment, our Target Forward sustainability strategy builds on decades of designing resiliency and agility into our business and is among the ways we position Target for future growth.

Supporting our team and communities

This work helps us attract and retain an incredibly talented team, which continues to distinguish Target in today's intensely competitive market for talent. It also fuels our business.

In fact, nothing is more critical to our ability to thrive over time than our team. It's why we took an early leadership position on pay and benefits and continue to listen and respond in ways that strengthen our team and our company overall.

Our starting wage range of \$15 to \$24 an hour competitively positions Target as a wage leader in each market where we operate. We've expanded paid sick time, enhanced mental health services and bolstered other benefits that help our team care for themselves and their families. We've doubled down on development, from customized Store Director training to our industry-leading education assistance program.

These efforts empower team members to build life-changing careers. And they contribute to a culture that fosters a sense of belonging and equitable access to opportunity, which continues to draw and maintain deeply engaged team members.

Our team also extends Target's caring culture beyond our walls, strengthening our connection to consumers and contributing to vibrant communities around the world.

Last year, team members volunteered more than 1 million hours in thousands of communities. They also shared their expertise with small businesses through pro bono consulting. And the strength of our culture was on display as our team provided essential supplies and directed millions of dollars in relief funds after natural disasters, including devastating wildfires in Maui.

Efficiency strengthens our operations

Our team's ingenuity and discipline also make our operations more efficient by reducing environmental impact, saving costs and elevating our guest experience.

Take for example innovations across our supply chain. New processes, capabilities and technology are improving how we purchase and flow product into our network, while reducing expenses and emissions. Other sustainable practices — from piloting alternative fuel options, to ensuring in-transit barges and truck trailers are packed full, to refining our mix of transportation methods — are safeguarding our supply chain while improving operational efficiencies. New technology, solar rooftop units and insights from our first net-zero store in Vista, California, continue to enhance the energy efficiency of our stores, too.

These new ways of working, coupled with our team's focus on retail fundamentals, deliver fresh efficiencies and savings, which bolster profitability and our ability to invest for the future.

Designing to delight and deliver

Our product assortment is at the heart of how we deliver joy, differentiate from competitors and apply our size and scale in service of people, planet and our business.

Consider our owned brand portfolio, which generates \$30 billion in annual sales — bigger than most Fortune 500 companies. Leveraging decades of design prowess, our team is continuously refining everything from product design

to packaging. One seemingly small change to the packaging in our Good & Gather grocery brand eliminated 50 tons of plastic waste annually, improved the guest experience, trimmed our lead times and reduced costs. It's one of many examples of how we're providing newness, sustainability and affordability through our owned brands.

These efforts build on our strengths and deepen loyalty with current guests. They also create reasons for even more consumers to choose Target.

Growing together

Our company has been reporting on corporate responsibility efforts for more than half a century. That rigor reinforces how ethical governance, goal-setting and transparent reporting provide clarity and alignment for our team and partners as we move our business forward.

This work is embedded in our strategy, because it keeps us vital and agile in an ever-changing world — and serves as a critical enabler for growing sustainably over time.

I'm proud of our team's progress. And I'm inspired by what's possible when we continue to listen, learn and apply the collective impact of more than 400,000 team members who are dedicated to caring, growing and winning together.

That's what keeps us advancing on this journey.



Chair and CEO



Q&A with Our Vice President, Head of Enterprise Sustainability



Agata Ramallo Garcia

Vice President, Head of Enterprise Sustainability

Target Forward, our enterprise sustainability strategy, is grounded in a vision to co-create an equitable and regenerative future together with our guests, partners and communities. The ambitions and goals we've set are fueling our teams to drive meaningful outcomes in our operations and elevate affordable, sustainable products — all in service to our guests and the continued growth of our business. Agata Ramallo Garcia, who leads our sustainability commitments through Target Forward, reflects on the sustainable solutions that are building resiliency into our operations and driving our business forward.

What sustainable solutions do you see propelling progress toward Target Forward goals?

At the heart of Target Forward is a conviction that sustainable solutions can solve multiple problems — by inspiring more efficient processes throughout our operations and bringing thoughtfully designed products to consumers.

We're applying decades of design expertise to reduce waste and meet growing consumer interest in more sustainable choices that don't sacrifice the value, quality, newness and joyful experience they expect from Target. We're activating an omnichannel experience to celebrate sustainable brands with our guests — and hear directly from them on ways we can continue to evolve our product offerings.

Our owned brand portfolio has been bringing this idea to life in compelling ways, deepening our connection to guests and serving as incubators for sustainable innovation. For example, in collaboration with Accelerating Circularity, our Universal Thread team recently launched the first set of products in our owned brand portfolio to use recycled fibers from post-consumer garments and textiles.

What role does collaboration play in delivering continued progress?

The change and impact we hope to make have a much better chance of success if we work together — sharing best practices and metrics as we go. As we work to drive down emissions from our products and supply chain, engaging and collaborating with upstream and downstream suppliers are critically important.

We've launched the Manufacturer Climate Action Program (MCAP) with other brands to provide manufacturers with a pathway to measure carbon emissions and develop science-based emissions targets. And we continue to combine forces across our industry to accelerate the rate at which we're able to find and access sustainable solutions. One example is our newly launched Forward Renew program in partnership with Schneider Electric, which provides Target

suppliers with education and support as they consider engaging in the renewable electricity market. Similarly, our work alongside other corporations to spearhead the Clean Energy Buyers Institute's Clean Energy Procurement Academy demonstrates our commitment to engaging our global supplier network around this critical work on renewable electricity.

We've also engaged hundreds of our suppliers to set science-based emissions reduction targets — a critical step in our ability to reduce emissions across our value chain, and support the efforts of our suppliers to reduce their emissions footprint as well.

How are Target's team members supporting Target Forward?

Our teams have found real energy in applying Target's unique capabilities in service of our sustainability efforts. I'm grateful for how our teams are embracing the opportunity, and I'm routinely impressed with how they collaborate with innovation and ingenuity to pursue our ambitions — all while making our business more resilient for the long-term. It's evidence of the ways this work is rooted in shared goals that enable Target's growth.

That shared ambition can be seen in the ways efficiency is meeting sustainability throughout our operations — like our stores and supply chain facility teams embracing a zero-waste culture. It's motivating to watch the team at our new returns center in Upper Marlboro, Maryland — who are helping us sort returns faster, identify solutions to extend a product's useful life and find new ways to reuse materials.

You can also see our team's impact across our communities. Our team members invested 1 million volunteer hours into our communities in 2023, the eighth time in Target history that we've reached this industry-leading milestone. This underscores our commitment to the communities we serve and how we spark powerful moments that create meaningful impact.

What's next for Target Forward?

Target Forward is designed to fortify our business and drive long-term growth. We see sustainable solutions as business solutions, and we're focused on innovating at the intersection of affordability, joy, ease and sustainability.

We are dedicated to exploring and identifying more of these intersections across all aspects of our business, and our commitment extends to scaling the ideas that work best.

We know this will require a collective effort, which is why our strategy is grounded in trusted collaborations that fuel innovation and progress. Continuous listening and learning together with our guests, partners and communities will guide us and keep us agile as we work diligently to deliver on our ambitions.



Who We Are

Our purpose

Our purpose is to help all families discover the joy of everyday life.

Our culture

Our culture is to care, grow and win together. A culture of caring means showing up — for our guests, one another and our communities. Above all else, we believe our business is built on lifting each other up and valuing all of our relationships.

We invest in our people and value building a team who represent the communities we serve. By encouraging team members to share their unique experiences and perspectives, we aim to create a workplace where all feel a sense of belonging, which helps drive our business.

When we show up together, our collective power helps us — and our guests — discover joy, thrive and grow.

Our values

Our values define who we are and how we conduct our business. They guide the daily behaviors of our team members and bring our vision and purpose to life. Serving as the foundation for our culture, Target’s values consist of:

- **Inclusivity:** We value diverse voices and approaches. We act with authenticity and respect. We create equitable experiences for all.
- **Connection:** We build trusted relationships. We collaborate across business functions. We recognize and celebrate progress.
- **Drive:** We do what is right for Target, our team and guests. We deliver results that matter. We continually learn by valuing progress over perfection.

About us

Minneapolis-based Target Corporation is a general merchandise retailer, serving guests at stores across the United States and at [Target.com](https://www.target.com).

We operate nearly 2,000 stores in all 50 U.S. states and the District of Columbia, and 30 offices around the world.

We are proud to be one of the largest U.S. retailers, with approximately 415,000 full-time, part-time and seasonal team members, as of February 3, 2024. 75% of the U.S. population lives within 10 miles of a Target store.

Corporate responsibility has been a priority at Target since our first stores opened. Over the years, our dedication has only grown. Target Forward, our enterprise sustainability strategy, positions our business for lasting growth and impact.

Target takes a holistic view of sustainability, with efforts focused on generating business results alongside positive impact for both people and planet. We see sustainability efforts as part of an interconnected system, where our actions help address climate change, restore natural systems and drive opportunity and equity for our team, communities and partners.

Awards and rankings

American Opportunity Index 2023

- [No. 11 Top 100 Employers of Choice](#)

Bloomberg 2023

- [Bloomberg Gender-Equality Index Member Company](#)

Disability:IN 2024

- [100% on Disability Equality Index 2024 Best Places to Work](#)

Fair360 2024

- [Top 50 Companies for Diversity](#)

Fortune 2024

- [No. 22 World’s Most Admired Companies 2024](#)
- [No. 65 100 Best Companies to Work For 2024](#)

Great Place to Work Certified 2024

PEOPLE® 2023

- [No. 9 Companies that Care](#)

Seramount 2024

- [Best Companies for Multicultural Women](#)

Fast facts

- \$107,412 million total revenue.¹
- Target Circle is one of the nation’s leading loyalty programs with more than 100 million members and growing.
- 50+ owned and exclusive brands.
- Approximately 415,000 full-time, part-time and seasonal team members.²
- Nearly 2,000 stores and 55 supply chain facilities in the U.S.
- Our volunteers serve approximately 1 million hours in their communities each year.

¹ This covers the fiscal year that ended February 3, 2024.

² As of February 3, 2024, we employed approximately 415,000 full-time, part-time and seasonal team members.



Target Forward: Our Sustainability Strategy



Target Forward — our enterprise sustainability strategy — enables our roadmap for growth and culture of care that serves our guests, team members, partners and communities well, and delivers strong results.

Advancing bold goals and ambitions, providing inspiration and clear direction for our team members and partners — and investing in these sustainable practices — are ways we fortify our business and drive market leadership and business growth.

We continuously evaluate where we can make the greatest difference and, through this work, we developed an approach to managing and measuring our goals.

We remain committed to investing in new approaches to sustainability that unlock momentum, build capabilities and drive sustainable change within our company, supply chain and communities.

Our goals are ambitious, may evolve over time and are built to be achieved in collaboration with our stakeholders. We will continue to provide updates on our Target Forward goal progress in our annual [sustainability and governance reporting](#).

Our vision

Building on our purpose to help all families discover the joy of everyday life, Target Forward is grounded in a vision to co-create an equitable and regenerative future with our guests, partners and communities.

Our ambitions

Our Target Forward commitments focus on three critical ambitions:



Design and elevate sustainable brands³



Innovate to eliminate waste



Accelerate opportunity and equity

Target Forward governance

In 2023, we further operationalized the governance structure, which was formalized in 2022. This structure provides cross-functional management supervision and enables the execution and refinement of Target Forward. It was designed to establish greater ownership and accountability within the business and facilitate decision-making across the organization.

Our Target Forward governance structure complements the Board of Directors' oversight of Target's sustainability matters, including Target Forward. The full Board receives regular updates on Target Forward progress, and the Governance & Sustainability Committee receives more detailed and frequent progress updates.

The Target Forward governance structure is comprised of two governing bodies with many functions across Target represented:

Target Forward Executive Steering Committee: Consists of Target senior executives providing corporate supervision and confirming vision, goals and strategy.

Target Forward Leadership Team: Consists of senior cross-functional leaders enabling the functional execution and prioritization of Target Forward initiatives.

The Target Forward Program Management Office (PMO) facilitates the governance process for tracking and measuring performance and enables all engagement between the other Target Forward governing bodies.



³ Brands or manufacturers with industry-leading products or services that have context-specific environmental and/or socially beneficial features, backed by credible standards or impact metrics.



- ✓ Goal met, maintain
- ▶ On track
- ▶▶ Acceleration needed
- Signature goal; gray rows denote milestone goal

Target Forward Progress Report

To achieve meaningful change and hold ourselves accountable, Target commits to managing and measuring our performance against tangible goals and publicly reporting on our progress, challenges and opportunities.

Target Forward, our enterprise sustainability strategy, builds on our purpose to help all families discover the joy of everyday life, and is grounded in a vision to co-create an equitable and regenerative future with our guests, partners and communities.

Our Target Forward goals are part of an interconnected system. They are ambitious and at different stages of their maturity as we continue our work to establish scope, definitions and measurement.

This Target Forward Progress Report, which we will update annually, demonstrates progress against these goals. It consolidates Target Forward goal updates into a single dashboard, through which we aim to increase data transparency by showing direct goal progress where measurement allows.



Design and Elevate Sustainable Brands

Goal	Status	FY2023 Progress and Highlights	Related S&G Priority Topic
By 2030, Target aims to be the market leader for creating and curating inclusive, sustainable brands and experiences.	▶	We completed important foundational work on this goal and continued to evaluate and learn from our owned brands that are leading the way in this area. In early 2024, we initiated efforts to help accelerate this work and continued to collaborate with suppliers and the industry to close innovation gaps that are needed to advance sustainable brands. Learn more about our progress in Chemicals , Environmental Impacts of Products and Access to Products and Services .	Resource Use
By 2030, Target intends for the leading raw materials (e.g., forest products, cotton and more) that go into our owned brand products to be 100% recycled, regenerative or sustainably sourced.	▶	We continued to define and establish criteria for “recycled,” “regenerative” and “sustainably sourced,” which will guide implementation and potential adoption of new standards and certifications in the coming years. Learn more about our progress.	Resource Use
By 2025, Target plans for 100% of our owned brands, in addition to our owned brand limited-edition and brand partnerships, to adhere to Target’s already established sustainability standards .	▶▶	Target has a robust set of sustainability standards and policies and, in 2023, we evaluated where we have the largest gaps across merchandising divisions to help us prioritize our efforts. We also piloted an internal risk log process, which will be fully rolled out in 2024, to help our teams document barriers to progress. Learn more about our progress.	Resource Use
By 2025, Target plans for 100% of owned brand suppliers to have policies and programs to advance gender equity.	▶▶	We launched a global data collection survey for our owned brand suppliers to help measure progress on our goal and provide visibility to where gaps exist. To further support these efforts, we also developed a toolkit with new resources for owned brand suppliers, and engaged in new collaborations with multiple NGOs and partners on specific aspects of this work. Learn more about our progress.	Responsible Supply Chains



- ✓ Goal met, maintain
- ▶ On track
- ▶▶ Acceleration needed
- Signature goal; gray rows denote milestone goal

Target Forward Progress Report



Innovate to Eliminate Waste

Goal	Status	FY2023 Progress and Highlights	Related S&G Priority Topic
By 2040, Target commits to net zero greenhouse gas emissions across our enterprise (scopes 1, 2 and 3). ⁴	▶▶	See scope 1, 2 and 3 goals and Greenhouse Gas Emissions for updates on our net zero ⁴ progress.	Climate
By 2030, Target commits to achieve 55% absolute reduction in operations emissions (scope 1 and 2) from a 2017 base year.	▶	We continued to enhance the energy efficiency of our stores through LED retrofits, rooftop unit upgrades and new operating procedures. To advance industry-wide efforts, we joined the U.S. Department of Energy's (DOE) Better Climate Challenge and supported development of the DOE's Better Buildings Commercial Building Heat Pump Accelerator . See our renewable electricity goals and Greenhouse Gas Emissions to learn more about our progress.	Climate
By 2025, Target commits to source 60% of our electricity from renewable sources for our operations.	✓	In 2022, we achieved our initial milestone to procure 60% of electricity from renewable sources for operations. We continue to maintain and advance progress on this goal. Learn more.	Climate
By 2030, Target commits to source 100% of our electricity from renewable sources for our operations.	▶	In 2022, we achieved our interim milestone to procure 60% of electricity from renewable sources for operations. Our store in Vista, California, our first store designed to be net-zero energy, is successfully producing more than 100% of the site's energy needs, with its more than 3,400 solar panels now fully operational. We're also investing in other forms of renewable energy through our purchasing agreements. For example, in Texas, we've partnered with Swift Current Energy to buy power from its Castle Gap Wind project. Learn more about our progress.	Climate
By 2030, Target commits to achieve 32.5% absolute reduction in supply chain emissions (scope 3) covering purchased goods and services (PG&S), upstream and downstream transport ⁵ and use of sold products from a 2017 base year.	▶▶	Target's scope 3 goal emissions have decreased by 3.9% ⁶ from our 2017 baseline. Our scope 3 goal emissions have decreased by 12.7% ⁶ year-over-year from 2022. The majority of our reductions resulted from greening of the grid, which led to reductions across purchased goods and services and use of sold products. Additionally, transportation efficiencies have continued to lower costs to provide products to our guests and reduce related emissions. We continue to collaborate alongside our suppliers and multiple stakeholder groups to identify innovations to continue to reduce emissions across the supply chain. Learn more about our progress and our total scope 3 emissions.	Climate
By 2023, 80% of Target's suppliers by spend (covering all purchased goods and services) will set science-based scope 1 and 2 targets.	▶▶	We have made meaningful progress on this goal as suppliers that account for 71% of our spend, equating to 734 suppliers, have set science-based scope 1 and 2 targets — one milestone on our path to achieving net zero ⁴ greenhouse gas emissions by 2040. While we have not yet reached our 80% goal, our collaboration with suppliers is ongoing, inclusive of providing tools and resources that can help support our suppliers in setting science-aligned goals and emissions reduction strategies. We're expanding our network of external partners and investing in initiatives that will provide our suppliers with additional tools and resources. Increasingly, we're evolving our conversations with suppliers from "why" to "how," identifying actionable steps they can take to prioritize pathways to emissions reduction. Learn more about our progress.	Climate
By 2025, Target commits to engage suppliers to prioritize renewable energy and collaborate on solutions that protect, sustain and restore nature.	▶	Target, in partnership with Schneider Electric, has launched Forward Renew , a program that aims to support Target suppliers in a transition to renewable electricity, and united with other corporations to spearhead the Clean Energy Buyers Institute's (CEBI) Clean Energy Procurement Academy . To advance climate-smart agriculture and improve soil health, Target supports the U.S. Cotton Trust Protocol's Climate Smart Commodities Project which, in 2023, enrolled nearly 795 farms. Learn more about our progress in Greenhouse Gas Emissions and Biodiversity .	Climate/Resource Use

⁴ Net zero, as defined, is achieved when a company's scope 1, 2 and 3 emissions are reduced to a level that is consistent with a 1.5°C pathway, and any residual emissions are removed from the atmosphere through either nature-based or technological carbon removal solutions (e.g., forestry, regenerative agriculture, carbon capture technology), by no later than 2050, in alignment with the Paris Agreement. Target has committed to net zero greenhouse gas emissions across our enterprise, 10 years ahead of the Paris Agreement.

⁵ Fulfillment only.

⁶ Supplier-reported emission reductions were not yet reported for 2023 at the time of publication and are not reflected in this figure.



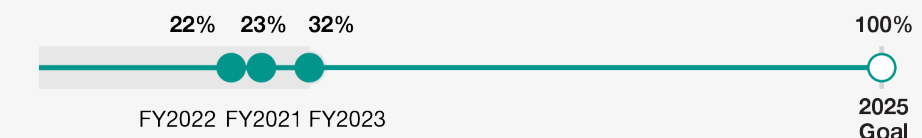
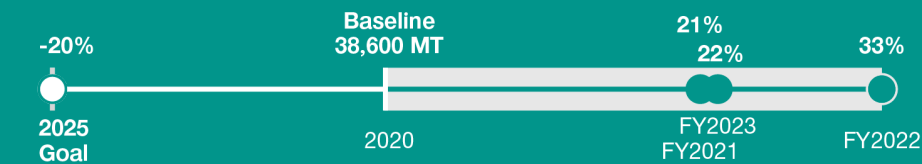
- ✓ Goal met, maintain
- ▶ On track
- ▶▶ Acceleration needed
- Signature goal; gray rows denote milestone goal

Target Forward Progress Report



Innovate to Eliminate Waste

Goal	Status	FY2023 Progress and Highlights	Related S&G Priority Topic
By 2040, Target plans for 100% of our owned brand products to be designed for a circular future. ⁷	▶	We are leveraging designated brands as learning spaces for product and packaging innovation. See our 2025 initial milestone and Product and Packaging Design to learn more.	Circularity
By 2025, Target aims to offer two circular owned brands.	▶	In 2023, we identified two brands to be designed for a circular future (Universal Thread and Everspring). Universal Thread set a baseline and KPIs to measure our use of recycled cotton in all Universal Thread apparel items, and continued to roll out digital product IDs in denim and woven products. Everspring has achieved 20% post-consumer recycled content for all plastic tool components, and now offers laundry sheets and soaps with durable bottles. Learn more about our progress.	Circularity
By 2025, Target intends to reduce annual total virgin plastic in our owned brand packaging by 20% from a 2020 baseline. ⁸	▶▶	We are working to reduce virgin plastic in our owned brand packaging by redesigning packaging, moving to non-plastic materials and/or using post-consumer recycled plastic (PCR). As part of our February 2024 up&up brand relaunch, we reduced plastic and moved to paper packaging where possible. Regulations, supply chain constraints, new owned brand categories, affordability trade-offs and increased sales compared to our baseline have slowed progress against our reduction goal. Learn more about our progress.	Circularity
By 2025, Target intends to have 100% of our owned brand plastic packaging be recyclable, compostable or reusable.	▶▶	We continued progress by redesigning for recyclability, reducing unnecessary plastic and eliminating problematic plastics across multiple categories. However, we faced challenges due to the limited U.S. infrastructure for flexible packaging recovery and the industry’s definition of “recyclable packaging”. Learn more about our progress.	Circularity
By 2030, Target plans to achieve zero waste to landfill in U.S. operations. ⁹	▶	We focused on establishing a zero-waste ⁹ culture based on recycling, reuse, donation and reduction, and programs to further eliminate waste within our stores. To inform our efforts, we simplified, automated and enhanced our metrics, and leveraged insights from data-driven waste audits. We also decreased food waste from 2022 by expanding organics recycling and composting, and began unlocking opportunities behind returns and salvaged items through our new returns center. Learn more about our progress.	Circularity



⁷ Our teams will continue designing to eliminate waste — using materials that are regenerative, recycled or sourced sustainably — to create products that are more durable, easily repaired or recyclable.

⁸ Data covers Food and Beverage and Essentials and Beauty categories only. We have revised our 2020 baseline to 38,600 metric tonnes after a recalculation and internal verification, part of the evolution of our measurement to better capture and internally review data in our product specifications systems. Previously reported numbers included significant extrapolation to fill in data gaps. Through investments in gathering data directly from our vendors, and across more categories, we are able to report more comprehensively and with much less data extrapolation.

⁹ The conservation of all resources by means of responsible production, consumption, reuse and recovery of products, packaging and materials without burning and with no discharges to land, water or air that threaten the environment or human health, as established by the Zero Waste International Alliance. The threshold to be considered “Zero Waste” is normally set at a minimum of 90% diversion rate.



- ✓ Goal met, maintain
- ▶ On track
- ▶▶ Acceleration needed
- Signature goal; gray rows denote milestone goal

Target Forward Progress Report



Accelerate Opportunity and Equity

Goal	Status	FY2023 Progress and Highlights	Related S&G Priority Topic
Target aims to drive equitable opportunities for advancement and engagement by continuing to be a leader in diversity, equity, inclusion and belonging.	▶	Target recruits and retains team members who represent the communities we serve and aims to create a workplace where all feel a sense of belonging, can build meaningful careers and have equitable access to opportunity. Learn more about our progress.	Supporting Our Team Members
Target aims to create equity through benefit access and affordability to enhance total well-being.	▶	We introduced a comprehensive non-exempt ¹⁰ paid sick plan, which extended paid sick time to an additional 48% of our U.S. non-exempt workforce, and began work toward robust mental health program enhancements that went live in April 2024. We also further enhanced our Dream to Be benefit, including earning college credit for certain Target training programs and expanding language learning options. Learn more about our progress.	Supporting Our Team Members
Target aims to empower team members to create the employment experience of their choice through personalized scheduling.	▶	In 2023, 65% of store team members received their desired hours.	Supporting Our Team Members
By 2030, engage and elevate community voices as we seek to build and implement community-driven solutions.	▶	Target continued to advance solutions that address community needs, and drive meaningful and positive impact. Our strategy is rooted in listening and learning, ensuring our philanthropic programs include what communities share is most important. See examples of our progress.	Serving and Strengthening Communities
By 2025, Target and Target Foundation plan to evolve our philanthropic practices and place-based solutions to invite participation from communities.	▶	Our philanthropic approach anchors to the idea that greater, more lasting access to opportunity will be realized by shifting power to communities. To that end, we invest in the success of our nonprofit partners with more flexible, multi-year funding. Through our measurement, evaluation and learning work, we are gathering feedback and insights from Foundation nonprofit partners to evaluate the impact for communities. Learn more about our progress.	Serving and Strengthening Communities

¹⁰ Target's definition of non-exempt team members refers to those paid hourly and not exempt from being paid overtime if they work more than 40 hours per week. Exempt team members are salaried and exempt from overtime.



Policies and Resources

Target demonstrates its commitment to ethical standards through our Code of Ethics and corporate commitments. We have also diligently created policies, procedures and resources to help guide ethical business decisions and deepen the trust of guests, team members, stakeholders and communities. In addition to the public-facing policies and resources linked on this page, we have also listed select Target internal policies that are not publicly available.

2024 Sustainability and Governance Report Appendix

Within our Appendix, we detail Target's sustainability and governance priorities and our approach to transparent reporting. We also include comprehensive data tables and an overview of how our reports and public disclosures map to leading frameworks, including the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB),

Task Force on Climate-related Financial Disclosures (TCFD), Taskforce on Nature-related Financial Disclosures (TNFD), the United Nations Guiding Principles Reporting Framework (UNGPRF) and the United Nations Sustainable Development Goals (SDGs).

[Download the Appendix](#) 

[Download 2024 Metrics](#) 

Public-facing Policies and Resources



Climate

- [2024 CDP Climate Response](#)
- [Climate Policy](#)

Resource Use

- [2024 CDP Forests Response](#)
- [2024 CDP Water Response](#)
- [Chemicals Policy](#)
- [Commitment to Sustainable Seafood](#)
- [Cotton Commitment](#)
- [Forest Products Policy](#)
- [Palm Oil Sustainability Commitment](#)



Supporting Our Team Members

- [EEO-1 Report](#)
- [Workforce Diversity Report](#)
- [Workplace Health & Safety Commitment](#)



Operating Ethically

- [2024 Proxy Statement](#)
- [Business Partner Code of Conduct](#)
- [Code of Ethics](#)
- [Corporate Governance Guidelines and Director Code of Ethics](#)
- [Integrity Hotline Reporting Website](#)
- [Privacy Policy](#)

Responsible Supply Chains

- [Animal Welfare](#)
- [Human Rights Statement](#)
- [Standards of Vendor Engagement \(SOVE\)](#)
- [Supply Chain Labor & Human Rights Policies](#)

Internal Policies

Anti-Bribery Policy

Antitrust Policy

Disability Accommodation Policy

Equal Employment Opportunity

Harassment-Free Workplace Policy

Political Activities, Lobbying and Government Ethics Policy

Safety Policy

Team Member Illness Policy



Climate

In this section:

- [Greenhouse Gas Emissions](#)
- [Climate-Related Risks and Opportunities](#)

To view our Climate data tables:

[Download the Appendix](#) 

Read more on our efforts and progress:

[Climate](#)

[Climate Policy](#)

[Disaster Preparedness & Response](#)

[2024 CDP Climate Response](#)



Cutting Emissions in Our Operations

Our strategy. Our focus on cutting our greenhouse gas (GHG) emissions within our operations (scopes 1 and 2), which account for approximately 3% of our total emissions footprint, centers on reducing energy consumption in our stores and supply chain facilities, and expanding our sourcing of renewable energy. We have already made tremendous progress – our focus on efficiency has allowed us to decrease operational emissions against our baseline and surpass our renewable energy milestone goal two years early. As we pursue our 100% renewable electricity goal, we will continue to engage with stakeholders through work with policymakers, utility companies and trade groups to increase access to renewables.

See our [website](#) for more information.

Key highlights

We updated our target for absolute reduction in operations emissions (scope 1 and 2) from a 2017 base year from 50% to 55% to reflect greater overall ambition and ensure continued alignment with science-based reduction targets. Our updated goals are aligned to the Science Based Targets initiative’s [Corporate Net-Zero Standard](#) and to keeping warming below 1.5°C. We are currently seeking approval of our updated targets.

Multi-stakeholder collaboration is key to our climate action, which is why we joined the U.S. Department of Energy’s (DOE)

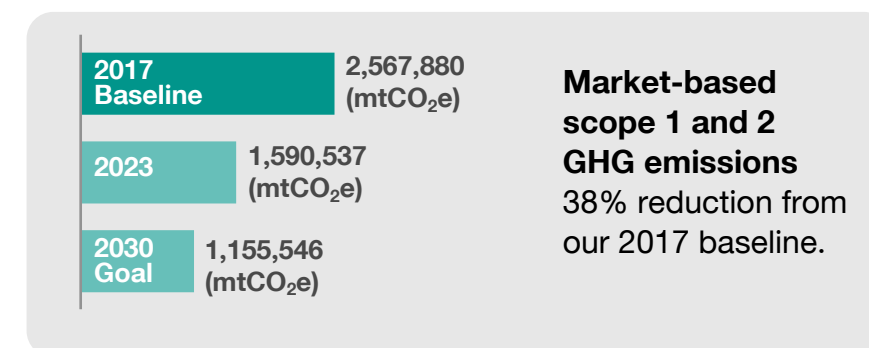
[Better Climate Challenge](#), a partnership to reduce operational emissions by at least 50% within 10 years. By joining, we are seeking to accelerate energy efficiency and other clean energy investments across industries, learn about best practices and solutions, and help pave the way for others to do the same.

As part of this work, we supported the development of the DOE’s [Better Buildings Commercial Building Heat Pump Accelerator](#), which aims to bring more efficient and affordable heat pump rooftop units to market, reducing associated GHG emissions and energy costs by up to 50%.

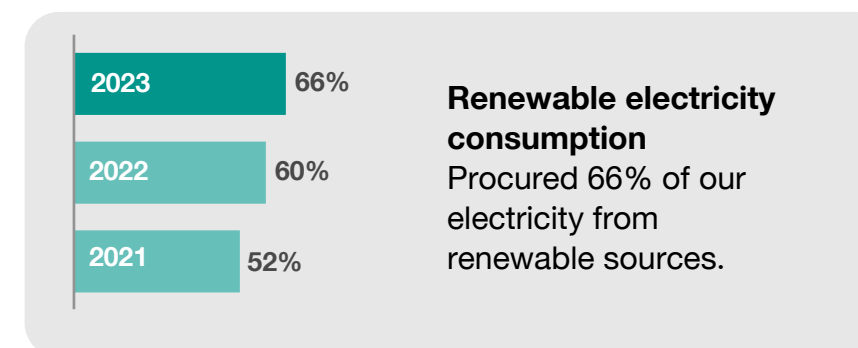
Additionally, we were previously signatories of the [Business Ambition for 1.5°C](#) campaign, which SBTi retired in March 2024. Read the final [campaign impact report](#).

Our store in Vista, California is [our first store designed to be net zero energy](#)¹², meaning it is successfully producing more than 100% of the site’s energy needs. The store incorporates both rooftop and parking lot canopy solar panels, with more than 3,400 solar panels now fully operational. We’re also investing in other forms of renewable energy through our purchasing agreements. For example, in Texas, we’ve partnered with Swift Current Energy to buy power from its Castle Gap Wind project.

Progress by the numbers



Market-based scope 1 and 2 GHG emissions
38% reduction from our 2017 baseline.



Renewable electricity consumption
Procured 66% of our electricity from renewable sources.

- We procured **66% of our electricity** from renewable sources¹¹, a **6% increase** since meeting our interim milestone to procure 60% of our electricity from renewable sources in 2022.
- We continued to enhance the energy efficiency of our stores by adopting new technologies and operating procedures. In 2023, we deployed interior and exterior LED retrofits, completing our sales floor and backroom LED lighting programs, and upgraded **1,350 rooftop units**. The combined impact of these programs to-date is an estimated annual savings of **more than 170M kWh**.
- [ENERGY STAR](#) recognized Target as a Partner of the Year in 2024, our **ninth straight year** receiving this accolade.
- Target achieved our goal to have **100+ stores** fully operational with natural (CO₂) refrigerant by the end of 2023. This includes both retrofits and new stores. We continue to work toward our goal to convert all stores to natural HFC-free refrigerants by 2040.

Signature Goal

▶▶ By 2040, Target commits to net zero greenhouse gas emissions¹³ across our enterprise (scopes 1, 2 and 3).¹⁴

Milestone Goals

▶ By 2030, Target commits to achieve 55% absolute reduction in operations emissions (scope 1 and 2) from a 2017 base year.

✓ By 2025, Target commits to source 60% of our electricity from renewable sources for our operations.

▶ By 2030, Target commits to source 100% of our electricity from renewable sources for our operations.

- ✓ Goal met, maintain
- ▶ On track
- ▶▶ Acceleration needed

View our Target Forward Progress Report to learn more >

¹¹ Metrics for renewable energy consumption and scope 1 and 2 is for domestic (U.S) operations that we have operational control of under The Climate Registry General Reporting Protocol, with the exception of our wholly owned subsidiary Shipt, Inc. (Shipt). To calculate the percentage of renewable electricity in Target’s operations, we evaluate both the amount of renewable electricity from Target’s projects and the renewable electricity in the grid. This total renewable electricity is then compared to Target’s total electricity use per the following equation: Target’s Renewable Electricity % = (Target Renewable Electricity Projects + Renewable Electricity in the Grid) / Target Electricity Use.
¹² Target has applied for net zero energy certification from the International Living Future Institute.
¹³ Net zero, as defined, is achieved when a company’s scope 1, 2 and 3 emissions are reduced to a level that is consistent with a 1.5°C pathway, and any residual emissions are removed from the atmosphere through either nature-based or technological carbon removal solutions (e.g., forestry, regenerative agriculture, carbon capture technology), by no later than 2050, in alignment with the Paris Agreement. Target has committed to net zero greenhouse gas emissions across our enterprise, 10 years ahead of the Paris Agreement.
¹⁴ This work applies to all products, including Target’s owned and national brands.



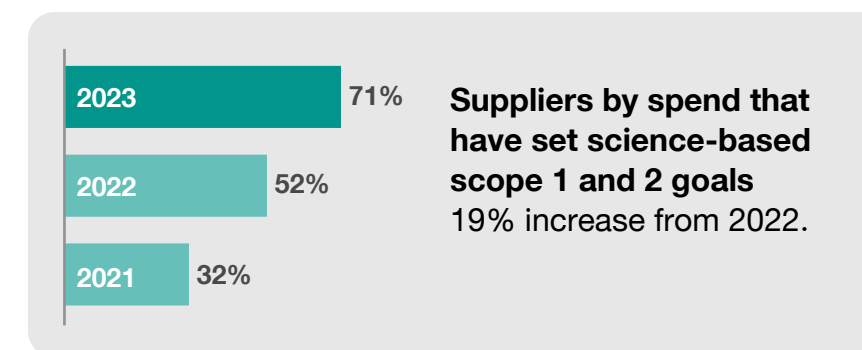
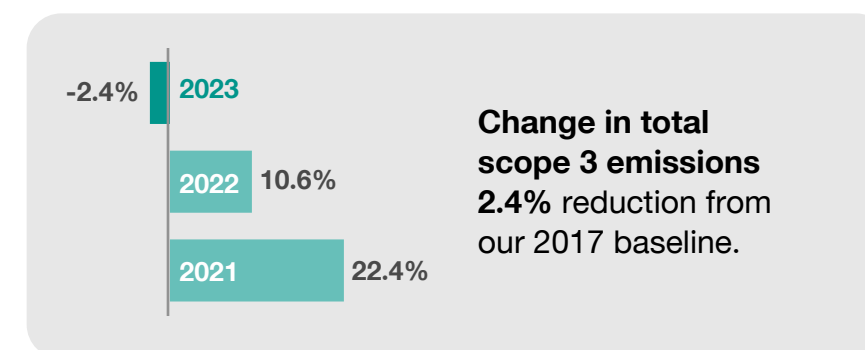
Reducing Emissions within Our Supply Chain

Our strategy. Our value chain activities span our raw material sourcing, manufacturing, logistics, guest use and disposal of our products, business travel and other indirect sources. These indirect emissions account for around 97% of our GHG emissions.

Achieving net zero GHG emissions will require third-party collaboration to identify innovations to continue to reduce emissions across the supply chain. Net zero, as defined, is achieved when a company's scope 1, 2 and 3 emissions are reduced to a level that is consistent with a 1.5°C pathway, and any residual emissions are removed from the atmosphere through either nature-based or technological carbon removal solutions (e.g., forestry, regenerative¹⁵ agriculture, carbon capture technology), by no later than 2050, in alignment with the Paris Agreement. Through our climate supplier engagement program, we continue to support suppliers as they calculate their carbon footprint, set science-aligned emission reduction targets, track progress and drive collaborative action.

Working with our suppliers and other partners supports innovation pathways focused on the areas we believe will have the greatest impact on reducing our emissions and advancing value-creation opportunities across our value chain. Alongside our suppliers and multiple stakeholder groups, we focus our scope 3 initiatives on supplier

Progress by the numbers



- Target's total scope 3 emissions have **decreased by 2.4%**¹⁶ from our 2017 baseline.
- Target's total scope 3 emissions have **decreased by 14%**¹⁶ year-over-year from 2022.
- **Suppliers that account for 71% of our spend** (toward our goal of 80% of suppliers by spend), equating to 734 suppliers, have set science-based scope 1 and 2 goals. This is an **19% increase** from the reported 52% in 2022. [Learn more.](#)
- Our suppliers have reported improvements in their scope 1 and 2 emissions relative to the 2017 baseline, which led to **6.3% reductions**.
- **66% of our suppliers** reported via the CDP Climate Questionnaire and **96% of our Tier 1 factories** (apparel and accessories, home and hardlines, essentials and beauty, and non-retail) and **86% of our Tier 2 factories** (fabric mills, packaging and trim) reported to Higg FEM.

engagement, sourcing low carbon raw materials, expanding our sustainable assortment, facilitating renewable energy adoption and decarbonizing transportation.

We are also engaging and collaborating with upstream and downstream suppliers to expand sustainable, inclusive and affordable brand assortments, products and consumer

experiences. From elevating sustainable national, local and emerging brands to designing our owned brands to meet our sustainability standards, we aim to capitalize on business opportunities in rising consumer demand.

See our [website](#) for more information.

Milestone Goals

- ▶▶ By 2030, Target commits to achieve 32.5% absolute reduction in supply chain emissions (scope 3) covering purchased goods and services (PG&S), upstream and downstream transport¹⁷ and use of sold products from a 2017 base year.
- ▶▶ By 2023, 80% of Target's suppliers by spend (covering all purchased goods and services) will set science-based scope 1 and scope 2 targets.¹⁸
- ▶ By 2025, Target commits to engage suppliers to prioritize renewable energy and collaborate on solutions that protect, sustain and restore nature.

- ✓ Goal met, maintain
- ▶ On track
- ▶▶ Acceleration needed

View our Target Forward Progress Report to learn more >

¹⁵ Operating the business in a way that does not just stop harming the environment but helps restore and regrow natural systems. For example, regenerative agriculture is a rehabilitation approach to farming systems that focuses on topsoil regeneration, increasing biodiversity and improving the water cycle.

¹⁶ Supplier-reported emission reductions were not yet reported for 2023 at the time of publication and are not reflected in this figure.

¹⁷ Fulfillment only.

¹⁸ Suppliers in scope for Target's supplier engagement program account for 83% Target's purchased goods and services (PG&S) footprint and 39% of our total scope 3 footprint. Companies in scope include national brands, owned brands, non-retail companies, national brands where Target is the importer of record (NBIOR) and national brands that make our owned brand labels (NB/OB).



Reducing Emissions within Our Supply Chain



A
2023 CDP Supplier
Engagement rating

Key highlights

We updated our 2030 absolute supply chain emissions (scope 3) reduction goal to cover not only purchased goods and services, but also upstream and downstream transportation¹⁹ and use of sold products. Additionally, we increased our commitment from 30% to 32.5% to reflect a greater overall ambition and maintain continued alignment with the Science Based Targets initiative. Our updated near-term scope 3 goal is aligned to limiting warming well-below 2°C, and our long-term scope 3 is aligned to keeping warming below 1.5°C. In 2023, scope 3 emissions from purchased goods and services, upstream and downstream transport (fulfillment only) and use of sold products decreased by 3.9% from our 2017 baseline.¹⁹

Use of sold products: To fill current gaps in reporting and align how retailers measure, compare and communicate greenhouse gas emissions from appliances, electronics and outdoor power equipment, we partnered with [The Retail Industry Leaders Association \(RILA\)](#), Optera and Lowe's to create the [Direct-Use Product Emissions Database \(DPED\)](#), supported by Optera. Our long-term aim is for DPED to be a self-sustaining tool, useful to many industries and use cases, with data down to an individual-product level.

Upstream and downstream transportation: In 2023, our transportation team achieved significant operational efficiencies resulting in cost savings. This involved renegotiating contracts with our carriers that use transportation methods including ocean containers and semi trucks across the U.S., and developing new capabilities to drive first-mile precision and improve purchasing and flowing product into our network.

We also activated several operational tactics to reduce emissions, including converting truck movements to rail and barge modes of transportation, piloting alternative fuel options with select carriers. Additionally, we doubled the amount of cargo carried on return journeys year-over-year and implemented network-wide trailer fill improvements.

Purchased goods and services: We made meaningful progress against our 2023 goal of 80% of our suppliers by spend setting science-based scope 1 and 2 targets, as suppliers that account for 71% of our spend, equating to 734 suppliers, have set these targets – one milestone on our path to achieving net zero²⁰ greenhouse gas emissions by 2040.

While we have not yet reached our 80% goal, our collaboration with suppliers is ongoing, inclusive of providing tools and resources that can help support our suppliers in setting science-aligned goals and emissions reduction strategies.

We're expanding our network of external partners and investing in initiatives that will provide our suppliers with additional tools and resources. Increasingly, we're evolving our conversations with suppliers from "why" to "how," identifying actionable steps they can take to prioritize pathways to emissions reduction.

In 2023, we launched the [Manufacturer Climate Action Program \(MCAP\)](#) with [Cascale](#) and Nike to provide manufacturers with a pathway to measure carbon emissions and develop science-aligned emissions targets.

As part of our continued partnership with our Tier 1 and 2 suppliers to increase the uptake of cost-effective renewable energy, Target has launched [Forward Renew](#), a program that aims to support Target suppliers with their transition to renewable electricity. The Forward Renew program (previously called Supply Chain Renewables Initiative) provides suppliers with critical education, resources and support to explore the renewable electricity market, and the subject matter expertise to evaluate which options best align with unique business needs.

Target is among leading corporations that have united to spearhead the Clean Energy Buyers Institute's (CEBI) [Clean Energy Procurement Academy](#), an initiative launched in 2023 to support decarbonization of global supply chains by encouraging supplier renewable energy purchases. The Academy will educate supplier partners on climate and financial benefits from renewable energy purchases.

Additionally, Target continues to serve as a lead contributor to the Apparel Impact Institute's (Aii) [Fashion Climate Fund](#), which identifies, funds and scales proven solutions that lower carbon emissions across the supply chain in the textile, apparel and footwear sectors. Since 2018, Target has sponsored more than 150 factories across 13 countries in programs that have reduced our emissions by more than 340,000 tons of CO₂, equivalent to taking more than 80,000 gasoline-powered passenger vehicles off the road for one year.

¹⁹ Scope 3 categories covered by our 2030 interim milestone were selected in line with guidance from the Science Based Targets initiative (SBTi). The covered categories make up 84% of the total scope 3 emissions that are considered mandatory, as required by SBTi for near-term targets, with the exclusion of guest travel. Within downstream transportation, the covered emissions are only those related to deliveries of fulfillment. These goals are currently undergoing validation by SBTi. Supplier-reported emission reductions were not yet reported for 2023 at the time of publication and are not reflected in the 3.9% reduction figure.

²⁰ Net zero, as defined, is achieved when a company's scope 1, 2 and 3 emissions are reduced to a level that is consistent with a 1.5°C pathway, and any residual emissions are removed from the atmosphere through either nature-based or technological carbon removal solutions (e.g., forestry, regenerative agriculture, carbon capture technology), by no later than 2050, in alignment with the Paris Agreement. Target has committed to net zero greenhouse gas emissions across our enterprise, 10 years ahead of the Paris Agreement.



Climate-Related Risks and Opportunities

Our strategy. We evaluate our climate-related risks and opportunities by working across the enterprise, and engaging independent third-party consultants to conduct risk and opportunities assessments in line with recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

Our teams in corporate affairs, legal affairs, properties, supply chain, responsible sourcing and sustainability, and others who coordinate our climate change strategy are identifying key initiative areas, assessing risks and opportunities, and working to implement Target’s response to jointly manage these efforts. We also engage with a multi-disciplinary set of upstream, downstream and supply chain business functions to understand each risk and opportunity type as it may manifest for Target.

We work to manage risks to our physical properties, posed by the effects of climate change, through preparedness by building internal awareness and readiness. Through these efforts, we are taking steps to build resilience into our

A-

Improved our CDP Climate score from a B in 2021 to an A- in 2022 and 2023

operating model, our stores, our supply chain facilities and our value chain.

We are already taking action to adapt to a changing world by acting on opportunities that directly relate to our climate-related risks, including sourcing renewable energy technologies, implementing resilience measures at various physical properties and offering [sustainable brands](#) and energy efficient products to meet the growing needs of our guests. By investing in operational improvements in local communities, we are supporting their ongoing climate resiliency, which can also lead to greater economic development.

Key highlights

Target is a buyer of clean energy and a utility customer that is dependent on the reliability of local store grids. In 2023, we signed onto the Clean Energy Buyers Institute’s (CEBI) [Principles for Purpose-Driven Energy Procurement](#), which aims to advance standards to integrate environmental sustainability, resilience and social considerations in clean energy procurement decisions. Strengthening grid transmission improves our collective resiliency in support of our guests and business continuity.

In preparation for future weather-related catastrophes, we donated \$1 million in global humanitarian aid as pre-positioned funding to assist in global crises that occurred in 2023. Our partners included [UNICEF USA](#), [United Nations World Food Programme \(WFP\)](#), [International Medical Corps](#) and [Save the Children](#).

As wildfires devastated the island of Maui in one of the worst disasters Hawaii has ever experienced, Target took quick action to support our team members and community. To aid in response and recovery efforts, Target donated \$1 million to local and national disaster relief organizations, including [American Red Cross](#), [Hawaii Community Foundation](#) and local food banks.

In addition to aligning to TCFD, we will be aligning with the International Sustainability Standards Board’s (ISSB) IFRS S2 Climate Standard via the CDP Climate survey.

See our [website](#) and [2024 CDP Climate Response](#) for more information.

Progress by the numbers

- **\$1 million donation** distributed to local and national disaster relief organizations to aid in Maui, Hawaii wildfire response and recovery efforts.
- More than **\$4 million donated** to disaster preparedness, immediate response and long-term recovery in communities impacted by natural disasters, including \$1 million in global humanitarian aid.

This includes product donations in partnership with our Maui, Hawaii store to aid hyper-local organizations in their response efforts and lift up moments of joy for the survivors during the holiday season. Target’s store in Kahului, Hawaii remained open to provide essentials to guests and the community.

In addition to providing immediate disaster relief, Target also contributed to resilience efforts. We allocated remaining 2022 Hurricane Ian funding to long-term recovery and mitigation projects through [SBP’s Disaster Assistance Program](#) and [SHARE Program](#), and the [American Red Cross Community Adaptation Programs](#) in Florida’s Lee and Sarasota counties.

As our guests increasingly experience the effects of climate change in their everyday lives, we are working to do our part to mitigate climate impacts and offer quality, sustainable products that are affordable and bring joy. Learn about our owned brand efforts to minimize the [environmental impacts of our products](#) and [eliminate waste in our products and packaging](#).



Circularity

In this section:

- [Product and Packaging Design](#)
- [Waste Elimination and Reduction](#)

To view our Circularity data tables:

[Download the Appendix](#) 

Read more on our efforts and progress:

[Circularity](#)

[Product & Packaging Design](#)

[Waste Elimination & Reduction](#)

[Plastics](#)

[2024 CDP Water Response](#)



Product and Packaging Design

Our strategy. We incorporate circularity²¹ throughout our approach to designing products and packaging. As we develop and manufacture our owned brand products, we are taking steps to eliminate waste and keep products and materials in use longer. Through these initiatives, we seek to reduce scope 3 emissions tied to the end of life of products and packaging. This also reduces our reliance on natural resources and redirects waste into raw materials for our owned brand products, seeking to protect our business against unstable supply chains, shortages and fluctuating prices.

By designing out waste, using more sustainable and/or durable materials, and making reuse and recycling easier, we are reaping added benefits. Circularity²¹ provides us with new ways to engage with guests, increases traceability and accountability, and helps us prepare for anticipated regulatory developments.

See our [website](#) for more information.

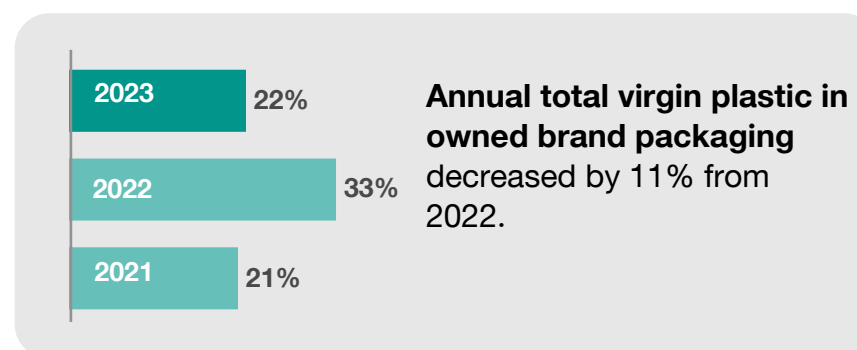
Key highlights

Reducing virgin plastic: Plastics remain a priority as part of our commitment to circularity²¹, and our goals focus on reducing and eliminating virgin plastic material use. Reducing our plastics use will require industry-wide collaboration to create change at scale. Materials innovation to reduce plastic waste, improvements to recycling infrastructure and access, and availability of affordable recycled content will all be instrumental in meeting our goals.

We are working to reduce virgin plastic in our owned brand packaging through efforts to redesign packaging, move to non-plastic materials and/or use post-consumer recycled plastic (PCR). For example, as part of our February 2024 [up&up brand relaunch](#), we reduced plastic and moved to paper packaging where possible. While our commitment focuses on virgin plastic reduction across our Essentials and Beauty and Food and Beverage categories, we have also identified solutions for reducing virgin plastic use in our Home category.

By 2025, Target intends to take action to eliminate problematic plastics, and we are working to improve measurement as we focus on elimination within our Food and Beverage categories. These efforts include eliminating, reusing or replacing plastic packaging items, components or materials where consumption could be avoided and items that, post-consumption, commonly do not enter the recycling and/or composting systems or, where they do, are detrimental to the recycling or composting system due to their format, composition or size.

Progress by the numbers



2
owned brands identified to be designed for a circular²¹ future

- We maintained our use of **15%**²² **post-consumer recycled content (PCR)** in our owned brand packaging.
- We used approximately 47,000 MT of virgin plastic in our food and beverage and essentials and beauty owned brand packaging, a **22% increase** against a revised 2020 baseline of 38,600 MT.²³
- Target Zero **offers nearly 1,100 items** featuring products and/or packaging designed to be refillable, reusable or compostable; concentrated; made from recycled content or made from materials that reduce the use of virgin plastic.
- By replacing rigid lids on Good & Gather leafy greens containers with a peel-and-reseal feature that uses **on average 35% less plastic**, we are **eliminating 256 MT of virgin plastic** from our packaging annually.
- In 2023, we launched Figmint, our first kitchen owned brand. As of launch, **more than 95% of Figmint items** did not have plastic in the packaging.
- Removing the reclose zipper, a non-essential feature, from our Good & Gather chip bag reduced our packaging lead time by two weeks. This is resulting in cost savings and eliminating **50 tons of plastic waste annually**.

Signature Goal

- ▶ By 2040, Target plans for 100% of our owned brand products to be designed for a circular²¹ future.
- ▶▶ By 2025, Target intends to reduce annual total virgin plastic in our owned brand packaging by 20% from a 2020 baseline.

Milestone Goals

- ▶ By 2025, Target aims to offer two circular²¹ owned brands.
- ▶▶ By 2025, Target intends to have 100% of our owned brand plastic packaging be recyclable, compostable or reusable.

- ▶▶ Target intends to incorporate 20% post-consumer recycled content (PCR) in owned brand packaging.

- ✓ Goal met, maintain
- ▶ On track
- ▶▶ Acceleration needed

View our Target Forward Progress Report to learn more >

²¹ Developing and manufacturing Target owned brand products, including taking steps to eliminate waste, keep products and materials in use longer, and decrease our dependency on natural resources.

²² Post-consumer recycled (PCR) content calculation is based on the packaging Bill of Materials submitted by our vendors, which includes retail packaging weight by component and percentage of PCR used in each component, when applicable.

²³ We have revised our 2020 baseline to 38,600 metric tonnes after a recalculation and internal verification, part of the evolution of our measurement to better capture and internally review data in our product specifications systems. Previously reported numbers included significant extrapolation to fill in data gaps. Through investments in gathering data directly from our vendors, and across more categories, we are able to report more comprehensively and with much less data extrapolation.



Product and Packaging Design

Key highlights continued

Increasing post-consumer recycled plastic (PCR): To reduce virgin plastic in our owned brand products, we are increasingly incorporating PCR into additional products, particularly across our Essentials and Beauty and Food and Beverage categories. In 2023, we created:

- Select Brightroom crates made from 30% PCR, using materials collected from our car seat trade-in event.
- Made By Design dinner plates with 70% PCR, made from plastic bottles.
- Packaging for Good & Gather and Market Pantry brands' Parmesan cheese, breadcrumbs and honey bottles composed of 20% PCR.
- up&up trash bags incorporating 20% PCR.²⁴

Find [more examples](#) from Everspring, one of two owned brands identified to be designed for circularity²⁵ by 2025, which is leading in these efforts.

Innovation at an industry level is needed to make PCR supply available at scale. While advancements have been made in this area, technical, cost and availability limitations hindered mass change across our owned brand products. We continued to increase PCR use, where possible.

Piloting refill and reuse: To keep materials in use longer and decrease our dependency on natural resources, we have initiated three internal pilots focused on reuse and refill opportunities in products and packaging. The pilots test the reuse and refill of Everspring Liquid Soap products, the reuse of food and beverage containers and a trail mix refill/dispensing program. Through these pilots, we are learning and growing our circular²⁵ capabilities to further advance our Target Forward goals to innovate to eliminate waste.

Delivering joy in fewer packages: Target's global inventory management team in India led a cross-functional effort that is helping our fulfillment centers reduce the number of shipments needed to fulfill guests' orders. This has prevented millions of excess packages from entering our supply chain, avoiding unnecessary shipping emissions and generating cost savings.

Innovating new materials: We continue to partner with [Fashion For Good \(FFG\)](#) to accelerate innovation across the entire fashion value chain by reducing environmental impact. We supported the launch of a [new pilot](#) — alongside brand partners and footwear recycling innovator [FastFeetGrinded](#) — to test and validate the innovative footwear recycling process to support the uptake of recycled content, and accelerate circularity²⁵ within the footwear industry. Separately, we joined forces with peer brands, together with [EarthDNA](#), to launch [The Footwear Collective \(TFC\)](#), a nonprofit initiative dedicated to uniting the global footwear industry to further accelerate the transition to a circular²⁵ economy.



²⁴ This only applies to trash bags that are above 0.7 mil in thickness.

²⁵ Developing and manufacturing Target owned brand products, including taking steps to eliminate waste, keep products and materials in use longer, and decrease our dependency on natural resources.

Product and Packaging Design

Owned Brands Designed for Circularity: Circular and Material Innovation

We have designated Universal Thread (our denim-based clothing collection) and Everspring (our line of sustainably-focused household essentials) to be Target’s first owned brands designed for circularity²⁶ by 2025. We are making substantial progress on that quest, delivering sustainable solutions that guests crave without trade-offs on quality or affordability. As we do so, we are working to identify end-of-life pathways for each of these items through curbside collection or take-back offerings from Target.



Leading our owned brand apparel circularity²⁶ efforts, the Universal Thread team is focused on overcoming barriers across four key areas: raw materials; manufacturing and chemicals; design and construction; and innovations.

In 2023, we set a baseline for measuring our use of recycled cotton in all Universal Thread apparel items, and established KPIs across each category for increasing the use of this fiber in key fabrics. We also continued the rollout of digital product IDs in denim and woven products in partnership with **EON**, enabling guests to learn more about the manufacturing and sustainability elements associated with that product. In the future, this technology could facilitate resale and textile recycling.

Focus areas (across our Denim, Knits and Wovens product categories)

- Incorporating at least 20% recycled cotton in our denim assortment²⁷ by the end of 2025.
- Piloting the use of post-consumer recycled content to understand barriers to scale.
- Introducing biodegradable additives in select polyester assortments to mitigate impacts of microfiber fragmentation of synthetic materials in the environment.

We collaborated with **Accelerating Circularity** to show that used textiles can be recycled into new materials, launching a Universal Thread Earth Day collection in April 2024 featuring a t-shirt, camisole and denim skirt. This collection used either all-recycled cotton scraps from manufacturing or a combination of cotton scraps and post-consumer recycled cotton – becoming our first owned brand products to use recycled fibers from post-consumer garments and textiles.

We continue to focus on using safer chemicals, less water and designing garments for longevity and recyclability.



In 2023, Target made substantial progress in the circular²⁶ development of Everspring formulations, cleaning tools and packaging categories.

To drive guest adoption of circular behaviors, we have launched new product formats in the Everspring brand including laundry sheets, concentrated laundry detergents, and concentrated cleaners and soaps with durable bottles. These formats reduce packaging, shipped water and volume, and cut back on emissions and shipping costs.

Focus areas

- Reducing overall packaging, while increasing the recyclability of remaining packaging.
- Increasing the use of recycled materials in cleaning tool components and packaging.
- Expanding our assortment of liquid concentrates and liquid refill programs to reduce shipped water and single-use packaging.

Everspring now offers modular cleaning tools with replaceable brush heads, has formulations with 90%+ biobased content and has incorporated PCR into the following products and packaging:

- Hand soap bottle (100% PCR).
- Concentrated laundry detergent bottle (50% PCR).
- All plastic tool components (20% PCR).

²⁶ Developing and manufacturing Target owned brand products, including taking steps to eliminate waste, keep products and materials in use longer, and decrease our dependency on natural resources.

²⁷ Applicable to all new denim in production as of the beginning of FY25.



Waste Elimination and Reduction

Our strategy. As Target seeks to provide product options that both reduce waste and are affordable, we recognize the need to address the rising costs and environmental impacts of waste throughout our value chain. We take several steps to maximize diversion of waste from landfill and leverage waste audit insights to identify the most impactful diversion opportunities.

Our suppliers play an integral role in helping Target achieve our waste reduction goals. This effort begins during onboarding and continues throughout our engagement. We leverage a broad network of suppliers to optimize the reuse, recycling, donation and composting streams to continue to increase diversion capabilities on an annual basis.

See our [website](#) for more information.

Key highlights

As established by the Zero Waste International Alliance, zero waste involves the conservation of all resources by means of responsible production, consumption, and reuse and recovery of products, packaging and materials without burning and with no discharges to land, water or air that threaten the environment or human health. The threshold to be considered “zero waste,” which Target adheres to, is normally set at a minimum of 90% diversion rate.

In 2023, we worked to establish a zero-waste²⁹ culture that drives consistency and sustained execution of core recycling, reuse, donation and reduction practices and programs to further eliminate waste within our stores. This included encouraging team member engagement and launching a dedicated backroom space in all stores, referred to as Zero Waste²⁹

Zones, to serve as a home for all diversion programs. Store-level routines will continue to evolve as five pilot stores begin the [TRUE Zero Waste](#) certification process in 2024, to identify learnings that can further be scaled across the chain.

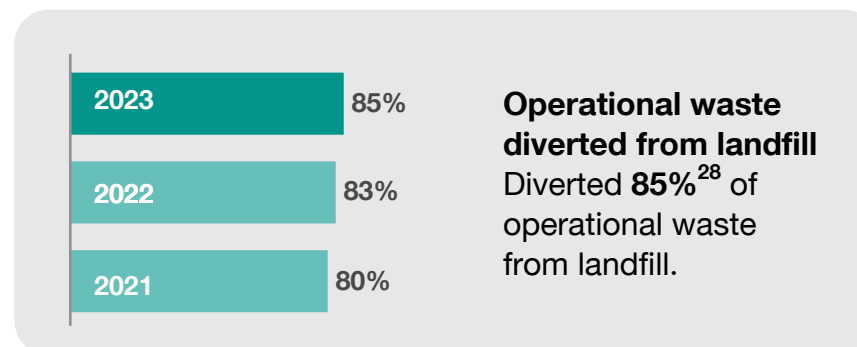
We also took several actions to reduce our operational waste footprint in specific areas. To inform continuous optimization and prioritization of future waste minimization efforts, we simplified, automated and enhanced metrics to drive visibility and internal engagement, and leveraged insights from data-driven waste audits.

As part of our efforts to reduce operational food waste and drive consistent operational execution, we revised metrics for our organics program to provide nearly real-time, store-by-store

visibility of weekly participation in our organics recycling program. As a result, store-level participation in organics recycling increased from an estimated 70% in 2022 to consistently above 90% on a weekly basis in 2023.

Additionally, we increased efforts for one-time events such as expanding diversion programs for materials, such as acrylic recycling, for our check-lane partitions that were removed following the COVID-19 pandemic. Our store cleaning services also switched from single-use products to multipurpose, concentrated options. We now use five fewer cleaning products, which saves money, simplifies training and reduces packaging. This includes reductions of 40% in cardboard waste, 68% in plastic and nearly 60% in total waste compared to the previous process.

Progress by the numbers



Operational waste diverted from landfill
Diverted **85%**²⁸ of operational waste from landfill.



- We **diverted 85%**²⁸ of operational waste from landfill, a 2% increase from 2022, resulting in **savings** from avoided landfill costs.
- We added **172 organics recycling or composting programs** across stores, headquarters and supply chain facilities, with these programs now **available at over 1,680 locations**²⁸ of our nearly 2,000 stores and 55 supply chain facilities in the U.S.
- We have maintained an approximate **51% decrease in food waste** against our 2017 baseline for two years in a row due to our store team members’ heightened focus on food waste, and **donating 154.8 million pounds** of food, which is equivalent to **113 million meals**.
- We **doubled** the annual non-donation eligible food waste tonnage processed via our organics recycling program vs. 2022.
- 2023 waste audits across a sampling of stores throughout the U.S. revealed significant **year-over-year improvements in team members diverting items through dedicated streams**, resulting in reductions in the volume of food waste, mixed recycling, cardboard and plastic film going into compactors and landfills compared to 2022.

Signature Goal
▶ By 2030, Target plans to achieve zero waste²⁹ to landfill in U.S. operations.

✓ By 2025, Target plans to reduce operational food waste by 50% across our stores, supply chain facilities and headquarters from a 2017 baseline year, which is in alignment with the Global Biodiversity Framework’s goal to halve food waste by 2030.

- ✓ Goal met, maintain
- ▶ On track
- ▶▶ Acceleration needed

View our Target Forward Progress Report to learn more >

²⁸ This data reflects our FY2023 dataset as of June 3, 2024. Due to vendor data reporting delays, the data is subject to change.

²⁹ The conservation of all resources by means of responsible production, consumption, reuse and recovery of products, packaging and materials without burning and with no discharges to land, water or air that threaten the environment or human health, as established by the Zero Waste International Alliance. The threshold to be considered “Zero Waste” is normally set at a minimum of 90% diversion rate.



Waste Elimination and Reduction

Key highlights continued

Our new Upper Marlboro, Maryland returns center is unlocking opportunities behind returns and salvaged items by redirecting overstock, clearance, guest returns and damaged merchandise for recycling, return to vendor and business-to-business and direct-to-consumer resale channels. This will help reduce how much damaged product ends up in landfills and could reveal new ways to reuse materials through new product circularity³⁰ initiatives.

To deliver on guests' desire for more sustainable products, we are laying the foundation for our own closed-loop textile system. We are collaborating with industry and supply chain partners to build our own capabilities around textile-to-textile recycling and using these fibers in our owned brands. In 2023, we followed this blueprint to re-spin factory scrap from a 2022 Cat & Jack program into new yarn for Wild Fable. This kept the scrap out of the landfill while keeping costs neutral.

Target is working to have 50% of owned brand apparel, footwear, home and hardlines suppliers by spend achieve zero manufacturing waste to landfill (ZMWL)³¹ by 2025. Our ZMWL program assists our Tier 1 suppliers in understanding the importance of setting goals to reduce waste going to landfill and improving waste management practices. This initiative also supports suppliers in identifying opportunities to reuse, recycle and reclaim waste materials for energy production. In 2023, 70% of our owned brand footwear suppliers by volume engaged in our ZMWL program, with participating suppliers actively working to decrease manufacturing waste destined for landfills.

We remain committed to fostering a zero-waste culture by delivering essential training, resources and tools on zero waste³¹ management to all suppliers as we expand the ZMWL program to encompass the rest of our owned brand apparel, home and hardlines suppliers. In early 2024, we launched a novel zero waste³¹ certification process in partnership with Underwriters Laboratory for five owned brand electronic suppliers exhibiting efficient waste management procedures and significant waste value. Through this endeavor, we aim to generate valuable insights that can be applied throughout the entire supply chain and across our industry.

70%

of our owned brand footwear suppliers by volume engaged in our zero manufacturing waste to landfill³¹ program



³⁰ Developing and manufacturing Target owned brand products, including taking steps to eliminate waste, keep products and materials in use longer, and decrease our dependency on natural resources.

³¹ The conservation of all resources by means of responsible production, consumption, reuse and recovery of products, packaging and materials without burning and with no discharges to land, water or air that threaten the environment or human health, as established by the Zero Waste International Alliance. The threshold to be considered "Zero Waste" is normally set at a minimum of 90% diversion rate.



Resource Use

In this section:

- [Environmental Impacts of Products](#)
- [Water Use and Management](#)
- [Chemicals](#)
- [Biodiversity](#)

To view our Resource Use data tables:

[Download the Appendix](#) 

Read more on our efforts and progress:

[Responsible Resource Use](#)
[Environmental Impacts of Products](#)
[2024 CDP Forests Response](#)

[Water Use and Management](#)
[2024 CDP Water Response](#)
[Chemicals](#)
[Chemicals Policy](#)

Environmental Impacts of Products

Our strategy. The products we make and curate account for more than 44% of our value chain emissions³², with a large part of this footprint driven by raw materials and packaging. This is why we are committed to minimizing the impacts of our products by increasing the use of environmentally preferred materials, taking steps to eliminate waste and implementing a responsible sourcing strategy. In doing so, we are also unlocking business value in several ways: by engaging a new generation of guests through a rapidly growing sustainable product market; bringing training and new production practices to suppliers and communities from which we source our materials; reducing our dependence on natural resources; and scaling availability of more sustainable raw materials.

See our [website](#) for more information.

Key highlights

We made progress in identifying where we have the largest gaps in owned brand adherence to Target's already established sustainability standards³⁶ across all 30+ merchandising divisions, which will help us prioritize and focus on where we can make the most overall impact. We also piloted an internal risk log process to help our teams document the barriers to efficiently identifying and addressing specific issues, such as technical, capability or capacity issues. This process will be rolled out to all areas in 2024.

Additionally, in early 2024, several of our wood product suppliers completed the required steps to implement [Forest Stewardship Council \(FSC\)](#) certification in their supply chains, enabling these products to conform to our Forest Products Policy this coming year.

This will contribute a 5% increase in progress toward Forest Products Policy³⁷ compliance, building on our work to date.

Through redevelopment and negotiation efforts led by our sourcing and development teams, we were able to significantly increase the amount of recycled polyester (rPET) used to manufacture our assorted home products from 21% rPET in March 2023 to 90% rPET in early 2024 with little to no added cost to implement. This has decreased the amount of raw material needed to produce relevant owned brand products.

Also in 2023, we continued working to define and establish criteria for “recycled,” “regenerative”³⁸ and “sustainably sourced” as it relates to the leading raw materials used in our owned brand products as part of advancing our 2030 raw material goal.

This work will guide potential adoption of new standards and certifications in the coming years. We also completed important foundational work with our merchandising divisions and business functions in support of our 2030 goal to become the market leader for creating and curating inclusive, sustainable brands³⁹ and experiences.

Across our design and sourcing functions, we continue to train team members on our policies and commitments, and equip them to work with our suppliers to bring those policies and commitments to life. We completed a refresh of our internal portal that houses our policies, commitments and strategies, and created a new internal owned brand sustainability channel, which already has nearly 1,900 team members sharing ideas, challenges, questions and updates on their work.

Progress by the numbers

Supplier factories that have completed Higg Facility Environmental Module (FEM) self-assessment (or equivalent)



- We achieved a **75% improvement** in material awareness within owned brand merchandising systems and applications across all categories, enabling us to better monitor our raw material commitment progress throughout the year at a product, brand and vendor level.
- We **increased the amount of recycled cotton** in our owned brand products from 1,131 metric tons in 2022 to 1,785 metric tons in 2023. Additionally, **97% of the palm oil sourced** for our owned brand Food and Beverage, Essential and Beauty, and candles products was certified through [Roundtable on Sustainable Palm Oil \(RSPO\)](#) supply chains (mass balance³³, segregated³⁴ and identity preserved³⁵).
- Target **was one of nine companies awarded a Top Scorer designation** in the [2023 Wood Furniture Scorecard](#), a joint initiative by [The Sustainable Furnishings Council \(SFC\)](#) and the [National Wildlife Federation \(NWF\)](#) that assesses North American furniture retailers on their wood sourcing policies.

³² This excludes the use of sold products, which account for 28% of our scope 3 emissions.

³³ Sustainable palm oil from certified sources is mixed with non-certified palm oil throughout supply chain.

³⁴ Sustainable palm oil from different certified sources is kept separate from non-certified palm oil throughout supply chain.

³⁵ Sustainable palm oil from a single identifiable certified source is kept separate from non-certified palm oil throughout supply chain.

³⁶ Target's sustainability standards can be found on our [website](#).

³⁷ As of FY2023, we extended our reporting on progress towards our Forest Products Policy to all owned brands. In prior years, we had been only reporting on progress with a limited set of brands, and this data can be viewed in past reports.

³⁸ Operating the business in a way that does not just stop harming the environment but helps restore and regrow natural systems. For example, regenerative agriculture is a rehabilitation approach to farming systems that focuses on topsoil regeneration, increasing biodiversity and improving the water cycle.

³⁹ Industry-leading products or services that have context-specific environmental and/or socially beneficial features, backed by credible standards or impact metrics.

Signature Goals

- ▶▶ By 2025, Target plans for 100% of our owned brands, in addition to our owned brand limited-edition and brand partnerships, to adhere to Target's already established sustainability standards.³⁶
- ▶ By 2030, Target aims to be the market leader for creating and curating inclusive, sustainable brands³⁹ and experiences.

Milestone Goal

- ▶ By 2030, Target intends for the leading raw materials (e.g., forest products, cotton and more) that go into our owned brand products to be 100% recycled, regenerative³⁸ or sustainably sourced.

- ▶ Target is committed to sourcing cotton more sustainably for our owned brand and exclusive national brand products by participating in programs designed to improve cotton growing practices and working conditions.

- ✓ Goal met, maintain
- ▶ On track
- ▶▶ Acceleration needed

[View our Target Forward Progress Report to learn more >](#)



Water Use and Management

Our strategy. Target’s dependence on freshwater ecosystems spans our value chain and the communities in which we operate and live. We follow the freshwater principles we established in 2018, which include improving water quality, optimizing water efficiency and increasing access to clean water; and we leverage a high-level water impact assessment to inform our actions and next steps. We also annually track the relative water stress of our stores, supply chain facilities and headquarter offices through [World Resource Institute’s \(WRI\) Water Risk Aqueduct](#).

In our direct operations, we are taking action to reduce water scarcity, improve water quality outcomes and manage stormwater flows. Within our supply chain, which makes up to 99% of Target’s overall water use, we are prioritizing projects at the raw material, factory and product levels within Food and Beverage, Essentials and Beauty, Home, and Apparel and Accessories. We also work beyond our value chain to encourage progress through cross-sector partnerships, team member engagement, philanthropic investments and more.

See our [website](#) and [2024 CDP Water Response](#) for more information.

Progress by the numbers

- We responded to stormwater water quality risk at approximately **800 self-maintained store locations** and **40+ supply chain facilities**, and aim to regularly improve our infrastructure and its maintenance.
- In 2023, we found that more than **810 stores, supply chain facilities and headquarter office locations** fall under WRI’s definition of High or Extremely High Baseline Water Stress. See our [2024 CDP Water Response](#) for additional information on our water management approach.
- We saved an estimated **86 billion liters** of water through our participation in [Better Cotton](#), which is one example of a program we support that is focused on improving and promoting responsible water use in agriculture.
- By making cost-neutral wash adjustments for garments within our owned brand apparel and accessories category, we saved an estimated **1.8 billion liters** of water this year.

Key highlights

Operations: Partnerships in our local communities can be an important and effective way to manage water and other environmental impacts and co-create tailored solutions. For example, we are partnering with the Philadelphia Water Department through its *Green City, Clean Waters* plan to retain and treat runoff onsite at our store to relieve the public stormwater system and improve the health of local waterways. Additionally, at Target’s Woodbury, Minnesota store, we are partnering with Ramsey Washington Metro Watershed District (RWMWD) to install rain gardens to help treat stormwater runoff before it leaves our property.

Supply chain - raw materials: We recognize that our agricultural practices must promote responsible water use and stewardship, including soil health, which is why we continue to invest in programs like Better Cotton as well as through our work with the [Nebraska Soil Carbon Project](#) and [our collaboration](#) with [MBOLD](#), [The Nature Conservancy](#) and Hormel Foods. See [Biodiversity](#) for more information.

Supply chain - factory level: We continued to partner with [Zero Discharge of Hazardous Chemicals \(ZDHC\)](#) to set and apply standards⁴⁰ for factory wastewater discharge and to reduce the presence of harmful chemicals in the manufacturing process of owned brand textiles. To learn more about this work and our 2023 progress, please visit [Chemicals](#).

Supply chain - product level: As of the end of 2023, we offer nearly 50 products under our [Target Zero](#) “Waterless or Concentrated” category, which

aims to expand the availability of products that are less water intensive to our guests while providing information to help them make informed product decisions. The majority of our “Waterless” products are in our Essentials and Beauty category, which was deemed a high-water impact area in our latest water hotspotting analysis. [Learn more](#) more about how we are innovating to conserve resources.

Beyond our value chain: Target also supports water-related investments that are outside of our immediate operations, both domestically and abroad, but within the realm of our impact and influence. As California remains one of the most water-stressed regions for our direct operations and domestic supply chain, we continued and expanded our focus in the state.

We renewed our membership with the [California Water Action Collaborative \(CWAC\)](#) to support capacity building, education and development of projects that enable collective action on water resilience in California. In 2023, members agreed to an enhanced engagement goal in which 75% of participating organizations will contribute to at least one water project each year through in-kind or financial support.

We also joined a new initiative launched by [CEO Water Mandate’s Water Resilience Coalition](#), [Pacific Institute](#), Ecolab and General Mills called the [California Water Resilience Initiative \(CWRI\)](#). CWRI is a private sector-led initiative to accelerate collaborative action between private, public and nonprofit sectors to achieve a just and equitable transition to a water-resilient future for California.

⁴⁰ The ZDHC wastewater standards are in two parts: conventional requirements and ZDHC MRSL. The conventional parameters relate to metrics that tie to basic water quality, such as acidity and the amount of oxygen available in the water (key to support aquatic life). The conventional parameters include three levels: foundational, progressive and aspirational. At least 63% of our facilities meet the foundational requirements and at least 48% meet the progressive standard.



Chemicals

Our strategy. Target works to drive transparency, proactive chemical management and innovation across our owned and national brand consumer products and operations, with approaches varying by product category or part of our business.

In 2017, Target launched our comprehensive Chemicals Policy for the owned and national brand products we sell, as well as those used in our operations, such as cleaning supplies. Additionally, we built the Target Priority Chemical List (TPCL) into business processes to facilitate the design of products that are better for our guests and their families. We encourage supply chain partners⁴¹ to disclose the ingredients and substances used within their products to consumers and we support those who are actively going above and beyond current transparency regulations.

See our [website](#) for more information.

Progress by the numbers

- The [Target Clean](#) program is designed to help guests find products made without select chemicals of concern in Beauty, Personal Care, Baby, Household Essentials, Health Care and Pets. As of year-end 2023, we **increased the number of products in Target Clean by approximately 10% year over year**, to a total of around **5,000 individual items**.
- Since 2017, Target has invested in **four new green chemistry research and innovation projects**.

Key highlights

Measuring progress: Target completed the 2023 [Chemical Footprint Project](#) survey to establish metrics, track progress and drive transparency. This annual survey also helps us to identify potential hazards and understand where we should focus efforts to drive safer chemical use or seek alternatives.

Textiles: Target plans to comply with the Zero Discharge of Hazardous Chemicals' (ZDHC) progressive level wastewater standard⁴², in regards to all owned brand apparel textile factories, by 2025. To accelerate progress toward our goal, we are building our capabilities, including by engaging a trainer to enhance our expertise.

Dimethylformamide (DMFa), which is used in the production of coated materials, such as in the lamination process of faux leather, can be harmful to worker health. In alignment with our commitment to Zero Discharge of Hazardous Chemicals (ZDHC)⁴², we have established processes to help us design out the use of DMFa for all our owned brand handbags starting in 2025.

Potassium permanganate (PP), commonly used in denim to create a white-wash effect, can pose health risks to workers, especially when used in spray form. We are working to eliminate the use of PP for all owned brand products by 2025. More than 90% of new and carry-forward in-scope products developed for 2024 are PP-free.

Cookware: We continued to make progress on our goal to remove intentionally added perfluorinated alkyl substances (PFAS) from owned brand products by 2025. Building on our past work in textiles, by fall 2024, we will remove intentionally added PFAS for all owned brand non-stick cookware.

Industry engagement: Target is a member of the group [Change Chemistry](#), which consists of organizations across the supply chain working together to advance commercialization, adoption and scale of sustainable chemistry. Members include chemical companies, manufacturers and retailers. In 2023, we partnered with [Change Chemistry's Retail Leadership Council](#) and its members to develop the Holistic Product Considerations for Alternatives Assessment to help retail companies take into account various factors, such as water, traceability and human health, when searching for safer chemical alternatives.

Green chemistry innovation: In 2023, we initiated Green Chemistry Innovation projects with [John Warner's Technology Greenhouse](#). We are partnering with suppliers to test and implement these solutions at commercial scale to improve Target products.

Recognition: Target continues to be recognized for our contributions to the field, with key 2023 highlights including:

- [Impact Award](#) (Change Chemistry)
- [Sustainability Award Winner](#) (Solenis)

▶ By 2025, Target intends to remove intentionally added perfluorinated alkyl substances (PFAS) from owned brand products, including but not limited to textiles, formulated products, cosmetics, beauty and cookware items.

- ✓ Goal met, maintain
- ▶ On track
- ▶▶ Acceleration needed

⁴¹ Given our role as a retailer and that we source all materials used in our owned brand products from third-party suppliers, Target does not manufacture any chemicals.

⁴² The ZDHC wastewater standards are in two parts: conventional requirements and ZDHC MRS. The conventional parameters relate to metrics that tie to basic water quality, such as acidity and the amount of oxygen available in the water (key to support aquatic life). The conventional parameters include three levels: foundational, progressive and aspirational. At least 63% of our facilities meet the foundational requirements and at least 48% meet the progressive standard.



Biodiversity

Our strategy. We are refining our strategy and embarking on related initiatives and partnerships, with a focus on the [five major drivers of nature loss](#)⁴³ — climate change, pollution, invasive alien species, direct exploitation of resources and negative land/freshwater/and ocean use-related change.

We also have [commodity-based goals](#) that place sustainable practices at the forefront of the way we operate, as well as policies that encourage biodiversity-friendly means of operating and promote the preservation of our freshwater and oceanic forms of biodiversity. The products that we design, produce and purchase also have a role to play in protecting biodiversity, which is why Target is working with a variety of partners on initiatives to help enhance [circularity](#).⁴⁴ We also recognize the critical interconnections between climate and nature, and continue to invest in regenerative⁴⁵ agriculture and explore the best ways to integrate nature-based solutions into our strategy, actions and partnerships.

See our [website](#) for more information.

Progress by the numbers

- To advance climate-smart agriculture and improve soil health, Target supports the [U.S. Cotton Trust Protocol’s Climate Smart Commodities Project](#). In 2023, this project enrolled nearly **795 farms** in the program, spanning approximately **430,000 acres**.
- We saved an estimated **86 billion liters** of water through our participation in Better Cotton. See [Water Use and Management](#) for more details.
- In 2023, **97% of the palm oil sourced** for our owned brand Food and Beverage, Essential and Beauty, and candles products was certified through Roundtable on Sustainable Palm Oil (RSPO) supply chains (mass balance⁴⁶, segregated⁴⁷ and identity preserved⁴⁸). See [Environmental Impacts of Products](#) for more information.

▶ By 2025, Target intends to leverage soil health practices to improve at least 1 million acres of land.

- ✓ Goal met, maintain
- ▶ On track
- ▶▶ Acceleration needed

Key highlights

We continue to invest in regenerative⁴⁵ agriculture and explore the best ways to integrate nature-based solutions into our strategy and action matrix. Because of the importance of soil carbon, Target is engaged alongside other major companies in the Nebraska Soil Carbon Project, a five-year, \$8.5 million initiative to support Nebraska farmers in advancing soil health techniques. Target is also collaborating with MBOLD, The Nature Conservancy and Hormel Foods on a \$1.7 million project to encourage Minnesota farmers to adopt regenerative⁴⁵ farming practices. A complete list of our biodiversity-related partners can be found on our [website](#).

As part of our efforts to leverage soil health to improve at least 1 million acres of land, we are working to solidify our approach to measuring impacts and plan to report on our progress in the future.

In 2023, we updated our [Palm Oil Commitment](#) to include a goal to have 100% of our palm oil supply be covered under no deforestation and no peatland development (NDPE) principles by the end of 2025. We expect this will have a large impact on our biodiversity footprint within our product offerings related to palm oil.

⁴³ Biodiversity loss is considered a subset of nature loss.

⁴⁴ Developing and manufacturing Target owned brand products, including taking steps to eliminate waste, keep products and materials in use longer, and decrease our dependency on natural resources.

⁴⁵ Operating the business in a way that does not just stop harming the environment but helps restore and regrow natural systems. For example, regenerative agriculture is a rehabilitation approach to farming systems that focuses on topsoil regeneration, increasing biodiversity and improving the water cycle.

⁴⁶ Sustainable palm oil from certified sources is mixed with non-certified palm oil throughout supply chain.

⁴⁷ Sustainable palm oil from different certified sources is kept separate from non-certified palm oil throughout supply chain.

⁴⁸ Sustainable palm oil from a single identifiable certified source is kept separate from non-certified palm oil throughout supply chain.



Supporting Our Team Members

In this section:

- [Human Capital Management](#)
- [Compensation, Benefits and Well-Being](#)
- [Workplace Health and Safety](#)
- [Talent and Development](#)
- [Diversity, Equity and Inclusion](#)

To view our Supporting Our Team Members data tables:

[Download the Appendix](#)

Read more on our efforts and progress:

[Our Team](#)

[Human Capital Management](#)

[Workplace Health & Safety](#)

[Diversity, Equity & Inclusion](#)

[Team Members & Guests](#)

[Racial Equity Action and Change](#)

[Target's 2023 Workforce Diversity Report](#)

[EEO-1 Report](#)



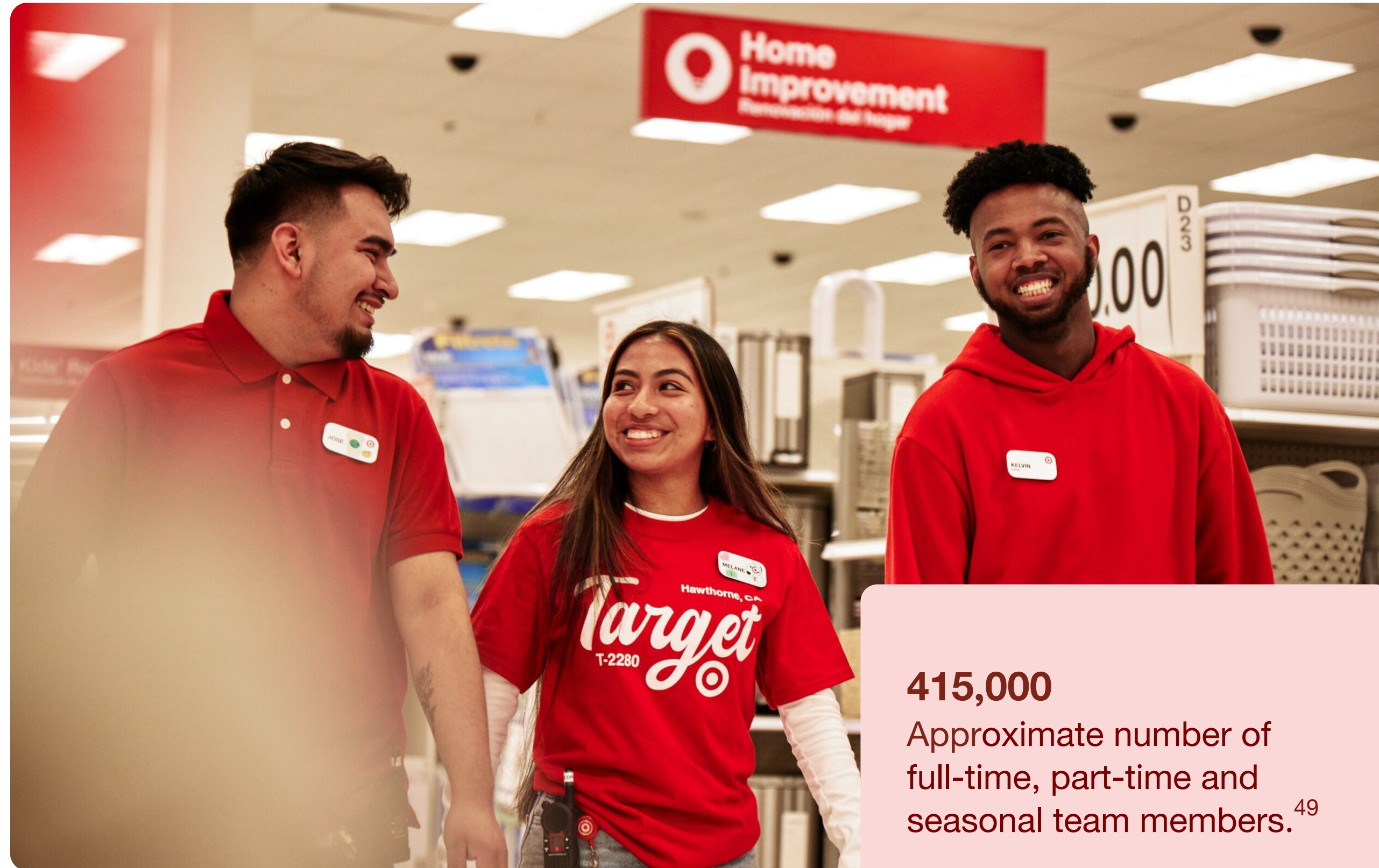
Human Capital Management

Our strategy. We are stronger thanks to our team members’ talent, energy, resilience and commitment to delivering on our purpose — which is helping all families discover the joy of everyday life. Offering a rewarding experience for our team members helps us attract and retain top talent, and keep team members engaged so they can meet guests’ needs.

Our team members are at the center of our culture, strategy and success, and help us meet the evolving needs of our guests and business. We invest in our team members by giving them opportunities to grow professionally and take care of themselves, each other and their families. We are committed to fostering an engaged, diverse and purpose-driven culture for our team members — thus extending them the same joy we aim to provide for our guests.

Target is also committed to fair labor practices that work for and support all team members. By executing our human capital management strategy, we aim to support a culture where team members have equitable opportunities for growth and advancement. Our Board of Directors also plays a role in overseeing human capital management matters.

See our [website](#) for more information.



415,000
Approximate number of full-time, part-time and seasonal team members.⁴⁹

⁴⁹ As of February 3 2024, we employed approximately 415,000 full-time, part-time and seasonal team members.



Compensation, Benefits and Well-Being

Our strategy. Our pay and benefits are fair, equitable and competitive. We believe all team members should be paid equitably — regardless of gender, race, ethnicity or other characteristics. Supporting team members in caring for themselves and their families makes it easier for them to bring their full selves to work.

To support equity, we train recruiters and leaders, and provide tools to reduce the risk of bias influencing decisions about starting salaries and annual pay increases. We also prohibit questions about prior salary in most hiring situations, inform each team member of their pay range and regularly conduct pay audits. Plus, we offer all our part-time, full-time and salaried team members competitive benefits packages. This is in addition to our starting wage range of \$15.00 to \$24.00 for U.S. team members that competitively position Target as a wage leader in every market where we operate.

See our [website](#) for more information.

Key highlights

Physical health: In 2023, we introduced a comprehensive non-exempt⁵¹ paid sick plan providing coverage to many who were not already covered by legislated sick plans, which extended paid sick time to an additional 48% of our U.S. non-exempt⁵¹ workforce. All team members have access to a robust well-being platform, offering education and support on topics from nutrition to physical activity and meditation to sleep support. We also offer free virtual healthcare to all team members and medically enrolled dependents, giving quick and easy access to a doctor anytime 24/7.

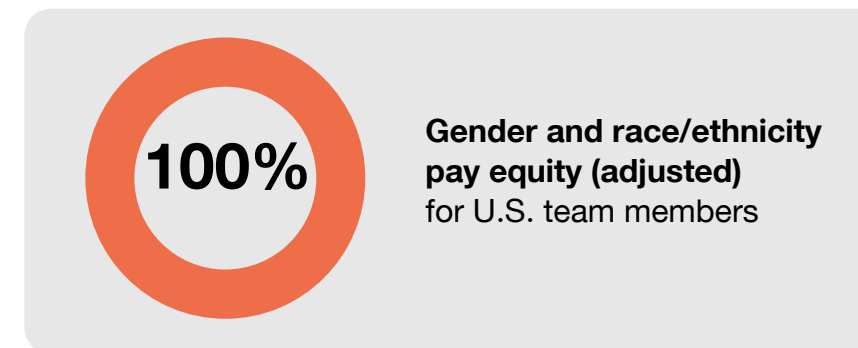
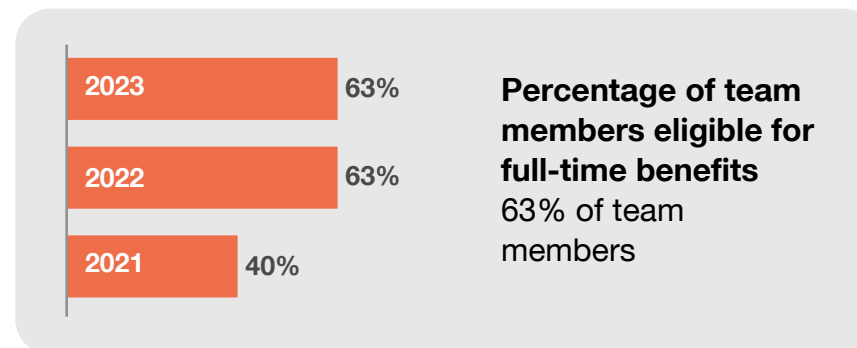
Mental health: Our multi-year mental health strategy has informed investments in our team in 2024, with a new mental health provider giving our team members access to a full spectrum of mental health care. Throughout 2023, we laid the groundwork to launch our new provider in April 2024, giving all team members, and everyone in their households, free and unlimited access to mental health guidance, more coaching and therapy sessions, and more robust leader and HR support.

Financial well-being: We are passionate about supporting our team members' short and long-term financial well-being, and one of our signature

benefits supports both health and financial well-being. Our 10% Team Member Discount stacks with our Wellness Discount — giving an additional 20% off of fresh and frozen fruits, veggies and many wellness purchases. In 2023, our team members saved \$12.7 million through the wellness discount alone.

Education: In 2023, we further [enhanced our Dream to Be benefit](#), which includes over 250 tuition-free programs across more than 40 colleges and universities, including historically Black colleges and universities. Enhancements have included earning college credit for certain Target training programs and the expansion of language learning options.

Progress by the numbers



- Our pay equity analysis showed that, domestically, **women were paid 100% of the pay for men, and 100% pay equity was achieved for U.S. team members who are Black, Indigenous and People of Color (BIPOC).** We also analyzed median pay. Our median pay analyses were unadjusted, meaning they did not take into account whether the team members being compared are in the same or similar role, location or are otherwise comparable. While the numbers will fluctuate, globally, **women are paid 98%** of the median pay for men. We aim to maintain a small range within ~100%. We are also on track to include pay information on 100% of U.S. job postings.
- The number of **team members enrolled in tuition-free education assistance nearly doubled** from 7,060 in 2022 to 15,350 in 2023. Two years into our **Dream to Be** education assistance benefit, **turnover was more than 70% lower** and the rate of **promotions was 3x higher** among hourly team members enrolled in these programs.⁵⁰

Signature Goal

- ▶ Target aims to create equity through benefit access and affordability to enhance total well-being.

Milestone Goal

- ▶ Target aims to empower team members to create the employment experience of their choice through personalized scheduling.

- ✓ Goal met, maintain
- ▶ On track
- ▶▶ Acceleration needed

[View our Target Forward Progress Report to learn more >](#)

⁵⁰ Metrics acquired through an 18-month study conducted by our Dream to Be educational partner [Guild](#).

⁵¹ Target's definition of non-exempt team members refers to those paid hourly and not exempt from being paid overtime if they work more than 40 hours per week. Exempt team members are salaried and exempt from overtime.



Workplace Health and Safety

Our strategy. In support of our commitment to keeping our team and guests safe, Target prioritizes the prevention of guest and team member incidents, injuries and illnesses. We comply with all applicable workplace safety laws, regulations, standards and guidelines.

To meet our commitment, we treat the health and safety of team members, guests, communities and all those we support as paramount.

Team members must act ethically and responsibly to help maintain an environment that is safe to shop and work. Our Safety Policy establishes the requirements for all Target team members to execute safety programs designed to eliminate or reduce hazards.

Target’s Safety Policy requires, without retaliation, reporting of all incidents, injuries and near misses. We train and empower team members and leaders to promptly address reported hazards and provide corrective measures. Target expects all team members to stop any unsafe action or condition that presents an imminent danger or risk, and that situations be assessed and addressed before resuming work.

See our [website](#) for more information.

Key highlights

In 2023, we continued our progress through frequent assessment and updates to our safety programs, standards, training, design and processes. Our focus was and continues to be on prevention strategies to reduce injuries and illnesses.

We also established a process for reviewing and updating standards to align with unique risks and regulatory changes. We regularly monitor federal, state and local laws impacting safety. While our programs typically go above and beyond compliance requirements within new legislation, we seek to align to the intent of the law-building programs that keep our guests and team members safe. In 2023, we reviewed multiple programs, including but not limited to those aimed at preventing workplace violence, mitigating heat-related health and safety risks, and improving ergonomics. We have improved controls across areas of our impacted businesses, enabling Target to continue to provide a safe environment for our guests and team members.

We believe that an improved environment and effective training both can help address common injuries among our team members. Since strains and sprains are among the top-recorded injury types experienced by our team members, we have increased our investment in controls within ergonomics. This includes vendor partnerships focused on ergonomic analysis, improved design guidelines, along with other efforts.





Talent and Development

Our strategy. A career journey at Target is about working somewhere you love, where you’ll grow and shine. Our learning approach is inspired by our culture – with our team at the center – as we embrace a broad spectrum of voices and relevant experiences that support the unique development needs of our many team members.

Advancing career development among team members serves as a vehicle for navigating business transformation, building critical team member and leader skills, enabling a safe and ethical workplace, and advancing goals and cultural values.

Our career development work is centered on three key areas:

- Accelerating the advancement and mobility of our team members in service of helping them achieve their career aspirations and creating economic vitality.
- Leveraging insights to amplify unique and relevant upskilling/reskilling programs and experiences across all areas of the business.
- Understanding the skills of our team and the skills needed to succeed in roles at Target.

See our [website](#) for more information.

Progress by the numbers

- **65%⁵² of team members** received training, excluding onboarding and compliance.
- In 2023, team members completed **266,720 leadership training hours**.
- **100%** of Store Director Development Program participants in 2023 who responded to our survey indicated that they are **excited about their ability to grow their career with Target** and **92%** indicated that the program **helped them improve their performance**.

Our Prepare for Next career advancement experience has **supported the development of:**

- **2,800 global supply chain and logistics and food supply chain team members.**
- **9,000 store team leaders**, notably increasing 2023 internal promotion rates by **15%** (from non-exempt to exempt⁵³) and decreasing turnover of participants by **16%** compared to 2022.

Key highlights

Skills-based learning: Consistent with our commitment to growth for all, we’ve designed and curated a wide range of learning resources to help team members build skills, develop themselves and their teams, and advance their career goals. To start, we completed a skills analysis to understand the skills and experiences team members need to perform jobs successfully. This skills taxonomy set the foundation for intentional learning, development and career programs that met the needs of our team members and our business. As a result, we established a portfolio of ways our team members can grow and develop within the organization.

To remove barriers to skill-based learning, we unveiled our Learning Hub in 2023 to help team members invest in their growth and development while navigating their career journeys. We’ve intentionally curated learning content focused on key skill needs across our organization, providing even more ways for our team members to invest in their growth and development.

Skills-based career growth: To support skills-based career growth, we leveraged our Career Hub to provide several ways for field exempt⁵³ team members and team members at headquarters to gain new skills and experiences, and to create additional access and visibility to career opportunities. Given early success, we will be expanding access to this resource to field non-exempt⁵³ team members later this year.

Establishing career pathways: We also made progress in establishing career pathways for Dream to Be participants by providing career development support and inviting eligible team members to apply for exempt⁵³ roles.

Leadership development: We dedicated substantial resources to expanding the growth of both frontline and senior leaders, emphasizing the cultivation of essential skills, mindsets and behaviors pivotal for enhancing performance and influencing organizational culture. This included launching Prepare for Next, a career advancement experience designed for frontline team members and leaders interested in growing their leadership skills and taking steps toward career progression.

We also introduced our Store Director Development Program to fuel engagement and the resilience of our largest and most critical leadership population. Through this highly customized development experience, we aim to strengthen leadership capabilities and drive peer connection. We piloted the program with 220 store directors by focusing on driving leadership growth, performance and engagement, and are already seeing positive outcomes. Participating store directors reported feeling less stressed and more engaged, connected and equipped to lead in today’s environment. In 2024, we plan to scale and launch the program to 800 store directors with continued expansion planned for 2025.

Additionally, we created on-demand resources to scale and seamlessly facilitate learning within workflows. Our implementation of in-role development programs and immersions has enabled our leaders to bring our culture to life.

⁵² In FY2023, we recalibrated how we characterized our training courses. With these changes, we characterized more courses under onboarding and compliance than we had previously, leading to the reported decline in percentage of team members receiving training excluding onboarding and compliance in FY2023.

⁵³ Target’s definition of non-exempt team members refers to those paid hourly and not exempt from being paid overtime if they work more than 40 hours per week. Exempt team members are salaried and exempt from overtime.



Diversity, Equity and Inclusion

Our strategy. Caring for our team, guests and communities has always been at the heart of Target’s business. Today, that commitment is reflected in our community impact and equity efforts, fueled by a rich history of community engagement and a longstanding diversity, equity and inclusion strategy that drives profitable business growth.

At Target, our business thrives when we create experiences that foster a sense of belonging for our team members, guests and communities. Belonging is at the core of our diversity, equity and inclusion strategy, which has helped our business grow for decades.

We guide our progress through a team that represents the guests we serve, a working environment where every team member has equitable access to opportunity, a joyful and differentiated shopping experience that meets the evolving needs of our guests and a focus on [supporting thriving and vital communities](#).

Our team members are at the heart of everything we do at Target. We recruit and retain team members who represent the communities we serve and aim to create a workplace where all feel a sense of belonging, can build meaningful careers and have equitable access to opportunity. Our commitment to an equitable experience for our team has made Target a destination for great talent.

See our [website](#), [Workforce Diversity Report](#) and [2024 Proxy Statement](#) for more information.

Progress by the numbers

- As of the end of FY2023, **33% of our Board members** were female and **33%** self-identified as racially or ethnically diverse.
- In our global workforce, **56%** of hourly team members, **51%** of exempt⁵⁴ team members and **50%** of leadership team members are female.

Signature Goal

▶ Target aims to drive equitable opportunities for advancement and engagement by continuing to be a leader in diversity, equity, inclusion and belonging.

- ✓ Goal met, maintain
- ▶ On track
- ▶▶ Acceleration needed

[View our Target Forward Progress Report to learn more >](#)

Key highlights

Target named Kiera Fernandez to the role of Executive Vice President and Chief Community Impact and Equity Officer, and President of the Target Foundation. In this role, she leads teams responsible for the company’s external stakeholder engagement; community and philanthropic efforts, including the Target Foundation; and advancing Target’s enterprise-wide diversity, equity and inclusion strategy.

In 2023, Target focused efforts on elevating equity and clearly defining what it means to create a sense of belonging for all team members.

At Target, belonging means our team members feel safe, connected to their peers and leaders, accepted as unique individuals and aligned to Target’s culture and purpose through their work. This drives our business and further establishes Target’s leader position as a top talent destination.

Target creates intentional learning experiences for our team to foster an inclusive working environment, including offering company-wide training on equity, programming led by our employee resource groups, investment in external learning resources and more.

To help our many communities and stakeholders reach their full potential, Target has established relationships with a variety of student and professional organizations. Target also builds partnerships with a range of organizations supporting equitable economic opportunity, helping reduce disparities and enabling the communities where we live and work to thrive.

⁵⁴ Exempt team members are salaried and exempt from overtime.



Serving and Strengthening Communities

In this section:

- [Community Impact](#)
- [Access to Products and Services](#)

To view our Serving and Strengthening Communities data tables:

[Download the Appendix](#) 

Read more on our efforts and progress:

[Serving and Strengthening Communities](#)

[Volunteerism](#)

[Disaster Preparedness & Response](#)

[Grants & Corporate Giving](#)

[Target Foundation](#)

[Team Members & Guests](#)

[Our Design Approach](#)



Community Impact

Our strategy. The guests and communities Target serves are integral to the success of our business. Target continues to work across the business to advance solutions that address community needs and drive meaningful and positive impact. Through Target’s corporate philanthropy and volunteerism, and the Target Foundation, and by integrating business assets to meet the needs of our communities, Target aims to be present in ways that help all families discover the joy of everyday life. Identified by listening to communities and aligned with Target's assets and capabilities, Target’s community impact primarily focuses on economic opportunity, community development and environmental sustainability. These focus areas help drive long-term impact, strengthen Target’s relationship with local communities and support team member engagement.

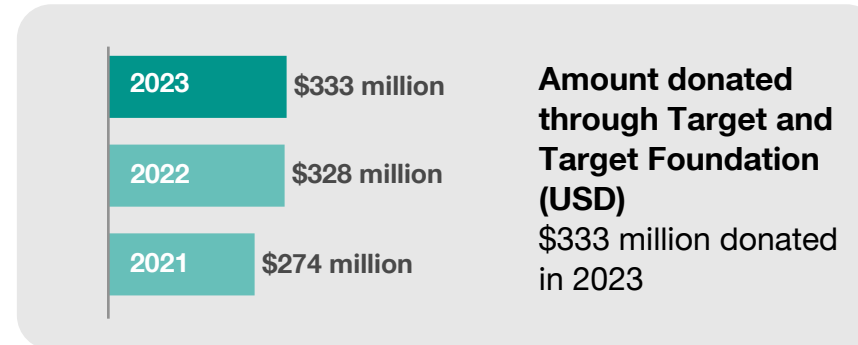
See our [website](#) for more information.

Key highlights

Volunteerism: Target team members volunteer year-round, but during Target's annual Community Month, giving back to community is an enterprise focus. Team members participate through giving, volunteerism and civic engagement including donating to causes they care about. Team members can also contribute to Target's Team Member Giving Fund, which supports team members facing personal financial hardship due to unforeseen circumstances. Target matches that amount.

Target continued to support the vitality of small businesses across the country through our pro bono consulting program. Clients reported long-term positive impacts to their business including monthly revenue increases, new clients and access to new opportunities. Target team members support a variety of other nonprofits that serve a wide range of communities.

Progress by the numbers



More than 1 million
volunteer hours contributed to charitable causes.

- Team members contributed **more than 1 million volunteer hours** to charitable causes, the eighth time in Target history that we’ve reached this milestone and the first time since before the COVID-19 pandemic.
- Target and Target Foundation donated⁵⁵ more than **\$333 million** in 2023, of which more than **\$183 million** benefited underrepresented communities⁵⁶ in the U.S., more than **\$322 million** supported organizations and programs with local community impact, and more than **\$4 million** funded disaster preparedness and response.
- Engaged **4.1 million guests** in guest-directed giving through Target Circle, distributing **1,480 grants** valued at more than **\$6.7 million**.
- In the four years we have been operating our pro bono consulting program, we have supported more than **150 small business owners**, engaged more than **790 team member volunteers** and provided more than **46,000 hours of consulting services** valued at **nearly \$9 million**.

This includes ongoing support of [Comunidades Latinas Unidas en Servicio \(CLUES\)](#), through which team members volunteer for moments of celebration like CLUES’ annual Fiesta Latina and Al Niño con Cariño events, delivering joy to local Latino families. CLUES is also a philanthropic partner of Target Foundation.

Economic opportunity: For the third year in a row, Target supported [Target Scholars](#) with scholarships and wrap-around support services. Target is also a presenting sponsor of the [UNCF 80th anniversary celebration](#) throughout 2024.

Community development: The Loop neighborhood is the heart of Chicago, where Target's iconic State Street store serves as anchor to local businesses, restaurants and attractions. As a central part of Chicago’s downtown

community, Target is a primary supporting sponsor of [Sundays on State](#), a program created by the [Chicago Loop Alliance](#). On two summer Sundays, State Street closes to vehicular traffic, inviting people and vendors from across Chicago to join with local businesses for a free, interactive block party. Sundays on State is one way that Target is supporting the revitalization and resilience of Chicago's post-pandemic downtown, uniting the local community and creating joy.

Environmental sustainability: In Oakland, Target supported [Planting Justice's](#) Food Sovereignty Youth Leadership Program for teenagers and young adults most at risk for experiencing violence and incarceration. Through this group, each year, about 2,500 participants work to transform underused school and community spaces into edible gardens, and receive educational programming on food justice and other topics.

Signature Goal

▶ By 2030, engage and elevate community voices as we seek to build and implement community-driven solutions.

- ✓ Goal met, maintain
- ▶ On track
- ▶▶ Acceleration needed

[View our Target Forward Progress Report to learn more >](#)

⁵⁵ Metrics include cash and in-kind donations. Donation subtotals overlap and are not mutually exclusive.
⁵⁶ Black communities, Indigenous communities and other communities of color.



Community Impact

Tending to Market-Specific Needs: Our Engagements in Dallas, Texas

Every community where there is a Target store is someone's hometown, whether that be our teams, our guests or the broader community. As a result, and in alignment with Target Forward and our enterprise growth strategy, Target holistically invests in communities with resources, assets and capabilities from philanthropy to volunteerism to community actions that meet specific local needs.

By engaging with nonprofit organizations, and listening to our local team members and stakeholders, Target identifies where, how and in what way we can partner and co-create with the local community.

In 2023, one of the many cities where we took bold strides through new, long-term investments is Dallas, Texas.

Target operates approximately 60 stores, supply chain facilities and office locations in the Dallas area with more than 11,000 team members in the region. Target's collective support of the community reached beyond our stores to include:

- Donations to more than 430 local nonprofits.
- More than 19,500 volunteer hours donated by team members with more than 300 nonprofit partners.
- Nearly 3 million pounds of food donated to local food banks.

Here are two examples of Target's market-specific community investments in Dallas that are making a real impact:



The Community of South Dallas: While this bustling area of South Dallas is home to the annual Texas State Fair, Cotton Bowl Stadium, African American Museum of Dallas and art exhibits, Fair Park also has one of the highest rates of poverty and unemployment in the city. To bolster its predominantly Black and Hispanic neighborhoods, Target is partnering with and investing in nonprofits and other organizations for initiatives geared to workforce development, entrepreneur support, eliminating food deserts and addressing social determinants of health and education. Key partners in South Dallas and the broader metro Dallas community are [Bonton Farms](#), [The DEC Network](#), [Fair Park First](#), [Forest Forward](#) and [United Way of Metro Dallas](#).



National Medal of Honor Museum: Target has pledged \$1.5 million over three years to the Museum, whose mission is to inspire and unite America by sharing the stories, valor and values of Medal of Honor recipients. When the Museum, now under construction, opens in 2025, it will feature immersive exhibits and curricula that explore what it means to have courage, commitment, integrity and citizenship. Target's investment in the [National Medal of Honor Museum](#) is not only market-specific, but also has national scope and resonance.



Target Foundation

Our strategy. Consistent with Target’s commitment to community, the Target Foundation invests in organizations, coalitions and networks that equitably expand economic opportunity, enabling communities to determine their own futures in Target’s hometown, across the country and around the world.

The Foundation deploys its resources toward long-term solutions designed to address systemic issues. It also supports strategies that center and elevate the voices, stories, and leadership of individuals and communities that have historically been left out.

See our [website](#) for more information.

Progress by the numbers

- The Target Foundation provided more than **\$26.3 million in funding to 134 nonprofits around the globe.**
- **100% of 2023 funding** was **disbursed as a multi-year grant, general operating support or both**, which illustrates the Foundation’s continued commitment to leaning into trust-based philanthropic practices.

In 2023, the Target Foundation provided:

- **Global:** 12 grants totaling nearly **\$7.5 million** across Latin America, South Asia, Southeast Asia and other global communities.
- **National:** 27 grants totaling **\$8.1 million.**
- **Hometown:** 95 grants totaling **\$10.7 million.**

Key highlights

Target Foundation prioritized a number of learning moments for the Board of Trustees in 2023 including immersive experiences in communities around the country. Paired with monitoring, evaluation and learning work the Foundation is piloting, the Foundation designed these experiences to listen to and learn from grantees and the communities they serve. In 2023, the Foundation trustees and staff also spent time in Birmingham, Alabama grounding in physical spaces and places that have shaped the community, and hearing from partners, entrepreneurs and community members.

Hometown: The Target Foundation provided funding to [Minnesota Homeownership Center](#), whose mission is to promote and advance successful, sustained homeownership in Minnesota, with a focus on serving the needs of low- and moderate-income families and communities of color. Funding from the Foundation will help strengthen the organization’s general operations as they work toward their goal of increasing BIPOC homeownership across the state.

National: As the first national nonprofit committed exclusively to financial education and empowerment for people with disabilities, [National Disability Institute \(NDI\)](#) seeks federal and other grants to attain the funding to build a better financial future for people with disabilities and their families. Funding from the Target Foundation has helped enable NDI to hire its first-ever full-time grants manager, invest in staff development and leverage other funding mechanisms. Now, with a full-time grants manager, NDI has the capacity and resources to efficiently apply for grants that will sustain and further its mission.

Global: Through the [British Asian Trust](#), whose work includes tackling systemic poverty and inequality in South Asia, in partnership with [Charities Aid Foundation of America](#), the Target Foundation is funding efforts to bolster women-led enterprises in Pakistan. By building the capacity of local Chambers of Commerce in key cities in Pakistan and providing training, micro loans and other resources, British Asian Trust is helping women entrepreneurs grow business revenues while enabling their women workers to increase their earnings.

Milestone Goal

- ▶ By 2025, Target and Target Foundation plan to evolve our philanthropic practices and place-based solutions to invite participation from communities.

- ✓ Goal met, maintain
- ▶ On track
- ▶▶ Acceleration needed

View our [Target Forward Progress Report to learn more](#) >



Access to Products and Services

Our strategy. Target’s focus on equity includes enabling access to a wide range of products and services that meet our guests’ varied needs at the intersection of joy, ease and affordability.

We build our brands, products and assortments with our Target Forward vision in mind. This means intentionally creating products, systems and experiences that span economic, social and cultural barriers.

See our [website](#) for more information, including on our Design for All approach.



Progress by the numbers

- Of our nearly 48,000 total owned brand products, 59% **were inclusive**, covering attributes ranging from gender, breadth of styles, culture, value, allergen friendly, adaptive, accessible, Color For ALL™ and inclusive sizing.
- We implemented our Color For ALL™ palette system, which contains 265-colors including 150 new colors and 115 existing library colors, to provide our guests with even more options across our assortment. It is used across 11 owned brands, including Cat & Jack, Pillowfort and Brightroom.
- In 2023, [Target Accelerators](#) supported **19 brands** through [Target Takeoff](#) and **60 brands** through [Target Forward Founders](#). Also, 12 Target Accelerators [alumni](#), representing a diverse spectrum of backgrounds, launched their product lines with Target, bringing the **total number of products** in Target stores from graduates to **668, up more than 35%** from 2022.⁵⁷

Signature Goal

▶ By 2030, Target aims to be the market leader for creating and curating inclusive, sustainable brands⁵⁸ and experiences.

- ✓ Goal met, maintain
- ▶ On track
- ▶▶ Acceleration needed

[View our Target Forward Progress Report to learn more >](#)

Key highlights

Recognizing value is top of mind for customers, Target [introduced our new low-price owned brand](#), dealworthy, in February 2024. It is designed to give consumers incredible value on nearly 400 everyday basics.

In September 2023, we [launched Figmint](#), our first kitchen owned brand. We designed the assortment of pots, pans, mixing bowls, kitchen utensils and gadgets, and food storage products with sustainability and accessibility in mind. For example, we worked with occupational therapists to help create packaging with easy-open tabs and exposed grips and handles that make it easy for guests to lift and carry the products while shopping. To minimize packaging and reduce steps to open, we also eliminated difficult-to-open packaging formats, such as blister packs, and replaced plastic zip ties with string that can be cut with household scissors.

Target’s [2023 Spring Designer Collection](#) — in partnership with Agua Bendita, Fe Noel and RHODE — featured versatile designs that reflect Target’s commitment to inclusivity. Sizes ranged from XXS-4X and the collection offered guests incredible value at an affordable price. Additionally, in September 2023, Target partnered with Rowing Blazers on a [limited-time only, cross-category family collection](#) offering extended sizing options for adults and adaptive sizing for kids.

Through proof-of-concept experiments, we identified a growing consumer need for a broader array of colors that look good on them. So, in partnership with the [Minneapolis College of Art & Design](#), students guided by faculty members Suyao Tian and renowned color expert Ed Charbonneau, Target created an inclusive color palette system. The guest-centric Color For ALL™ palette system offers culturally relevant core, everyday and fashion palettes. We designed the palette to be layered into existing color stories through co-creation in relevant product categories and within the DNA of individual brands. This palette system is one way we are offering a joyful and differentiated shopping experience that meets the evolving needs of our guests.

To address adaptive and accessibility needs, we designed our owned brand kids apparel with features such as cuff grippers, flexible drawstring, flat seams, tagless, soft snaps at shoulders for port access, reversible zippers, abdominal access and a pocket designed so that it can be used to hold an insulin pump. We have introduced “Go & Grow” bodysuit and legging bundles with snaps and cuffs that extend as babies grow, offering inclusive sizing and circularity⁵⁹ benefits. Our Cat & Jack brand offers adaptive versions of many key styles each season, including toddler jeans, thoughtfully designed with better fit and wheelchair-friendly construction, and snaps at ankle to accommodate leg braces.

⁵⁷ Correction to FY2022 report to reflect 487 products in Target stores from graduates of Target Accelerators (SKUs) in 2022 vs. previously stated 340.
⁵⁸ Industry-leading products or services that have context-specific environmental and/or socially beneficial features, backed by credible standards or impact metrics.
⁵⁹ Developing and manufacturing Target owned brand products, including taking steps to eliminate waste, keep products and materials in use longer, and decrease our dependency on natural resources.



Operating Ethically

In this section:

- [Ethical Business](#)
- [Public Policy and Civic Engagement](#)
- [Cybersecurity](#)
- [Data Privacy](#)
- [Product Safety and Quality](#)

To view our Operating Ethically data tables:

[Download the Appendix](#)

Read more on our efforts and progress:

[Operating Ethically](#)

[Code of Ethics](#)

[Business Partner Code of Conduct](#)

[Public Policy & Civic Engagement](#)

[Guest Security & Fraud Protection](#)

[Privacy Policy](#)

[Product Safety & Quality Assurance](#)

[Tech Blog](#)

[Policies and Resources](#)



Ethical Business

Our strategy. Target is committed to the highest ethical standards, which we clearly outline for our team members and business partners. Our commitment is reflected in the way we conduct business and through the actions we take. Operating ethically helps us mitigate risk through sound and legal business practices, and helps us to quickly identify and address concerns within our business and supply chain.

Each team member — regardless of role, entity or location — has a responsibility to make ethical business decisions that align to our values, which are reflected through what we prioritize as being right for Target, our team and guests. Target team members are required to follow the law, our [Code of Ethics](#) and all [applicable company policies](#).

The Code of Ethics helps team members understand expectations and make ethical business decisions that uphold our values and our promises to all stakeholders, including team members, shareholders, guests and the communities we serve. The Code is published internally and externally and includes the company’s position on a wide range of business topics and expectations. These expectations are updated as needed based on evolving business needs and new areas of risk. We also have both internal and external audits to monitor our ethical culture and the effectiveness of our programs. All Target team members receive Ethics training and are required to attest that they understand, and will comply with, Target’s Code of Ethics and all enterprise policies.

Team members have a responsibility to report any actual or suspected violations to the Code of Ethics, as well as any potential conflicts of interest as they arise. Violations of the Code could result in disciplinary action, up to and including termination.

Our business partners are also expected to conduct their business with a high level of integrity and in adherence with our ethical expectations. These expectations are outlined in the [Business Partner Code of Conduct](#), which is published on Target’s public-facing website. Violations of this Code of Conduct could require that Target work with a business partner to help it achieve compliance within an agreed upon timeframe. Other violations may result in suspension or an end to the business relationship with Target.

See our [website](#) and [2024 Proxy Statement](#) for more information.

Progress by the numbers

- Target provided **more than 110 ethics and compliance trainings**, tailored by role and location, spanning key compliance and legal topics, including conflicts of interest, government interactions, anti-competitive behavior, environmental law compliance, food safety and privacy.
- **Nearly 100% of team members completed ethics and compliance trainings** in 2023, spanning our global supply chain team, store team members and corporate employees.

Key highlights

Every concern or possible violation related to the Business Partner Code of Conduct that is reported to the Ethics and Compliance office will be promptly reviewed and appropriately investigated.

We continue to meet, and often exceed, the standards of legally required trainings. We also put equal focus on those trainings that are not legally required but are ethically imperative. Our efforts in 2023 focused on improving the learning experience for our ethics and compliance trainings to better equip our teams with the right trainings at the right times. Partners from HR, compliance and law reimagined Target’s approach to compliance trainings by combining topics and re-timing courses. These steps addressed team members’ scheduling needs and enhanced training efficiency.



Public Policy and Civic Engagement

Our strategy. As one of the nation’s largest employers, Target has a responsibility to participate in productive conversations on relevant public policy issues.

We believe in encouraging all eligible citizens to vote, and in sharing our expertise and resources with policymakers to ultimately drive better decisions for our business. In addition to our own policies and disclosure practices, we adhere to applicable laws that govern interactions with government officials.

See our [website](#) for more information.

Key highlights

We encourage civic participation, including participation in state and local elections, by providing nonpartisan tools, resources and education to all U.S. team members. In 2023, Target continued to provide paid time off to vote in local, state and federal elections, and paid time off for team members to serve as election judges and poll workers.

To further our efforts, we continued to partner with [Vote411](#) (a website providing information on how to register, check voter registration status and learn about candidates) and other nonpartisan civic organizations, including [National Voter Registration Day](#), [the Civic Alliance](#) and [Time to Vote](#).

Through Citizens@Target, a nonpartisan team member network encouraging active participation in democracy, we offered lunch-and-learn sessions and other opportunities for team members to learn about and participate in the civic process.

Target continued to work with elected officials from all political parties to inform them on policies that will affect our business, team members and communities, and we provided corporate contributions and support through our team member-funded TargetCitizens PAC. A full list of 2023 contributions can be found on our [website](#).

Target is a member of several trade associations and other policy-based organizations, with our membership and contributions for 2023 detailed on our [website](#).

In 2023, alongside trade associations and policy-based organizations, Target worked on a variety of issues, including organized retail crime, trade, supply chain, workforce, data privacy and taxes.

Percentage of workforce eligible to receive paid time off to vote:





Cybersecurity

Our strategy. Securing company systems, business information and the personal information of our guests, team members and business partners is important to us. We have systems in place to safely receive, protect and store that information; collect, use and share it appropriately; and detect, contain and respond to information security, cybersecurity and data privacy incidents.

While everyone at Target plays a part in information security, cybersecurity and data privacy, oversight responsibility is shared by our Board of Directors, its committees and management. We use a combination of industry-leading tools and in-house technologies to protect Target and our guests, operate a proactive threat intelligence program to identify and assess risks, including from threats associated with our use of third-party service providers, and run a cyber fusion center to investigate and respond to threats.

Our cybersecurity and data privacy teams work to understand evolving threats, developing issues and industry trends, and our vendor teams monitor and assess risks with our suppliers. Our program is based on recognized industry security standards and control frameworks, which we seek to validate through internal and independent assessments. Our cybersecurity team regularly tests our controls through penetration testing, vulnerability scanning and attack simulation. In addition, we have an incident response program to address potential security and privacy incidents. As part of this incident response program, members of management are informed about and monitor the prevention, detection, mitigation and remediation of potential security and privacy incidents. The program uses a coordinated escalation model to provide information to, and engage with, relevant members of management and the Board of Directors, as needed, throughout the incident response process. Beyond our in-house capabilities, we engage with leading security and technology vendors to assess our information security and cybersecurity program and test our technical capabilities.

See our [website](#), [2024 Proxy Statement](#) and [2023 Form 10-K](#) for more information.

Key highlights

Growing our talent pipeline: We continue to invest in real-world experiences to inspire more people to consider roles in cybersecurity, which also helps to strengthen our talent pipeline across a wide array of groups and individuals. The signature program for these efforts is the [Women in Cybersecurity \(WiCyS\) Cyber Defense Challenge](#), which provides participants with hands-on experiences to help give them a sense of what it is like to be on a cyber defense team. This was Target's second year hosting the challenge, and we had more than 700 participants, with the top 10 receiving a scholarship to attend the 2024 WiCyS Conference. In addition to our work with [Women in Cybersecurity](#), we also partner with [Executive Women's Forum](#) and [Cyversity](#) to strengthen support networks within the cybersecurity industry for team members and build our talent pipeline.

Consumer education: Target expanded our support of cybersecurity education and awareness programming for consumers, including through the launch of a 12-month campaign with [Cybercrime Support Network \(CSN\)](#) in April 2023, focusing on expanding consumers' knowledge of sophisticated online financial scams. In addition to developing and sharing educational assets on social media, the campaign also leveraged the reach of social media influencers to drive further education and awareness.

Recognition: Target is often recognized for our industry leadership, collaboration and contributions to the field. Highlights in 2023 included:

- [Tekne Award](#) (the Minnesota Technology Association).
- ["Team of the Year" award](#) (Retail & Hospitality Information Sharing and Analysis Center).
- [Innovator Award](#) (CrowdStrike).
- [Global Capability Center Excellence Award](#) (Data Security Council of India).
- [CSO Hall of Fame Induction for Senior Vice President & Chief Information Security Officer Rich Agostino](#).

Training our team members: We offer quarterly threat-based simulations and ongoing education for team members to recognize and report suspicious activity. Our team members and contractors also receive required annual information security and cybersecurity training to understand the behaviors and technical requirements necessary to protect company and guest information. During Cybersecurity Awareness Month in October, we run campaigns using engaging resources, including additional phishing simulations, to educate team members across the entire company on how to secure themselves and Target against cyber risks.

Industry engagement: We seek to be a leader in cybersecurity and have been recognized for sharing threat intelligence and collaborating with organizations across different industries to share best practices, fight cybercrime, enhance privacy, discuss new technologies, better understand the evolving regulatory environment and advance capabilities in these areas. To date, we have been granted more than 20 patents, with 15 more pending, and we actively contribute to [open-source solutions](#).

In 2023, Target worked with the [National Retail Federation \(NRF\)](#) to [launch a working group](#), in which Target serves as the Chair, to combat industry fraud, bringing together specialists in areas such as cybersecurity, assets protection, finance, law and artificial intelligence (AI). By working closely with industry partners, we are sharing information and improving our collective defenses while also improving cybersecurity capabilities for the retail industry.

Enhancing our capabilities: We invest in building and developing cybersecurity talent and engineering expertise in-house rather than relying solely on third-party providers. This includes offering in-house training and educational courses through our technology team's 50 Days of Learning commitment and Cyber Plus Institute, which is a security training curriculum leveraging internal subject matter expertise along with curated resources. We also partner with organizations to support team members in gaining advanced cybersecurity degrees, industry certifications and other technical trainings. Target leaders serve on more than 10 boards, and our cybersecurity team members regularly attend and present at conferences.

“As an industry-recognized leader in threat intelligence sharing and collaborative partnerships, we take pride in seeing our impact extend well beyond Target to help create a safer future for all.”

- Rich Agostino, Senior Vice President & Chief Information Security Officer



Cybersecurity

EasySweep

Skimmer-driven theft is a growing problem, as [estimates](#) indicate that skimming costs consumers, banks and retailers more than \$1 billion annually.

Thanks to the ingenuity of a Target cybersecurity analyst, Target and other retailers are blocking cybercriminals from stealing consumers’ credit card data at point of sale (POS) terminals.

[EasySweep](#) is a patented payment terminal evaluator device invented by a member of Target’s cybersecurity team. It is used daily at tens of thousands of Target POS terminals to detect and eliminate credit card “skimmers,” which are used by cybercriminals to steal information off the chip or magnetic strip of a payment card.

“We hope this tool can help all retailers keep their guests’ information safe and make skimming unprofitable for criminals.”

- Target cybersecurity team member and inventor of EasySweep

Using 3D printing to create the EasySweep prototype, our cybersecurity team member worked with Target 3D Labs and store security teams to test and finalize the design.

Each hand-held EasySweep is meant to be easily inserted by a team member into a payment terminal’s chip card slot. If it can insert fully (top image), the terminal is safe. If it gets stopped (bottom image), there might be a skimmer. If a skimmer is detected, team members remove it and report the incident to Target’s centralized cybersecurity team. EasySweep has reduced skimmer detection efforts from two hours (if done manually) to just 15 minutes per store.

As part of our broader commitment to supporting the cybersecurity community, we have shared the design with more than 100 organizations to help respond to this dynamic challenge.





Data Privacy

Our strategy. When handling personal information, we follow all applicable laws, policies and processes that help us collect, use and share information appropriately while still allowing us to effectively serve our guests and run our business operations. Target’s privacy compliance team is responsible for designing and implementing our privacy program, including governance, privacy policy, risk assessment, monitoring and training. The team identifies and manages privacy risks, elevating them to our Senior Vice President of Compliance and Ethics and our Chief Legal and Compliance Officer, when appropriate.

Our retail [Privacy Policy](#) provides details of how we collect, use and share guests’ personal information. It also informs guests of their options for limiting marketing or other uses of their data. In addition, the policy expressly states that Target does not knowingly collect personal information online from children under age 13. Changes to Target’s privacy practices are reflected in the applicable Privacy Policy and, in some cases, additional notice may be provided.

Third parties that handle personal information must also follow applicable laws, regulations and contractual obligations. Target follows applicable legal requirements and adheres to the [Digital Advertising Alliance \(DAA\)](#) self-regulatory principles for Interest-Based Advertising.

See our [2024 Proxy Statement](#) for more information.

Key highlights

Team member compliance and training: Everyone at Target who works with personal information must comply with our internal Privacy Compliance Policy. Team members receive annual privacy training to understand the requirements around collecting, using and sharing personal information. Also, select teams receive additional privacy training based on their specific roles. In 2023, we updated existing training content to reflect new state privacy laws. We also created new training content on state health privacy laws and conducted privacy tabletop drills.

Privacy expertise and continuing education: Target continued to make investments in privacy by expanding the privacy compliance team in 2023 to meet increasing legal and industry obligations. The privacy team supports its work to design privacy controls into operations with regular learning and professional certification opportunities, including Certified Information Privacy Professional designations.

Privacy consulting: Privacy compliance team members engage on numerous reviews of business projects involving the use of personal information, including providing privacy requirements for Target’s new loyalty program, marketing activities and AI initiatives. They also review new service providers and third parties to document use cases and verify inclusion of privacy requirements and appropriate contract language.

Data retention: With respect to data retention policies, we retain personal information in accordance with Target’s record retention requirements and policies, all of which reflect business and legal considerations.

Regulatory change management: With a growing number of states passing broad privacy laws, Target continues to provide deletion rights nationwide and expand access and correction rights to guests in additional states. We implemented additional automation to improve efficiency and handle increasing volumes of requests. In 2023, a cross-functional team worked together on compliance with new state health privacy laws effective in 2024. Target also tracks proposed privacy legislation to provide feedback through applicable retail associations and to anticipate future developments.

Industry benchmarking and best practices: We measure the effectiveness of our privacy processes and policies through regular reporting and auditing practices. We also conduct external cross-industry benchmarking to understand privacy best practices and industry trends, and actively contribute to the [Retail Industry Leaders Association’s Privacy Leaders Council](#), [the National Retail Federation’s Privacy Working Group](#) and the [Data Privacy Board](#).



Product Safety and Quality

Our strategy. One of our top priorities is to provide Target guests with high-quality products that meet or exceed mandatory safety standards. We have tools and processes in place to address product safety and quality from development through sales to guests. Overseeing these efforts are our product safety, quality and regulatory (PSQR) and food safety, quality and regulatory (FSQR) teams.

Target participates in the [U.S. Consumer Product Safety Commission](#) (CPSC) retailer reporting program for all general merchandise products, regardless of brand. As a leading retailer, Target supports industry-wide product safety training by participating in and contributing to the [International Consumer Product Health and Safety Organization \(ICPHSO\)](#) mentorship committee. Its goal is to create interest and opportunities for those contemplating a career in product safety and compliance.

The FSQR team manages [food safety, quality and regulatory compliance](#) for consumer food and beverage and pet food products, with work spanning owned brand vendor manufacturing facilities, produce farm fields, food distribution centers, retail stores, owned brand product labeling and food recalls. Providing fresh, quality and affordable produce continues to be a priority. Target leverages a scientific, risk-based approach to design preventive controls and processes. We require our owned brand food vendors to be Global Food Safety Initiative-certified, and our team conducts reviews and audits to confirm that vendors have appropriate capabilities.

See our [website](#) for more information.

Key highlights

Compliance for owned brand products: The safety and quality of our products are Target’s top priority and a basic expectation of our guests. We take a proactive approach to meet and exceed regulatory, safety and quality requirements, including through a robust facility evaluation program, which is part of our industry-leading Quality Management System (QMS) program. In 2023, we conducted 1,942 facility evaluations for food and beverage and pet food owned brand products across 1,117 facilities. We also conducted 1,342 facility evaluations for owned brand non-food products across 1,918 facilities.

In 2023, the CPSC enacted a mandatory safety standard for button cell or coin batteries and products containing them. The law includes strict product performance and labeling requirements to reduce the risks of a child swallowing these products. Target took a proactive approach to product compliance, including through product design updates, adding specific testing requirements and actively engaging with our supply chain partners.

In September 2023, the STURDY Act, a mandatory safety standard aimed at protecting young children from clothing storage units tipping over, became law. The law requires clothing storage units to meet certain stability standards, undergo testing to prove compliance and provide product warning labels. Target became the first retailer to sell STURDY-compliant products, enabled by strong cross-functional collaboration between Target and our supply chain partners

Additionally, in late 2023, Target voluntarily halted the sale of water beads marketed to children aged 12 and under amid growing safety concerns.

Product innovation: This past year, we brought Good & Gather, our largest owned food brand, to babies and toddlers. Good & Gather Baby and Good & Gather Toddler are exclusive lines of affordable items that are designed to simplify food selection. The team took care to research and create developmentally appropriate snacks, and add clear labeling to make it easier for parents to find food items suitable for their baby or toddler.





Responsible Supply Chains

In this section:

- [Responsible Sourcing and Manufacturing Practices](#)
- [Human Rights in the Supply Chain](#)
- [Animal Welfare](#)

To view our Responsible Supply Chains data tables:

[Download the Appendix](#) 

Read more on our efforts and progress:

[Responsible Supply Chains](#)

[Responsible Sourcing and Manufacturing Practices](#)

[Suppliers](#)

[Traceability & Transparency](#)

[Auditing Program](#)

[Business Partner Code of Conduct](#)

[Standards of Vendor Engagement](#)

[Human Rights](#)

[Animal Welfare](#)



Responsible Sourcing and Manufacturing Practices

Our strategy. In line with our Target Forward vision, we are committed to pursuing fair, responsible and equitable supply chain practices. This includes measures to further responsible purchasing, broaden the diversity of our suppliers, implement effective traceability measures and identify innovative ways to deliver more value to our guests while strengthening the communities where we do business.

We expect our domestic and international business partners to respect human rights, and to comply with Target’s [Standards of Vendor Engagement \(SOVE\)](#) and all applicable laws pertaining to human rights, including, without limitation, all laws applicable to workplace health, safety, labor and employment. We require routine auditing and reserve the right to conduct unannounced audits, if needed, at any time. Target accepts industry-aligned audit programs while providing sufficient oversight to focus on driving positive impact. When doing so, we verify whether a manufacturing location has an up-to-date audit conducted by a third party with an approved scheme. We also require remediation and offer support for all factories rated below Acceptable.

Since the supply chain issues we are trying to address are complex and far too big for any company to tackle alone, we take a collaborative approach to supplement our auditing of manufacturing locations. We use a risk-based approach, prioritize remediation and continuous improvement, and collaborate with others for industry convergence.

With our suppliers around the world, we regularly evaluate the way we do business and collaborate on practices and processes that align with ours. Our responsible sourcing and sustainability teams work together to improve supply chain oversight and remediation, integrate responsible sourcing practices into our business operations and regularly seek out innovative solutions to advance performance beyond compliance. Our work with internal teams, external business partners, industry organizations and our peers supports our holistic approach to mitigating risk and to addressing the challenges we all share.

See our website for more information on our [responsible sourcing and manufacturing practices](#), [supplier engagement](#), [audit program](#), [implementation of traceability measures](#) and [sourcing from diverse suppliers](#).

Key highlights

Enhancing our standards: Through the 2023 SOVE annual review process, we identified five key policy updates to the SOVE, which took effect February 2024. The areas of focus included climate and hazardous heat, as well as wages and back pay. To protect workers in our supply chain and mitigate the impact of hazardous heat, we added new considerations for first aid, personal protective equipment and work schedule modifications, among other changes. We also implemented a back-pay policy requiring worker compensation, for money that is owed, to support the financial security of workers, and prohibited suppliers from using schemes that legally allow payment below what is considered the standard minimum wage. We continue to complete the annual review process of our SOVE to continue to raise the compliance bar for new and emerging risks to workers and the environment.

Progress by the numbers

- **More than 100 factories** shared the enhanced worker protections they implemented in response to one of our new SOVE policies on hazardous weather and temperature, including developing emergency plans and conducting heat-stress training for workers.
- We had more than **2,000 suppliers** attend our training webinars on 2024 SOVE updates, continuing education sessions on key compliance topics and new supplier onboarding sessions, respectively.

Soliciting feedback: Through our partnership with [Better Buying™](#), a nonprofit organization focused on improving purchasing practices throughout the global supply chain, we receive anonymous vendor feedback as part of an annual survey to help us better understand how our day-to-day purchasing practices impact our suppliers, their workers and the environment. In 2023, we also surveyed our internal teams to understand our practices from their perspective. Insights from both surveys helped prioritize 2024 actions and are informing the continued development of our processes and strategy.



Responsible Sourcing and Manufacturing Practices

Key highlights continued

Location disclosure: Our Responsible Sourcing and Sustainability Location Disclosure program covers all final production and select raw material finishing and processing facilities and aims to assess whether the products we source are produced ethically and in accordance with laws and our SOVE. Facilities that manufacture or convert raw materials for these products must be disclosed to Target. In 2023, we embarked on a partnership with Cargill and traceability-solution provider FibreTrace to create physical and digital chain of custody within our supply chain that helps validate our location disclosure requirements.

Expanding monitoring tools: To identify and mitigate salient workplace human rights risks outside of annual social audits, we have begun to identify and pilot a suite of new tools and enhance existing ones that will allow us to monitor risks 24/7. Tools include media scanning programs to improve factory worker visibility to our Target Ethics Hotline, and utilizing third-party grievance mechanisms to allow factory workers an additional avenue to resolve working grievances with the support of a third party.

Increasing local engagement: We launched the Target Forward Champion Model with regional sourcing offices to increase local engagement and support implementation of our goals. Regional champions support sustainability initiatives locally by championing this work across their offices, serving as advisors on rollout strategies and engaging supplier partners to encourage participation.

Supplier diversity: We continued to engage with leading organizations to build relationships with diverse suppliers, including by serving on numerous committees and as Chair of the [National Minority Supplier Development Council](#) Retail and Apparel Industry Group. This year, we also hosted a virtual event for more than 100 pipeline suppliers to provide a deeper exploration of sourcing best practices to advance their strategic growth, and we created opportunities to build awareness and connections to diverse suppliers for our internal team through the Circle of Champions internal advisory council. We also engaged procurement team members in Target India to expand our support for women-owned businesses.

Globally, we continue to support our three priorities — women, people with disabilities and other underrepresented groups — and have deepened our connections with [WeConnect](#) (the global women’s partner to [Women’s Business Enterprise National Council](#), an entity with operations in the U.S. only) and [Disability:IN](#) to support this work. Additionally, we extended our supplier diversity work into Tier 2 business partners and suppliers within our international value chain, driving program growth.

Our collective efforts earned us induction into the [Top Corporations Hall of Fame](#) (WBENC) as well as the [Best of the Best Award](#) (National Business Inclusion Consortium).



Sara Otto, courtesy of Nest



Human Rights in the Supply Chain

Our strategy. We recognize that we must take responsibility for respecting the human rights of our team members, guests and workers in the supply chain, and people in the communities in which we operate. Aligned with the [Universal Declaration of Human Rights](#) and the [International Labor Organization Core Conventions](#), we are committed to respecting human rights throughout our operations. In alignment with the [UN Guiding Principles on Business and Human Rights](#), we respect human rights and seek to avoid adverse human rights impacts resulting from our business activities.

We aim to regularly improve our programs and practices; however, if adverse impacts arise, our approach focuses on mitigation and remediation through effective solutions.

Key highlights

Engaging suppliers to advance progress:

In 2023, we developed a variety of tools, including the JESC Toolkit, Business Partner Activation Guide and Action Planning Tool, to support suppliers' participation in our JESC continuous improvement cycle and advance progress toward our goals. We encourage our suppliers to review the resources to understand our requirements, conduct a gap assessment and build an action plan using provided resources to achieve all requirements by the end of 2025.

We also implemented a regionalized training approach for sourcing teams and suppliers to support broader adoption and implementation of our JESC goals, which we customized to meet specific country needs. In 2023, we completed in-person and virtual trainings in Bangladesh, Cambodia, China, India, Pakistan and Vietnam.

Gender equity: In support of our gender equity JESC goal, Target continued to partner with key organizations to drive progress. For example, Target continued to serve as a member of the [Leaders Circle for RISE](#), an initiative designed to support collaborative industry action at scale to advance gender equality in global garment, footwear and home textiles supply chains.

We also make clear in all business relationships that we value the importance of human rights, as evidenced by embedding our [SOVE](#) in all contracts tied to our supply chain, providing vendor training on our SOVE and conducting risk-based Responsible Sourcing & Sustainability audits. We are committed to a sustainable and inclusive supply chain that is just and equitable for all workers. We advance this aim through our [Just & Equitable Supply Chain \(JESC\) goals](#) and alongside our vendors, factories and partners across the globe.

See our website for more information on [human rights](#) as well as our efforts to [elevate worker well-being](#) in the supply chain.

Progress by the numbers

- **65% of tier 1 owned brand registered suppliers completed the JESC survey** as of Spring 2024, which provides visibility into facility-level progress on the JESC goals. Of those that took the survey, the average JESC factory score for meeting the gender equity requirements was **81%** — a 16% increase from the last survey— and the average score for meeting the digital wage requirements was **85%** — a 26% increase from the last survey.

Through our partnership with [CARE Impact Partners](#), we are contributing to building industry capabilities to address barriers to gender equity. We are implementing a test and learn in-factory program strategy in 7 factories and are sponsoring the Gender Equity Network (GEN) – a peer learning platform for suppliers – to which we have nominated 17 suppliers and recruited 5 other brands to nominate an additional 21 suppliers.

Digital wages and financial security: As part of our JESC goals, we aim to have 100% of owned brand suppliers pay workers digitally by 2025. To advance progress and drive momentum, Target has collaborated with industry peers to facilitate a shift from traditional cash-based wages to digital payment methods.

In 2023, Target continued our membership with the UN-based [Better Than Cash Alliance](#) and coordinated its efforts with the [International Labour Organization \(ILO\) Global Centre on Digital Wages for Decent Work](#), [Better Factories Cambodia](#) and [RISE](#) to implement tailored programs for the garment sector in Cambodia – a region with one of the lowest adoption rates of digital wage payments for garment workers.

The 2022 JESC survey results identified a digital wage payment gap in China. Target partnered with the [International Labour Organization \(ILO\) Global Centre on Digital Wages for Decent Work](#) and Score Academy to research this issue to the regional supplier capability-building strategy to support goal progress.

Enhancing worker protections: In 2024, we launched a required Responsible Exit & Decline Policy designed to mitigate risks to workers and Target. The policy includes steps we expect business partners and internal Target teams to follow when fully exiting or declining business at a factory location. We provided training to more than 1,000 internal team members and more than 2,300 suppliers on this new policy.

We continued our partnership with [Work Better Innovations](#) to drive progress on human rights due diligence in Taiwan, bringing together business leaders, civil society, government representatives and other experts to discuss corporate responsibility and enhancing protections for foreign migrant workers. This work builds on the training series conducted in 2022 with small- and medium-sized business on preventing forced labor in Taiwan.

Signature Goal

- ▶▶ By 2025, Target plans for 100% of owned brand suppliers to have policies and programs to advance gender equity.

- ✓ Goal met, maintain
- ▶ On track
- ▶▶ Acceleration needed

[View our Target Forward Progress Report to learn more >](#)



Animal Welfare

Our strategy. Target is committed to following practices that support the welfare of animals sourced for food and non-food products. These practices are regularly reviewed to align with industry and governmental standards and guidelines.⁶⁰

Our approach to animal welfare is grounded in our belief of the Five Freedoms for every animal over the course of their entire lifetime.⁶¹

We also publicly outline expectations for our suppliers to maintain written policies detailing best practices for each of the areas relevant to their products. We provide training on animal welfare topics to internal teams responsible for buying or sourcing animal products and we expect all our suppliers to provide adequate training to every individual involved with the direct handling of animals throughout the supply chain.

See our [website](#) for more information.

Progress by the numbers

- We **achieved an increase** in our percentage of revenue from eggs that originated from a cage-free environment⁶², which improved from **57%**⁶³ in 2022 to **68%**⁶⁴ in 2023.
- 100% of owned brand pork is produced in an open pen gestation system.⁶⁵

Key highlights

Food animal welfare standards and commitments: For all animal protein-based products, Target has established standards and commitments – in alignment with industry standards – that guide the work of our suppliers. Target expects all vendor partners that produce owned brand and national brand food and beverage items to meet or exceed the animal welfare standards established by Target and recognized throughout the industry. Complete details of our food animal welfare standards and our owned brand animal-derived raw material product standards can be found on our [website](#), and 2023 highlights of our work by protein type follow.

Eggs: In 2016, Target set a goal to transition to a 100% cage-free egg⁶² supply chain by 2025 pending available supply. Since that time, we’ve continued to work closely with suppliers, experts and industry partners to make progress, while factoring in regulatory changes, volatility in the available supply of cage-free eggs⁶², consumer pricing and Target's commitment to offering a range of affordable options, and demand.

Despite **only about 40%** of industry egg production⁶⁶ being from cage-free hens, in 2023, Target reached 68%⁶⁴ of our egg revenue as cage-free.⁶² This is up from 57%⁶³ in 2022 and significantly ahead of many of our competitors. We also continue to source 100% of liquid eggs from cage-free⁶² systems.

We’ve achieved this significant progress while continuing to navigate challenges in reliability of supply, consumer pricing and affordability, and accessibility for our guests.

For example, cage-free eggs⁶² are significantly more expensive than conventional eggs, which are the most affordable protein option we offer for families. At Target, we are committed to offering a range of accessible prices across our product assortment, including our food and beverage offerings. More specifically, one notable headwind we face is limited coverage for cage-free eggs⁶² under the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).

Currently⁶⁶, more than 15 U.S. states do not allow customers to purchase cage-free eggs⁶² as part of the WIC program, which supports low-income women, infants and children. Our commitment to providing affordable food for kids and families extends to our guests in all states.

Due to these challenges and our commitment to accessible pricing for all families, we will not meet our goal of 100% cage-free eggs⁶² by 2025. Going forward, we will continue to work to maintain and build upon our progress and commitment to cage-free eggs⁶² while also offering affordable egg options for all of our consumers.

Good & Gather Pork: We launched all Good & Gather fresh pork raised in an open pen gestation system⁶⁵ in September 2022. Good & Gather represents the vast majority of fresh pork sales. Having achieved this transition away from individual gestation stalls for confirmed pregnant sows to open pen housing, we are continuing to work with our suppliers, animal welfare experts and the industry to continue to improve sow housing.

⁶⁰ We expect suppliers to adhere to [animal-derived raw material product standards](#) in a number of material categories, with the exception of leather, which is our least consumed raw material category within relevant areas of business, and therefore not meaningful for these purposes.

⁶¹ We believe that every animal deserves to be free from 1) hunger and thirst 2) discomfort 3) pain, injury or disease 4) to express normal behavior 5) fear and distress for their entire lifetime, including birth, growth, rearing and breeding; when feeding, watering or sheltering; transport; and slaughter.

⁶² This includes cage-free, free-range, or pasture-raised systems.

⁶³ FY2022 egg data has been restated to correct a calculation error.

⁶⁴ In FY2023, we updated our reporting methodology to better align with our goal. We now report against revenue versus units sold.

⁶⁵ Target reported for the first time in 2022.

⁶⁶ At the time of publication of this report.