



## THE TOGETHER EFFECT

**2014 Target**

Corporate Social Responsibility Report

# TABLE OF CONTENTS

The Together Effect ➤

Chairman/CEO & Chief Corporate Social Responsibility Officer Letter ➤

Together: Progress Against Our Goals ➤

**1 CREATING POSITIVE GUEST EXPERIENCES ➤**

**2 MAKING A GREAT WORKPLACE ➤**

**3 SUPPORTING OUR COMMUNITIES ➤**

Reporting and Additional Information ➤

GRI Index ➤

Contacts for More Information ➤



# WE CAN DO MORE TOGETHER

Through Target's scale we have a special opportunity to make our world a better place. Target can't do it alone, and neither can our suppliers, team members, guests or communities – but together, we'll make a difference. We call this The Together Effect.



We know that working together with our team members, guests, suppliers and communities creates better outcomes on issues that **matter to us all**.

Send feedback to [CSR@target.com](mailto:CSR@target.com)



## Dear guests, team members and other stakeholders,

At Target, our determination to fulfill the needs and fuel the potential of our guests is leading us to solutions that drive both business and social value. Can we leverage our scale to create better assortments for our guests and improve the way products come to market? Yes. Can our company help our team members meet their individual well-being goals and create a sustainable force committed to our guests? Yes. Can running the business we run, in the way we run it, strengthen the communities around our stores, distribution and headquarters locations as well as the factories, fisheries, farms and countless small suppliers that feed the global retail ecosystem? We believe it can.

As the CEO and the chief CSR officer of Target, we are focused on new ways to build on Target's legacy of corporate social responsibility. We know that working **together** with our team members, guests, suppliers and communities creates better outcomes on issues that matter to us all. As an example, we know education is critical to creating a vital economy and educated workforce. That's why we've committed \$1 billion to education by the end of 2015. It's just one of our publicly stated CSR goals in the areas of environment, team member well-being, education and volunteerism.

We will continue to focus first and foremost on the **guest** in everything we do, including offering them a variety of merchandise that's good for their families and the earth. We take great pride in the **Target team** and will continue to create a diverse and inclusive culture and ensure team members' well-being. And we know that Target is only as strong as the **communities** we serve. While we focus on these priorities, we remain vigilant on broader issues such as climate change and limited resources, an evolving workforce and data security. These matters affect not only our business, but also our guests and the entire global economy.

What affects one of us impacts us all. So if you have feedback on our efforts – from the products we offer to the suppliers we work with – please let us know. We want to hear from you because we're all in this together.

Sincerely,

**Brian C. Cornell**

Chairman and Chief Executive Officer

**Laysa L. Ward**

Executive Vice President and Chief  
Corporate Social Responsibility Officer



# PROGRESS AGAINST OUR GOALS

We believe in setting goals that force us to stretch, require us to work together to develop solutions that create positive guest experiences, make great workplaces and support our communities. We have challenged ourselves to achieve a lot because our stakeholders expect a lot from us. We're proud that of our 20 goals, we exceeded, achieved, or are on track to achieve the majority of them. **That's the power of working together.**



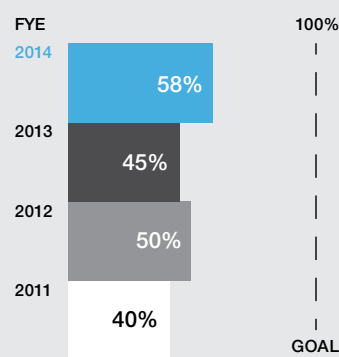
## ENVIRONMENT

### ON TRACK

#### INCREASE SUSTAINABLE SEAFOOD SELECTION

Ensure that our fresh and frozen seafood selection is 100 percent sustainable, and traceable, or in a time-bound improvement process by 2015.

2014 Progress: **58% sustainable**



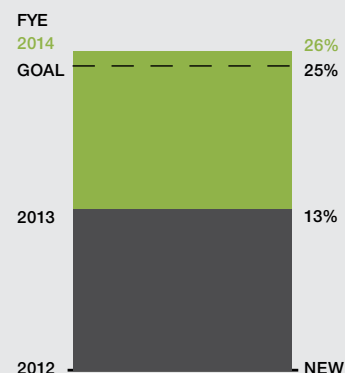
At the end of fiscal 2014, 58 percent of the fresh and frozen seafood we sell in our U.S. stores met our goal criteria. In 2014, we resourced all of our owned brand shrimp products so that they'd meet the policy, which will make a huge impact in 2015. And with 95 percent of new products in 2014 meeting our policy, we expect to meet our goal early for owned brands, by mid-2015.

### EXCEEDED

#### INCREASE ORGANIC FOOD OFFERINGS

Increase organic food offerings by 25 percent by 2017.

2014 Progress: **26% increase**



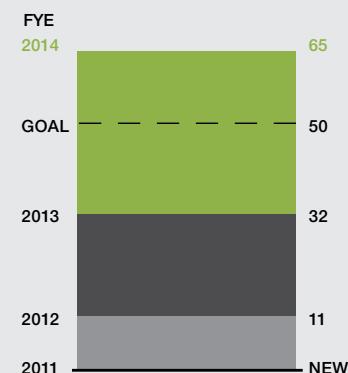
We achieved this goal two years early, increasing organic food offerings by 26 percent since 2012. In 2014, we expanded our Simply Balanced line of products, of which 40 percent are certified organic.

### EXCEEDED

#### IMPROVE OWNED-BRAND PACKAGING SUSTAINABILITY

Enhance at least 50 owned-brand packaging designs to be more sustainable by 2016.

2014 Progress: **65 projects**



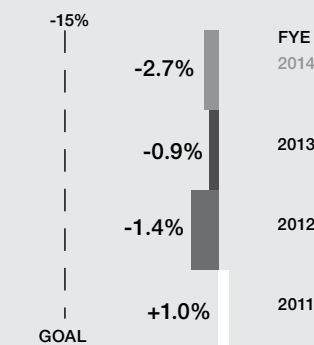
By the end of fiscal 2014, we improved the design of 65 Target-owned-brand packages, achieving the goal two years early. For a package design to meet our goal, we require at least a 10 percent improvement in one of several attributes – either by reducing the overall material used, including more recycled and renewable content, or reducing product waste. Another way to meet the goal is to make the packaging recyclable.

### NEEDS IMPROVEMENT

#### REDUCE WASTE

Reduce the amount of operating waste sent to landfills by 15 percent by 2015.

2014 Progress: **2.7% reduction**



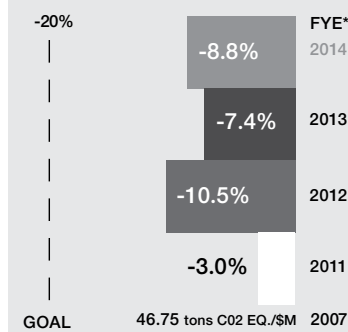
In 2013, it became clear that we would not meet this goal on time. Composting in our stores is our biggest challenge, since many locations lack the local infrastructure for hauling and processing organic waste. We made some progress in 2014 by expanding team member composting throughout our HQ locations, diverting 83 tons of waste from landfills. We will continue to focus on diverting retail waste from landfills through reuse or recycle programs.

### NEEDS IMPROVEMENT

#### REDUCE GREENHOUSE GAS EMISSIONS: PER RETAIL SALES

Reduce Scope 1 and Scope 2 greenhouse gas emissions by 20 percent per million dollars of retail sales by 2015.

2014 Progress: **8.8% reduction**



We saw a slight decrease in our emissions per million dollars of retail sales over 2013, with an overall 8.8 percent reduction in emissions by this measure since 2007. Reduced sales growth continues to place more emphasis on emissions reductions as we work toward meeting this goal.

\*Effective January 15, 2015, we operate as a single segment which includes all of our continuing operations, excluding net interest expense, data breach related costs and certain other expenses which are discretely managed. Our segment operations are designed to enable guests to purchase products seamlessly in stores, online or through mobile devices. See Note 28 of our Financial Statements for a reconciliation of our segment results to earnings before income taxes.

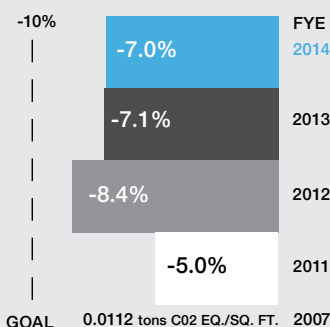
## ENVIRONMENT

### ON TRACK

#### REDUCE GREENHOUSE GAS EMISSIONS: PER SQUARE FOOT

Reduce Scope 1 and Scope 2 greenhouse gas emissions by 10 percent per square foot by 2015.

2014 Progress: **7.0% reduction**



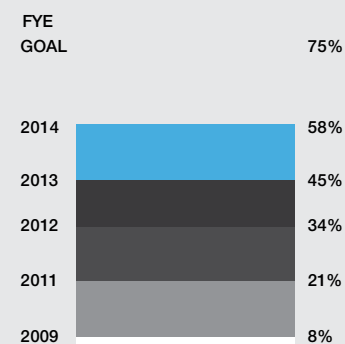
Our emissions per square foot increased 0.1 percent over 2013, though overall we have reduced emissions by that measure by 7 percent compared to our 2007 baseline.

### ON TRACK

#### INCREASE ENERGY STAR® CERTIFICATIONS

Earn the ENERGY STAR status for at least 75 percent of U.S. Target buildings by 2015.

2014 Progress: **58% U.S. buildings certified**



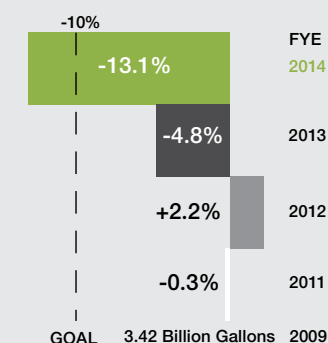
At the end of fiscal 2014, 1,000 of our U.S. buildings earned ENERGY STAR certification – 58 percent of our U.S. buildings in all. We expect 313 more of our U.S. buildings to be certified in 2015, enabling us to meet our goal.

### EXCEEDED

#### REDUCE WATER USE

Reduce water use by 10 percent per square foot by 2015.

2014 Progress: **13.1% reduction**



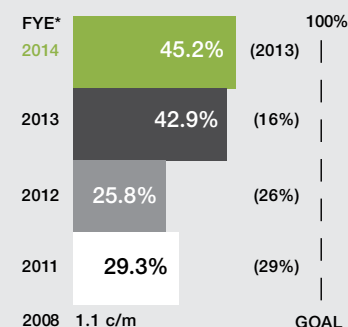
We used 3.2 billion gallons of water in 2014, a decrease of 13.1 percent per square foot from our 2009 baseline. We continue to seek innovative ways to reduce water use.

### EXCEEDED

#### IMPROVE TRANSPORTATION EFFICIENCIES: INBOUND

Improve the efficiency of general merchandise transportation inbound to distribution centers by 15 percent and support the adoption of cleaner and more fuel-efficient transportation practices by 2015.

2014 Progress: **45.2% improvement in Cartons/Mile (C/M)**



We reduced loads and miles inbound to our distribution centers by continuing to make upgrades to our transportation management system, which enables us to optimize deliveries. In 2014, we also achieved more efficient product pickups from smaller vendors by our carrier partners, which account for about half of our load pickups. We expect to keep improving in 2015.

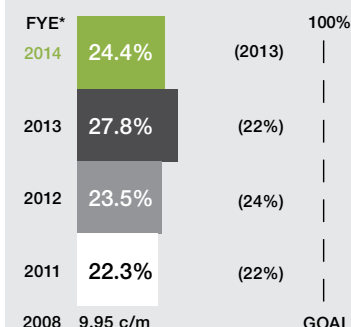
*\*Due to changes in tracking methods, we have restated percentage of improvements over 2008 for the years 2011-2013.*

### EXCEEDED

#### IMPROVE TRANSPORTATION EFFICIENCIES: OUTBOUND

Improve the efficiency of general merchandise transportation outbound from distribution centers by 20 percent and more fuel-efficient transportation practices by 2015.

2014 Progress: **24.4% improvement in Cartons/Mile (C/M)**



We reduced loads and miles outbound from our distribution centers by continuing to make upgrades to our transportation management system, and by building two new food distribution centers in 2014 that reduced the number of miles necessary for delivering fresh food to our stores. We expect to keep improving in 2015.

*\*Due to changes in tracking methods, we have restated percentage of improvements over 2008 for the years 2011-2013.*

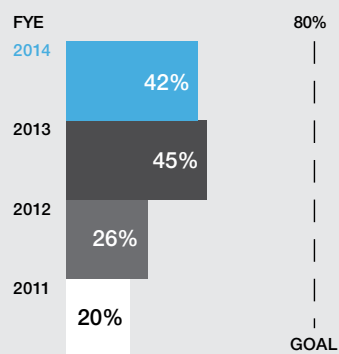
## TEAM MEMBER WELL-BEING

### ON TRACK

#### INCREASE HEALTH ASSESSMENTS

Increase the percentage of team members and spouses/domestic partners enrolled in a Target health plan completing a health assessment to 80 percent by 2015.

2014 Progress: **42% completion**



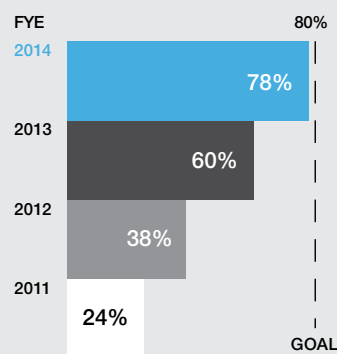
While health assessment completion decreased slightly in 2014 (down 3 percent), we're confident we're tracking to meet our 2015 goal based on several new initiatives. We continue to make the health assessment easier to access and allow team members to earn dollars for their medical plan accounts. In 2014, we rolled out a new health well-being rewards website, offering easier access, an improved user experience and more resources and incentives. We've already seen improvements in engagement and participation.

### ON TRACK

#### INCREASE BIOMETRIC HEALTH SCREENINGS

Increase the percentage of team members and spouses/domestic partners enrolled in a Target health plan completing a biometric screening to 80 percent by 2015.

2014 Progress: **78% completion**



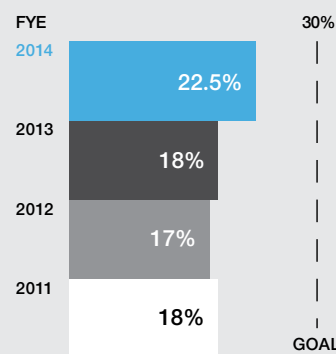
In 2014, 78 percent of team members and spouses/domestic partners enrolled in a Target health plan completed a biometric screening, which helps them better understand their risk for preventable chronic diseases. We plan to continue to offer free on-site screenings at all of our locations, another step that team members can take to earn dollars for their medical plan accounts.

### ON TRACK

#### INCREASE USE OF FINANCIAL TOOLS

Increase the percentage of team members participating in the Target 401(k) who are using financial tools and resources provided by Target to 30 percent by 2015.

2014 Progress: **22.5% participation**



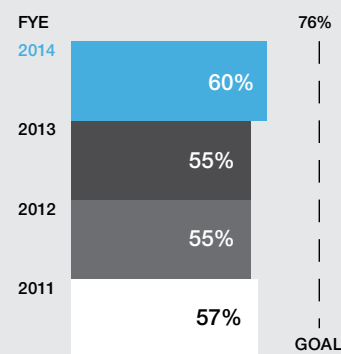
By the end of 2014, 22.5 percent of team members participating in the Target 401(k) plan were using financial tools and resources provided by Target. In 2014, we drove progress against this goal by creating easier access to resources and allowing individuals to personally assess their financial wellness, find financial information based upon a life event, or find tools that help them reach a financial goal. We will continue these efforts in 2015 to increase participation companywide.

### ON TRACK

#### INCREASE BREAST CANCER SCREENINGS

Increase the percentage of eligible team members and their families enrolled in a Target health plan getting breast cancer screenings to 76 percent by 2015.

2014 Progress: **60% compliant**



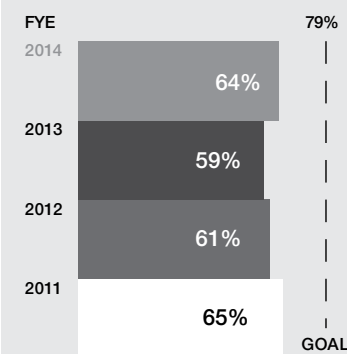
In 2014, 60 percent of eligible team members and dependents enrolled in a Target health plan got a breast cancer screening, keeping us on track toward our goal of 76 percent annually by the end of fiscal year 2015. We continue to communicate and build awareness around the importance of all cancer screenings (breast, cervical and colon), and drive incentives for participation through our health well-being rewards program to increase engagement.

### NEEDS IMPROVEMENT

#### INCREASE CERVICAL CANCER SCREENINGS

Increase the percentage of eligible team members and their families enrolled in a Target health plan getting cervical cancer screenings to 79 percent by 2015.

2014 Progress: **64% compliant**



With the efforts behind an awareness campaign that included home mailers and outreach by phone, we saw an increase in cervical cancer screening participation to 64 percent in 2014. We'll continue to increase our outreach and awareness efforts throughout 2015 to try to reach our goal.

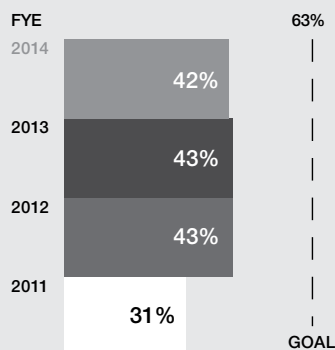
## TEAM MEMBER WELL-BEING

### NEEDS IMPROVEMENT

#### INCREASE COLON CANCER SCREENINGS

Increase the percentage of eligible team members and dependents enrolled in a Target health plan getting colon cancer screenings to 63 percent by 2015.

2014 Progress: **42% compliant**

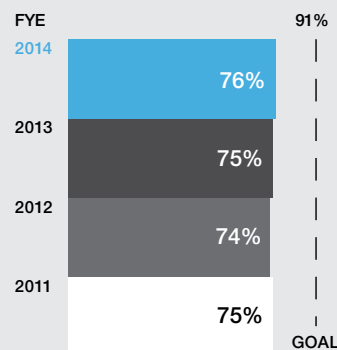


In 2014, 42 percent of eligible team members and dependents enrolled in a Target health plan received a colon cancer screening (down slightly from 2013). We'll ramp up progress on this goal by continuing to make testing more convenient by providing easy to use at-home test kits to eligible team members and mailing information about the importance of colon cancer screenings to team members.

#### INCREASE DIABETES HBA1C TESTING COMPLIANCE

Increase the percentage of eligible team members and dependents enrolled in a Target health plan getting diabetes testing to 91 percent by 2015.

2014 Progress: **76% compliant**



In 2014, 76 percent of eligible team members and dependents were tested for diabetes, keeping us on track to reach our goal. In 2015, we are exploring innovative ways to increase diabetic compliance with recommended care, including a glucose monitor pilot that provides enrolled members with reminders and real-time feedback on how they are managing their condition.

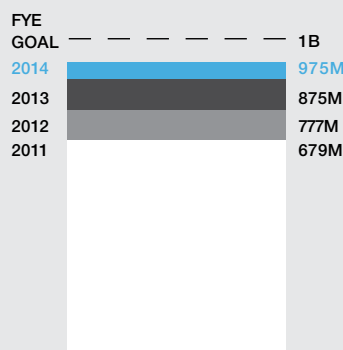
## EDUCATION

### ON TRACK

#### DOUBLE EDUCATION SUPPORT

Double Target's year-end 2009 cumulative support of education, with a focus on reading, to \$1 billion by 2015.

2014 Progress: **\$974,000,000 cumulative support of education**



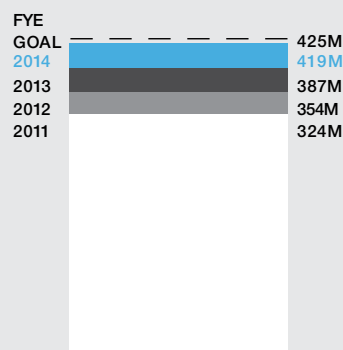
Target is well on track to meet our 2015 goal of \$1 billion for education, with \$974,000,000 cumulative support for education given since 2011.

### ON TRACK

#### INCREASE TCOE GIVING

Increase cumulative giving to schools nationwide through Target's signature Take Charge of Education (TCOE) program to \$425 million by 2015.

2014 Progress: **\$418,819,550 cumulative giving to schools**



In 2014, we donated \$31,722,837 to more than 84,000 schools in all 50 states and the District of Columbia, bringing us to \$418.8 million – or 98.5 percent of our \$425 million goal.

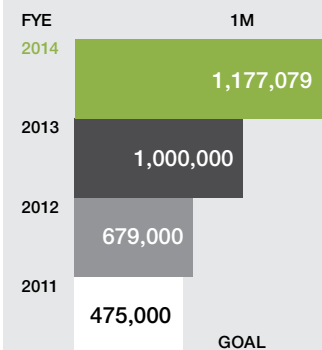
## VOLUNTEERISM

### EXCEEDED

#### INCREASE VOLUNTEER HOURS

Strengthen local communities and help kids learn, schools teach and parents and caring adults engage by increasing team member volunteer hours to 700,000 annually by 2015.

2014 Progress: **1,177,079 hours**



Our goal-oriented team members enabled us to achieve our goal of maintaining 1 million volunteer hours annually, with a total of 1,177,079 hours in 2014. We did so by creating volunteer hour goals for every Target location (inclusive of U.S., India and Canada).

# 1

## CREATING POSITIVE GUEST EXPERIENCES TOGETHER

**Our guests don't just shop. They explore. Discover. Learn.** We strive to offer them a positive experience from start to finish. That's why Target is not only a fun place to shop, but also a place that makes it easy for guests to make great choices—such as great-tasting, wholesome foods and products that are sourced and manufactured in ways that respect both the environment and the people within it.





# CLEAN PRODUCTS

Whether they're serving dinner or scrubbing windows, Target guests want natural, organic and sustainable products that are better for them and their families. That was the motivation behind the Made to Matter – Handpicked by Target product collection. It takes the guesswork out of buying better-for-you products by bringing together 16 trusted brands with one common goal.



It should be easy for guests to find products they can feel good about bringing home to their families. When that simple thought came up during a Target brainstorming meeting, we had no idea it would lead to a first-of-its-kind partnership and collection from 16 leading natural, organic and sustainable brands. We call this group of products **Made to Matter** – Handpicked by Target – because that’s exactly what it is. We pay careful attention to selecting brand partners that use simple, recognizable ingredients—just what our guests have told us they want.

In 2014, guests could choose from Made to Matter products in six categories—from baby products to household cleaners—and find them throughout Target

stores. Brands included Annie’s Homegrown, Burt’s Bees, Clif Bar, Ella’s Kitchen, EVOL, Horizon Organic, Hyland’s, Kashi, method, Plum Organics, Seventh Generation, SheaMoisture, Target’s Simply Balanced, Vita Coco, Yes To and Zarbee’s Naturals. Made to Matter – Handpicked by Target was such a big hit that we recently announced we’re nearly doubling the number of brands and expanding the collection to more than 200 new products. All because what matters to our guests matters to us.

“This has been a great partnership for Seventh Generation. When you bring as many inspirational, innovative brands together into the room, you can’t help but **spark the energy.**”

John Replogle,  
Seventh Generation CEO




**Our guests want it to be easy to eat well.** So we give them access to a variety of options—and confidence in the choices they make—with Simply Balanced, a collection of wholesome food products at a great price.

As we track sales in our stores, we see an increasing demand for healthy food choices from our guests. Simply Balanced is free of artificial flavors, colors, preservatives and—as of the end of 2014—contains no Genetically Modified Organisms in its plant-based products.

Better-for-you foods aren't a new idea at Target. We introduced Simply Balanced as part of our Archer Farms brand in 2009, promising our guests “high-quality options that taste great.” Three years later, we expanded the Simply Balanced collection to include more than nearly 400 products. And, as delicious as our Simply Balanced products are, our guests have another reason to love them—they make it very easy to eat well. If the package says “Simply Balanced,” the food inside will not contain added trans fats or high-fructose corn syrup—or any of 105 common food additive ingredients. About 40 percent of Simply Balanced products are certified organic and in 2014, we made sure all of the plant-based products in the line were GMO-free.



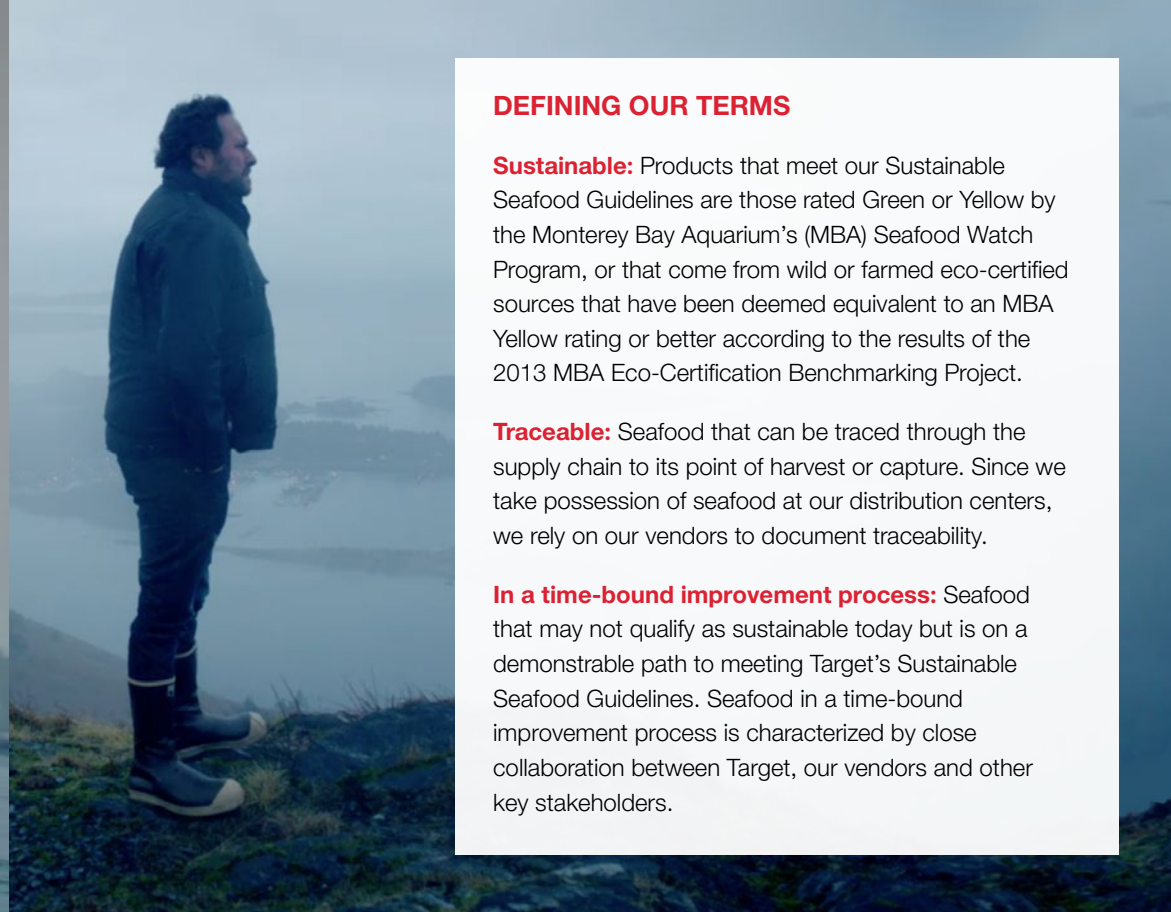
# RESPONSIBLE PRODUCTS

A photograph of three salmon swimming in clear, blue water. The salmon are positioned diagonally across the frame, with one in the foreground and two slightly behind it. The lighting is soft, highlighting the texture of their scales and the movement of their fins.

The world's oceans are both a bountiful source of food and a fragile ecosystem. We're doing our part to ensure abundant supplies of nutritious seafood both for our current guests and future generations by requiring every fresh and frozen seafood product we sell—both owned and national brands—to be sourced responsibly. It's just one way we're working together to help ensure a sustainable supply of seafood.



We understand that the best solutions will come from **working closely** with others in the industry.



## DEFINING OUR TERMS

**Sustainable:** Products that meet our Sustainable Seafood Guidelines are those rated Green or Yellow by the Monterey Bay Aquarium's (MBA) Seafood Watch Program, or that come from wild or farmed eco-certified sources that have been deemed equivalent to an MBA Yellow rating or better according to the results of the 2013 MBA Eco-Certification Benchmarking Project.

**Traceable:** Seafood that can be traced through the supply chain to its point of harvest or capture. Since we take possession of seafood at our distribution centers, we rely on our vendors to document traceability.

**In a time-bound improvement process:** Seafood that may not qualify as sustainable today but is on a demonstrable path to meeting Target's Sustainable Seafood Guidelines. Seafood in a time-bound improvement process is characterized by close collaboration between Target, our vendors and other key stakeholders.

Sustainable seafood is such a big issue that we set a goal that's just as big: ensure that our fresh and frozen seafood selection is 100 percent sustainable and traceable, or in a credible, time-bound improvement process, by the end of 2015 (see sidebar). Not only are we on track to meet this overall goal, but all of the seafood in our owned-brand product assortment is expected to meet it even sooner, by late summer of 2015. We realize our work doesn't end when this goal is met—and we understand that the best solutions will come from working closely with others in the industry. That's why we partner with a wide set of seafood stakeholders—including Fishwise and The Food Marketing

Institute's Sustainable Seafood Committee—to help increase the supply of sustainable seafood.

In addition, because of the growing role that aquaculture is playing in the world's production of foods, last year the Global Aquaculture Alliance's Better Aquaculture Practices (BAP) 2-star shrimp standards were updated to be equivalent to Monterey Bay Aquarium's Seafood Watch Yellow rating. This change was partly a result of conversations Target had with industry peers, FishWise and NGOs to expand consumer options for sustainable seafood.



# RESPONSIBLE PACKAGING

We beat our 2016 goal to enhance at least 50 owned-brand packaging designs to be more sustainable, by two years. We will continue to make our owned-brand packaging more sustainable by reducing the overall material used, using more recycled and renewable content, or reducing product waste.

Target light-weighted  
the Archer Farms  
almond packaging




We care just as much about the sustainability of our packaging as we do about the quality of the product inside. We package our products to protect and sell them with minimal or positive impact on the environment. One way we're making our packaging design better is by using guidelines from the Global Protocol on Packaging Sustainability (GPPS). The GPPS was created to provide the consumer goods and packaging industries with a way to define packaging sustainability. It was designed collectively by a diverse group of retailers and manufacturers aided by packaging material suppliers and packaging manufacturers. We're proud that Target helped lead the development of GPPS, along with Walmart, Tesco, Kraft Foods, Procter & Gamble, Nestlé and Unilever.

An example of how we're reexamining our product packaging is the change we made to the packaging for our plastic clothes hangers. By replacing the large cardboard sleeve with much smaller paperboard around the necks of the hangers, we've radically reduced the amount of packaging used by 530,000 pounds (256 tons) in 2014. Achieving changes like this takes teamwork. That's why the Target packaging engineers who design our owned-brand packaging work closely with our product vendors and suppliers to create packaging that is optimal for all stakeholders.



*Smaller cardboard sleeve saved 530,000 pounds of packaging*

**How2Recycle label encourages recycling** ➡  
**Recycling plastic bags** ➡

A woman in a red Target uniform is smiling and showing a small, pink and white beauty product to a guest. The guest, a woman with long dark hair, is also smiling and looking at the product. They are in a Target store, with shelves of products visible in the background. A large, close-up image of a woman's face with red lipstick is visible in the upper left corner.

When guests kept telling us they were concerned about what's in their beauty and personal care products, we knew we had to take action. We also knew that Target couldn't address this issue alone. Then we realized that there was an opportunity to bring the industry together and think about the subject more collectively.

# TRANSPARENCY & INNOVATION

“Target has ambitious sustainability aims in the beauty and personal care product sector – but what makes their ambition even more powerful is their **openness and willingness to collaborate.**”

Helen Clarkson, Forum for the Future Director



With 97 percent of our guests buying natural and organic products and sales of these products growing four times faster than our regular grocery items in 2014, we knew guests were very interested in sustainable and healthier products—especially if they’re putting those products in or on their bodies. That realization is one reason we developed the Target Sustainable Product Index (SPI) in 2013. Created with input from industry experts, vendors and NGOs, SPI helps us determine what makes a product more sustainable—from its ingredients to its packaging.

And, while the SPI is a great start, we knew we could make a bigger impact across the industry through pre-competitive collaboration. So last year we took the unusual step of

partnering with Walmart to host a day-long Beauty and Personal Care Products Sustainability Summit that brought together 50 companies and organizations from across the beauty and personal care industries to accelerate a conversation about product sustainability. The Summit was facilitated by Forum for the Future, a global nonprofit, and attended by a wide range of companies and organizations, including Dow, Environmental Defense Fund, Firmenich, L’Oreal, Procter & Gamble, Unilever and Walgreens. It ended with an agreement to work together to identify actionable areas for change. The Summit was such a notable event that *Harvard Business Review* named it one of the ten most important sustainability stories from 2014.



**up&up continues push to remove chemicals of concern** ➤

**Production readiness process** ➤

# 2

## MAKING A GREAT WORKPLACE TOGETHER

**What does it take to make a great workplace?**

We think it starts with healthy, happy team members. That's why we offer a number of health benefits, help with financial situations and empower team members to participate in our company's sustainability efforts. Of course, a great workplace is also one that fosters inclusion and encourages team members to volunteer for causes they believe in.



# HEALTHY LIVING

Why do we call Target employees “team members?” Simple: We believe that working as a team lets us do more than we could individually. Like any team, we’re at our best when the individual team members are at their best. So we provide a number of ways for them to get and stay healthy—including one new way we introduced in 2014.





Target was named a Platinum Bicycle Friendly Business by the League of American Bicyclists



Healthy options meal

When you care about someone, you go out of your way to make sure they're taken care of. We do that by helping team members stay healthy with programs such as free flu vaccinations, a 24-hour nurse hotline and free tobacco cessation support. Wanting to do even more to encourage team member health, we joined forces with a wellness partner in 2014 to offer an innovative new Health Challenge. It promoted healthy behavior for team members by helping them set goals that appeal to them, like healthy eating, physical activity, stress management or social well-being. Team members tracked progress and earned points for completing day-to-day well-being activities such as drinking eight ounces of water or exercising for 30 minutes.

The more activities they completed, the more rewards they could earn. Some team members even chose to get their spouses and partners to join in.

During the year, more than 11,000 participants across the country were part of the Health Challenge. One team member's feedback: "The Health Challenge provides motivation, competition, education and a great network of partners to make me a better me." Team members could also create and join a team to promote healthy challenges within their locations and compete against other teams across the company. Because they help keep our team at its best, we plan to continue supporting these types of programs during 2015.

During the year,  
**more than 11,000**  
participants across  
the country were  
part of the Health  
Challenge.

Healthy options in Target cafeterias ➤

Health and Well-being Center and physical wellness facilities ➤

# FINANCIAL SMARTS

We believe it's important to provide team members with resources and solutions to improve their financial well-being. The challenge: No two people have the same needs. But what if we could tailor solutions to each individual Target team member? In 2014, that's exactly what we did, working with a partner to develop a special tool team members could access from their computers or mobile devices.



The **financial health** of Target team members is an important part of their overall well-being. When their finances are in order, team members can focus on the things that really matter: their families, friends and communities.

Financial education is a powerful tool that can engage individuals to make more responsible decisions and improve their financial situations—and their lives.

With that in mind, in 2014 we worked with a third-party financial advisor to develop and introduce a financial well-being assessment tool for all Target team members. This unique online tool used a simple 10-minute quiz to help team members understand their financial status and establish goals. Over 7,500 team members used the tool in 2014. Based on how the questions were answered, the assessment outlined three focus areas to work on. It also suggested tools and resources available through Target to address those areas, from setting up a checking or savings account through our Target Credit Union to managing budgets. We think this kind of empowerment makes for more financially confident team members who are better prepared to support their families—and, ultimately, their communities.



*Team members rewarded for taking advantage of financial tools*



*Team members participated in a financial well-being incentive program*





# SUSTAINABILITY ENGAGEMENT

Last year, it became clear that we would not achieve our goal on waste reduction, partly because our plan to roll out composting to stores ran into a lack of supportive infrastructure in many locations. So we started looking for other ways to expand composting and recycling where we could—and engaged our team members to collaborate and find an innovative solution in our HQ offices.



*Compost collected by team members is turned into EcoScraps soil sold at stores*



Each year, the average Target HQ team member generates about 400 pounds of waste—and almost all of it can be composted or recycled. Looking to greatly reduce waste, we asked teams within Target to work together on ideas for expanding the recycling and composting programs at our HQ locations. They responded with a solution that enables more than 15,000 team members at four office buildings to sort waste without leaving their desks. The key: updated waste baskets modified with three separate, labeled compartments. There's a blue bin for recyclables, a small gray bin for trash and a large middle bin for compostable materials.

The program, dubbed “Know the space to throw your waste,” has driven a 295 percent increase in tons of compostable waste from HQ, growing from 41 tons in 2013 to 166 tons in 2014. Trash weights were reduced 22 percent for HQ locations, represented by 83 fewer tons sent to a landfill. Target customers can play a role in this program, too—the composted material is processed by EcoScraps and some of it is sold as soil at Target stores. The program went from the early idea stage to fully implemented in less than four months. It's an excellent example of how we're breaking through challenges and finding new opportunities for our team members to engage on sustainability efforts that impact our company—from reaching goals to selling soil in stores.

“Through our partnership with Target, together, we have been able to minimize and recycle food waste as well as create a premium quality line of soils and plant foods that are available in the Made to Matter collection, **allowing us to grow gardens and not landfills.**”

Dan Blake, EcoScraps CEO and Founder

A group of diverse people, including men and women of various ethnicities and ages, are smiling and looking up at the camera. They are holding a large rainbow flag, which is draped over them. The background is a solid blue color.

# DIVERSITY AND INCLUSION

We believe diversity and inclusivity make teams and Target better. Creating better experiences for Target guests starts by combining our unique talents and perspectives to serve a guest population that's just as diverse as we are. Target's approach to diversity includes supporting veterans and military members as they serve our nation and our communities, and supporting our LGBT colleagues.



Students in the University of Minnesota's ROTC program participate in a Target HQ event with *The Mission Continues*

Team members in Target's  
Pride Merchandise



Transitioning after military service can be a challenge. This has inspired us to work with other organizations to support military veterans as they return to the workforce. For example, as a member of the 100,000 Jobs Mission, Target has joined more than 180 companies that represent almost every industry in the American economy in a commitment to hire U.S. military veterans, report their hiring number on a quarterly basis and share best practices. Together, we've already hired a total of 217,344 veterans through the end of 2014, more than double the coalition's original goal. At Target, we've hired 14,093 veterans since we started tracking these hires in 2013, including 7,371 in 2014.

We also sponsor events that provide transition services, workshops and coaching. A recent event at Fort Hood Army base gave veterans an opportunity to network with prior service members and hiring managers, participate in a professional development session and learn about job interviewing skills. Finally, our Military Business Council supports our inclusive culture by providing resources and support to team members with a connection to military service. The Council also helps us identify opportunities to better serve job candidates, team members and guests with military connections.

"Through its commitment to hiring veterans and **willingness to collaborate** with other 100,000 Jobs Mission members, Target has made a substantial impact on military service members, veterans and their families."

Tony Odierno, 100,000 Jobs Mission Program Manager at JPMorgan Chase

Volunteerism and service are as much a part of Target as our familiar bullseye logo. In 2014, Target team members donated more than a million volunteer hours to projects they're passionate about and with organizations that make an impact in the communities where they live and work.

# VOLUNTEERISM





*Team members assembling donations for nonprofit partners*



“Points of Light has been excited to work alongside Target for almost a decade, **engaging thousands of Target team members and neighbors as volunteers** in community projects that addressed local needs in education, literacy and disaster preparedness.”

Madden DeGarmo Manion, Points of Light  
Chief Development Officer

Target team members love to support strong, healthy, safe communities. So we provide a variety of opportunities for them to do just that through volunteerism. We encourage team members to choose activities that match their interests—and they respond by donating food to the hungry, pitching in during disasters, renovating elementary school libraries, reading with students and much more. In fact, our team members enjoy volunteering so much that a group of store team members and leaders in one of our regions launched a grassroots movement to engage volunteers and address local community needs. Known as Regional Days of Service, it’s an annual weeklong, company-wide volunteering opportunity that mobilizes Target team members across the country in service. Team members love it because it allows them to connect their personal passions, skills and talents to address local community needs.

Target HQ team members are also making a big, local impact—last year, Target HQ volunteers tallied almost 95,000 hours—nearly 10 percent of our million-hour goal for the entire year. In 2015, we’re planning to give another million hours in service to benefit the communities where we do business, work, live and play, particularly around local needs most critical to our communities.

# 3

## SUPPORTING OUR COMMUNITIES TOGETHER

Our communities extend from the neighborhoods that are home to our stores all the way to the factories across the world that manufacture our products. **What our presence in all of these places has in common is our concern for the people who live in them.** We support our communities in a number of ways, from helping suppliers source materials responsibly and provide good working conditions, to partnering with nonprofits to deliver resources to local teachers and schools.



# RESPONSIBLE SOURCING

We're working together with GoodWeave to help put an end to the exploitation of nearly 250,000 children in the handmade rug industry in India. GoodWeave is an international nonprofit organization that aims to stop child labor in the rug industry and offers educational opportunities to rescued and at-risk children in Indian weaving communities.

*GoodWeave licensed factories employ only adults for all steps of carpet production, including the preparation of yarn. (India, 2012)*  
© U. Roberto Romano, courtesy of GoodWeave International.



## FACTORY TRANSPARENCY

Target is committed to providing increased supply chain transparency. To meet this commitment, we partner with our vendors to maintain an accurate [list of factories](#) producing owned-brand products. In 2014 we began publishing a list of all registered factories producing these products. This list is subject to change and updates will be provided on a quarterly basis.

*Photos © U. Roberto Romano, courtesy of GoodWeave International.*

We're proud of our leadership position in driving safe and quality products that are produced responsibly. One way we do that is through our partnerships with organizations such as GoodWeave, whose primary focus is on preventing underage labor. Target team members provide oversight of our rug facilities, while our combined efforts with GoodWeave help ensure that Target's owned-brand woven rugs are produced ethically.

This is particularly challenging in the handmade rug industry because rugs are generally woven at small, basic facilities. The GoodWeave label tells our guests that the rug was produced at an approved facility—and it's numbered to protect against counterfeit rugs. We're pleased to work with GoodWeave, whose work is held in such high regard that the organization's founder, Kailash Satyarthi, shared the 2014 Nobel Peace Prize.

“Together we're ensuring that thousands of weaving families earn **sustainable livelihoods and that children have access to education**, instead of being caught in the vicious cycle of illiteracy and poverty that all too often plagues the region.”

Nina Smith, GoodWeave Executive Director

**Helping to lead the industry in developing environmental standards across product categories** ➔

**Working to improve the safety of our workers in Bangladesh** ➔

# ENVIRONMENTAL STANDARDS



Apparel production has some significant environmental impacts. So we're partnering with our competitors and the Natural Resources Defense Council (NRDC) on the Clean by Design initiative to provide our guests with more responsibly produced clothing.



Clean by Design helps us **build relationships** with our business partners, some of whom are new to sustainability.

Strengthening standards for our vendors ➡

Extending oversight and sustainability to our secondary facilities ➡



Apparel is one of Target's largest product categories, and textile production represents one of our most significant environmental impacts due to its use of water, chemicals and energy. Realizing that other companies face the same situation, we have adopted Clean by Design, a program that uses the buying power of multinational corporations as a way to reduce the environmental impacts of their suppliers abroad.

Clean by Design helps us build relationships with our business partners, some of whom are new to sustainability. The program comprises ten sensible, logical and easy-to-understand steps a facility can take to begin improving process efficiency to reduce waste and emissions. As they learn how Clean by Design can help them meet the regulatory, cost and resource limitation challenges they face, more and more suppliers are embracing this program.

After piloting Clean by Design in Chinese textile mills in 2012 and 2013, the significant savings we saw in water, energy and materials convinced us of the power of this framework. For example, the mills reported up to 36 percent savings in water use, or three million tons of water, with an average water savings at each mill of nine percent. Energy use was reduced by up to 22 percent and the use of chemicals was cut by approximately 400 tons.

In 2014 we brought one of our biggest mills, Pacific, into the Clean by Design program. Based on past experience with Clean by Design, we helped Pacific understand the long-term cost and environmental benefits of the program. Pacific became a dedicated partner in this process and reduced water usage more than any other participating supplier with an annual reduction of half a million tons per year. Because of this achievement, Pacific received the "Most Innovative Overall Improvement Performance Award" from the NRDC. In 2014 we explored how Clean by Design can be applied to other product categories and we plan to pilot the concept in the home textile category in 2015.

# SUPPLIER DIVERSITY

Because diverse and underrepresented suppliers are uniquely positioned to help us connect to the Target guest and drive traffic, newness and differentiation in our stores, we work to create opportunities for them to gain our business.



Beauty Innovation Fair



Products from diverse suppliers

We're continually looking for new products that will excite our guests. At the same time, we're always seeking ways to add diverse vendors because of their insight into the trends and preferences of our diverse guests. In 2014, Target's Supplier Diversity team held a Beauty Innovation Fair that gave diverse vendors a way to present their products to Target's beauty buyers alongside non-diverse suppliers on-site in Minneapolis. The final business results of the event were outstanding, with 70 percent of the vendors who participated winning business in stores or online.

It was successful for both diverse business owners and Target by facilitating direct connections in this type of one-on-one format at headquarters. The team continues to expand and evolve this format for Target's retail and non-retail vendors. Innovation Fairs will continue to be an important part of how Supplier Diversity drives diverse inclusion and supports Target's four signature categories of Style, Baby, Kids and Wellness.

We're always seeking ways to add **diverse vendors** because of their insight into the trends and preferences of our diverse guests.

Adding rooftop solar panels to 500 Target buildings over the next five years is ambitious. But the benefits of providing up to 30 percent of our own power in these buildings make it an aspiration we're working hard to reach. The key: partnering with industry-leading companies and participating in state and federal programs to build out quickly.

# ENERGY AND EMISSIONS



Roof top solar array

Photo courtesy of Greenskies Renewable Energy LLC



Electric vehicle charging stations

© Matthew Anderson Photography

One way we support our communities is by designing and operating energy-efficient and sustainable buildings. We're increasingly meeting a portion of our energy needs with solar power—and we'd like to use more of it. So we got together with innovative solar developers to add solar panels to 250 Target buildings by the end of 2016, and reach a total of 500 solar sites by 2020. In collaboration with our developers, our renewable energy team worked to identify forward-looking communities in 16 states to pave the way for the work to be done.

Of our 1,790 stores, 104 currently have rooftop solar arrays that generate between 15 and 30 percent of their energy, taking advantage of renewable power and easing the burden on local power grids. Target may choose to sell the renewable energy certificates (RECs) from the solar energy we produce. Future plans call for adding solar to distribution centers, too. Solar power offers us a number of benefits – one of the most important is the very visible way it shows our guests how serious we are about operating our stores sustainably.

Of our 1,790 stores, 104 currently have rooftop solar arrays that **generate between 15 and 30 percent** of their energy.

Reaching our 1,000<sup>th</sup> Energy Star Certified store ➡

Our refrigerant strategies gained White House attention ➡

We signed onto the Corporate Renewable Energy Buyer's Principles ➡

# REPURPOSING MATERIALS



Behind every great commercial is up to a thousand pounds in set materials that could go to waste on each shoot. To make better use of these materials and help others, we partnered with EcoSet, a unique company that minimizes the footprint of commercial production and donates reusable items to people who need them most.

We like to find a second life for items that are still functional after we use them the first time. By teaming up with EcoSet for our commercial shoots, we've diverted more than 420 tons of waste from reaching landfills since 2009. EcoSet is an environmental consulting firm with a twist; they focus on reducing waste specifically in the film industry. Much of what's diverted are reusable items that are given to the community through local nonprofits, schools and artistic organizations. For instance, old hangers were used by local theaters for hanging costumes, and Target home goods benefit families that are rebuilding their lives after being homeless. Through EcoSet, we've helped more than 800 nonprofits and community organizations in Los Angeles, New York, Minneapolis, Vancouver and Toronto.

There are a number of other ways EcoSet reduces or eliminates waste on our commercial sets. One of the biggest—and most visible—is the use of reusable water bottles. By giving every crewmember a Target stainless steel bottle, we have avoided the use of more than 130,000 single-use plastic bottles on Target sets over the last five years. EcoSet also encourages caterers to use washable cutlery and dishes or disposables that are plant-based and compostable. After waste prevention comes waste diversion, so EcoSet's representatives are on set to oversee the collection of reusable materials, recycling and composting.

**Preventing food waste in collaboration  
with our peer companies** ➔

“We’ve done more than 180 shoots with Target. We’ve kept 420 tons of materials from reaching landfills and half of that we’ve given away for reuse by the local creative community. **I see our partnership making a difference every single day.** People cannot believe these resources are free. Giving back is just part of the fabric of Target and this partnership matches that completely.”

Kris Barberg, EcoSet Executive Director

*EcoSet repurposes items used on our commercial sets*



*Providing water for  
reusable water bottles*

*Recipient of EcoSet  
materials for an exotic  
wildlife rescue facility*



# CORPORATE GIVING AND PHILANTHROPY

Children who are successful readers are also more successful in school overall. That's why we've made increasing literacy one of our top education goals. When we discovered Minnesota Reading Corps, we knew we had found a partner that would help us reach that goal.



Team members volunteer in a local school library



A volunteer event with Minnesota Reading Corps

Reading Corps is just one of the many reading programs we support that demonstrates the power of working together to solve a problem. After a single semester of tutoring, the average kindergarten student with a Minnesota Reading Corps tutor performed twice as well as students without one. That's powerful proof of the effectiveness of Reading Corps, an AmeriCorps tutoring program focused on struggling readers. Reading Corps hires AmeriCorps volunteers to work with students during the school day and provide one-on-one tutoring to high-need students until they've reached their individualized literacy goal. Our funding has placed Reading Corps in every elementary school in Minneapolis Public Schools and helped the program expand to other states.

With research consistently showing a link between a failure to read proficiently by the end of third grade and ongoing academic difficulties in school, failure to graduate from high school on time and chances of economic success later in life, we have been encouraged by the incredible growth students have made when working with Reading Corps members. It's one more reason why we are committed to giving \$1 billion for education by the end of 2015, with a significant portion helping more U.S. children read proficiently by the end of third grade.

“Target invited us to be part of their bold vision to help teachers reach all children with the individual attention needed to become successful readers. With Target’s influence and their philanthropic generosity, **we are making huge strides** toward achieving this ambitious goal.”

Audrey Sulker, ServeMinnesota CEO

**Funding research on the most effective ways to support students** ➔

**On track to give \$1 billion for education by 2015** ➔



# REPORTING AND ADDITIONAL INFORMATION

About This Report

Materiality



*U.S. Senator Amy Klobuchar makes remarks at a Target HQ event*



*Representative Paul Thissen, Minnesota DFL Minority Leader, and Representative Kurt Daudt, Speaker of the Minnesota House of Representatives, meet Bullseye*

## ABOUT THIS REPORT

### Structure

This year we chose to organize our report into three main sections. We start with a review of progress made against each of our goals. This is followed by our most compelling stories that exemplify The Together Effect—how Target works with suppliers, team members, guests and communities to make a difference on mutually important issues. The third section is organized by the Global Reporting Initiative (GRI) G4 Index and includes additional information on our most significant achievements and challenges in 2014, with many links to more information on our corporate site. We believe this format best conveys our corporate social responsibility approach. While the format for this report has evolved, the scope, boundary and measurement methods used in this report have not changed from 2013.

### Scope

This annual report represents Target's global operations as of FYE 2014. Unless noted, goals and other data within the report reflect our U.S. operations.

This report was published in June 2015 and reflects our activities and performance for FY 2014 (Jan. 27, 2014-Feb. 1, 2015) and includes forward-looking statements about our business plans, initiatives and objectives. Our most recent report (2013 Corporate Responsibility Report) was published in June 2014.

### Reporting Standards

This report is aligned to be in accordance with the Global Reporting Initiative G4 Guidelines at the "core" level, which we recognize as the most credible standard for reporting on environmental, social and governance performance most important to our business and stakeholders.

### More Corporate Responsibility Information

This report complements additional corporate responsibility information, past corporate responsibility reports and Target's climate change and water responses to the CDP, which are all available at [Target.com/corporateresponsibility](http://Target.com/corporateresponsibility). We are committed to reporting our ongoing progress online and invite you to visit periodically for updates.

### Stakeholder Engagement

The Together Effect embodies the power of working with our stakeholders to do good. In addition to the internal and external partnerships described in this report, you can find more detail about our stakeholders online [here](#).



## MATERIALITY

In order to determine the most important corporate responsibility issues that should be discussed in this year's report, we interviewed Target executives and experts to understand Target's biggest issues, reviewed competitor company reports and audited the retail industry media landscape. This helped us to identify, evaluate and prioritize the issues of greatest importance to both Target and our stakeholders.

As a result of this analysis, the following material issues rose to the surface:

- Climate Change & Resource Scarcity
- Value Chain (Material Use, Responsible Sourcing & Social Compliance)
- Transparency
- Corporate Giving
- Health & Wellbeing
- Great Place to Work
- Safety & Preparedness

[Read more on Target.com](#) ➔

**GRI**

# **G4 CONTENT INDEX**



## G4 General Standard Disclosures

### G4-1 CEO statement

CEO/Chief CSR Officer Letter

### G4-2 Key impacts, risks and opportunities

CEO/Chief CSR Officer Letter

2014 10-K: Risk Factors

### G4-3 Organization name

Target Corporation

### G4-4 Products

2014 10-K: Business

### G4-5 Headquarter location

2014 10-K: Properties

### G4-6 Countries of operation

2014 10-K: Business

### G4-7 Nature of ownership and legal form

2014 10-K: Business

### G4-8 Markets served

2014 10-K: Business

### G4-9 Scale of the organization

2014 10-K: Business

### G4-10 Total number of employees by type

2014 10-K: Employees

### G4-11 Collective bargaining agreements

No Target team members are currently covered by the terms of collective bargaining agreements.

### G4-12 Supply chain description

We apply a designer's eye to corporate responsibility by looking at our entire supply chain—the connection of people and processes involved in every part of our business. In the design phase, we build responsibility and sustainability into every brainstorm. In production, we collaborate with highly qualified vendors of general merchandise and food. In transporting our products, we're working to reduce the number of loads shipped and miles traveled so that we can save fuel, reduce our carbon emissions and lower costs. At our headquarters and stores, we're focusing on sustainable and responsible operations. And finally, when our guests can no longer use the products they buy from us, we provide tools, information and incentives to help them reduce waste and turn their old items into something new.

Our Target Sourcing Services team sources Target-brand merchandise from all over the world, anticipating issues and potential risks while making the best decisions for our business. We source Target-brand products from more than 3,000 registered manufacturing facilities in 49 countries, all of which we require to follow our standards for how to treat workers and care for the environment. We continually evaluate the mix of countries from which we source and adjust for many factors, including production quality, social responsibility, capacity, speed to market and pricing. We clearly label all products with the country of manufacture in compliance with regulations established by U.S. governmental agencies.



## G4-13 Organizational changes during the reporting period

2014 10-K: [Business](#)

## G4-14 Precautionary principle

[CEO/Chief CSR Officer Letter](#)

Target does not have an official policy as it pertains to the precautionary principle, but addresses the precautionary approach for products with the application of the Target Sustainable Product Index. We ask vendors in our personal care, beauty, household cleaning and baby care product categories to complete an assessment to inform our merchandising and product-placement decisions for 2015 and beyond. All Target products are also required to comply with FDA and government regulations. Target products and suppliers adhere to a variety of internal and external standards. For suppliers, this includes our Standards of Vendor Engagement (SOVE) which include nine business principles that form the basis of our ethical standards on which we focus our factory audits. We also take a proactive approach to risk management, and perform regular reviews of environmental risks in our operations and supply chain. We also ask vendors and their factories producing Target-brand products to use the Higg Index, a self-assessment to help measure and evaluate sustainability performance in the supply chain. The results are part of vendor's annual scorecards.

Refer to G4-15 for full list of internal and external standards.

## G4-15 External charters, principles, or other initiatives

### INTERNAL STANDARDS:

[Target Sustainable Products Index](#)

[Standards of Vendor Engagement \(SOVE\)](#)

[Conflict Minerals Policy](#)

[Simply Balanced](#)

### EXTERNAL STANDARDS:

[Better Work](#)

[Higg Index](#)

[Leadership in Energy & Environmental Design \(LEED\)](#)

[Clean By Design \(project of NRDC\)](#)

## G4-16 Membership associations

[Trade Association and Policy-Based Organization Support](#)

## G4-17 Entities included in financial statements

2014 10-K: [Business](#)

## G4-18 Process for defining report boundaries and content

[CEO/Chief CSR Officer Letter](#)

[Materiality](#)

## G4-19 Material Aspects included in the report

[Materiality](#)

## G4-20 Descriptions of material aspect boundaries within the organization

[About This Report](#)

[Materiality](#)

Material aspects apply to Target operations in the U.S., India and all entities as described in Target's 2014 10-K: [Business](#)

Material aspect boundaries within the organization include:

- Logistics/transportation/delivery of products
- Owned-brand product design
- Marketing/retail/sale of products

## G4-21 Descriptions of material aspect boundaries outside the organization

[About This Report](#)

Material aspects boundaries outside of the organization include:

- Raw material sourcing from third-party suppliers
- Product manufacturing by vendors and business partners
- Guest use of products and services

## G4-22 Re-statements

Progress Toward 2015 Goals: [Improve Transportation Efficiencies\\*](#)

\*Due to changes in tracking methods, we have restated percentage of improvements over 2008 for the years 2011-2013.

## G4-23 Changes from previous reports in terms of scope and/or boundaries

[About This Report](#)

## G4-24 Stakeholder groups

[Stakeholder Engagement](#)

## G4-25 How stakeholders were identified

[Stakeholder Engagement](#)

## G4-26 Approach to stakeholder engagement

[Stakeholder Engagement](#)

[About This Report](#) – Stakeholder Engagement (see table)

Engaging with our stakeholders and listening to their ideas, concerns and perspectives is vital to the success of our business. We aim for meaningful dialogue with stakeholders who are focused on our top priority issues, and we initiate conversations with and respond to stakeholders in formal and informal ways every day across the company, throughout our communities and across a variety of different channels.

In addition, we periodically engage a third party to complete confidential interviews with key stakeholders to gather specific feedback around Target's overall reputation and efforts related to our corporate responsibility focus areas.

In 2014, we convened a [Beauty and Personal Care Products Summit](#) to convene key stakeholders in the personal care and beauty industry. This is just one example of how we continue to shape our approach to stakeholder engagement to be more collaborative and partnership-oriented.

## G4-27 Topics raised during stakeholder engagements

We have ongoing relationships with community leaders, government agencies and non-governmental organizations that help us understand the most pressing issues facing our

communities. They also influence how we support our team members and guests. [Read more](#) about the organizations we engage with and how we are responding to key topics and concerns.

## G4-28 Reporting period

[About This Report](#)

## G4-29 Date of most recent report

[About This Report](#)

## G4-30 Reporting cycle

[About This Report](#)

## G4-31 Report contact

[About This Report](#)

## G4-32 "In accordance" option, GRI Index and report assurance

[About This Report](#)

## G4-33 Policy regarding report assurance

We did not seek external assurance for this report.

## G4-34 Governance structure of the organization

[Board of Directors](#)

[Board Committees](#)

[Governance Guidelines](#)

## G4-56 Code of conduct

[Mission and Values](#)

[Business Conduct Guide](#)

[Standards of Vendor Engagement](#)

[Vendor Code of Conduct](#)

## G4 Specific Standard Disclosures

### ECONOMIC

#### DMA-EC Disclosures on management approach (DMA)

Learn more about Target's management approach to economic material issues in our [2014 10-K](#)

#### Economic Performance

##### EC1 Economic Value

[2014 10-K](#)

##### EC2 Climate change risks

[2014 CDP Climate Change Response](#)

##### EC3 Benefits plan coverage

[2014 10-K](#)

#### Indirect Economic Impacts

##### EC7 Infrastructure investments

#### GOALS

Progress Toward 2015 Goal: [Double Education Support](#)

Progress Toward 2015 Goal: [Increase TCOE Giving](#)

Progress Toward 2015 Goal: [Increase Volunteer Hours](#)

#### TOTAL AMOUNT GIVEN FOR CORPORATE PHILANTHROPY: \$244,136,025

Value of in-kind donations: \$139,348,207

Amount given for disaster relief: \$587,500

Amount given for public safety: \$2,241,938

Amount of public safety grants given in 2014: 487

Public safety volunteer hours: 98,544 hours

Number of books donated to kids and schools: 1,008,109

Total number of volunteer hours: 1,177,079 hours (inclusive of U.S., India and Canada)

Amount of food donations: \$73,270,017 as part of the Meals for Minds programming and food donated as part of the TOMS program (includes U.S. and Canada)

Number of meals provided through Feeding America: 61,058,347

Percent of team members and total donated to the United Way: 93% (\$11,300,000)

Amount given through Back to School Buy 1, Give 1 program: \$25,000,000

#### EDUCATION GRANTS BY TYPE:

Field trips - 3,568 grants, \$2,375,400

Early childhood reading - 2,249 grants, \$3,457,000

Arts, culture and design in schools - 1,225 grants, \$1,831,000

### CORPORATE GIVING AND PHILANTHROPY (from p. 41)

#### Funding research on the most effective ways to support students



America's Promise Alliance (APA), founded and led by General Colin and Mrs. Alma Powell, is one of Target's signature education partners. In 2014, APA released its annual graduation report, *Building a GradNation*, which documents progress made toward the goal of a 90 percent U.S. high school graduation rate by 2020.

Target is a sponsor of the report, which revealed some promising news: Since 2010, national high school graduation rates have risen to over

80 percent, the highest rate in U.S. history. Results show the nation is currently on track to meet its 2020 goal.

To continue the effort, Target partnered with America's Promise and its research arm, the Center for Promise, to support a new companion study to the *Building a GradNation* report titled *Don't Call Them Dropouts*. This landmark study gives voice to those young people behind the statistics of the report who left high school without graduating. It shares the challenging obstacles—often multiple factors such as absent parents, the impact of violence close to home, negative peer influences and a sense of responsibility for others—that led them to leave school, and illustrates their strength and resilience as they re-engage in their education or seek alternative pathways to success.

[Return to feature story](#)

## CORPORATE GIVING AND PHILANTHROPY (from p. 41)

### On track to give \$1 billion for education by 2015

In 2010, we announced plans to double our education funding, giving another \$500M from 2010 to 2015 for a total of \$1 billion for education by the end of the 2015 fiscal year, with a significant portion helping more U.S. children read proficiently by the end of third grade. We are on track to meet this goal, with a total of \$974 million donated through 2014 to programs like local education grants and partnerships with reading-focused organizations.

With the help of our REDcard™ (Target credit and/or debit card) holders, we have donated \$418 million to local K-12 schools since 1997 through our innovative Take Charge of Education (TCOE) program. TCOE lets guests designate one percent of their REDcard purchases to a K-12 school of their choice to fund whatever the school needs most.



[Return to feature story](#)

### INSPIRING KIDS THROUGH YOوبي SCHOOL SUPPLIES

Social entrepreneur Ido Leffler launched a dynamic school supply brand called Yoobi that engages kids through bright colors and cool designs. For every Yoobi item purchased at Target, Leffler's company distributes an item to a U.S. classroom in need via the Kids in Need Foundation. Leffler's goal is to have an impact on more than 30,000 classrooms and 750,000 kids nationwide by the end of 2015. In 2014, through a back-to-school Buy One Give One Program, Target donated \$25 million in Yoobi and up&up school supplies to the Kids in Need Foundation, part of our commitment to give \$1 billion for education by the end of 2015. Yoobi products are available exclusively at Target and at Yoobi.com.

### CONSISTENT 5% OF REVENUES GIVEN TO COMMUNITIES

Supporting communities through giving has always been a cornerstone of our business and a belief that guides many of our decisions. Each year, we've given 5 percent of our profit to communities, which currently adds up to more than \$4 million each week.

### 200<sup>TH</sup> SCHOOL LIBRARY MAKEOVER AND MAJOR LEAGUE BASEBALL PARTNERSHIP

In 2014, we completed our 200th School Library Makeover when we unveiled the finished library at Vena Avenue Elementary in Arleta, California. Since 2007, as part of the 200 Target School Library Makeovers we have completed with The Heart of America Foundation, we have donated 1,500,000 books, affected more than 105,000 students across the country and seen more than 35,000 team members donate 130,000 volunteer hours.

Last year, we worked with Major League Baseball (MLB) during the baseball season to engage guests and fans in celebrating our nation's teachers and inspiring kids. Efforts included joining MLB and PEOPLE's longstanding tradition of recognizing community heroes through the Target Presents "PEOPLE All-Star Teachers" program, hosting a series of events in schools across the country and honoring teachers at the 2014 All-Star Game at Target Field in Minneapolis.

### 15 YEARS WITH ST. JUDE

For more than 20 years, Target has supported St. Jude Children's Research Hospital's mission of finding cures for childhood cancer and other life-threatening diseases. Target's dedication to the kids of St. Jude began in 1996 with the company's commitment to building Target House, the hospital's long-term residential facility designed as a home-away-from-home for patients and their families. Target continues to find meaningful and innovative ways to support the mission of St. Jude. This includes a continued commitment to support Target House through securing in-kind donations from vendors and partners; the dedication of additional resources to renovate the St. Jude School Program Presented by Target, which supports patients' educational growth; and the coordination of special events every year that provide entertainment and joy to patients and their families.

### FEEDING AMERICA (TOMS)

During the 2014 holiday season, Target and TOMS teamed up to provide simple ways for Target guests to give back. For every item purchased from an exclusive, limited-edition collection, Target gave the monetary equivalent of a blanket, or one week of meals to American Red Cross and Feeding America, respectively, or TOMS gave a pair of shoes to those in need through its giving partners. The entire collection included home goods, apparel and accessories for women, men and kids.

### HEROES & HELPERS UPDATE

Our annual Heroes & Helpers events pair public safety officials with community youth for holiday shopping sprees at our stores. We have donated more than \$100,000 to agencies in approximately 200 communities across the U.S. to help kids in need buy holiday gifts for their families while developing relationships with local law enforcement.

### SHIFT TO SKILLS-BASED VOLUNTEERING

We provide our specialized business knowledge to our nonprofit partners through a variety of unique skills-based volunteering opportunities. In one partnership, we use our world-class forensic labs and investigation centers to support law enforcement investigations—even on cases completely unrelated to Target. Approximately 30 percent of the labs' caseload supports law enforcement with examinations of evidence from violent felony crimes at no charge.

### NATIONAL NIGHT OUT UPDATE

We support National Night Out (NNO), a one-of-a-kind, annual neighborhood outreach that brings people together in support of safer communities. Each year, our team members collectively volunteer thousands of hours of service, teaming up with law enforcement officers to help bring their communities' NNO celebrations to life. Target team members staff booths, lead activities, help with setup and cleanup efforts and add personal touches. For example, the event at one of our Roswell, Georgia stores included a rock climbing wall, face painting, bike and gift card raffles and a coloring station. The activities are themed around safety and meant to help families learn about and make lasting connections with their neighborhood law enforcement officials. Our support includes donating dollars and supplies to local celebrations nationwide.

**Corporate Giving & Philanthropy** ➤

**Volunteerism** ➤



## ENVIRONMENT

### DMA-EN Disclosures on management approach (DMA)

Target's management approach to environmental responsibility focuses on reducing resource use (water, energy, fuel) as well as waste and carbon emissions output. Read more about our strategies to achieve sustainable business operations:

- [Sustainability](#)
- [Smart Development](#)
- [Efficient Operations](#)
- [Sustainable Products](#)

Target also measures and tracks water and carbon impact throughout our operations by reporting to the CDP.

- [2014 CDP Water Response](#)
- [2014 CDP Climate Change Response](#)

### PARTNERSHIP WITH INSTITUTE OF PUBLIC AND ENVIRONMENTAL AFFAIRS

In 2014, we expanded our environmental efforts in China by partnering with the Institute of Public and Environmental Affairs (IPE), which monitors corporate environmental performance. The IPE is also part of a coalition of NGOs (Green Choice Alliance) throughout China that promotes a global green supply chain by encouraging large corporations to concentrate on the environmental performance of their suppliers. In the IPE's most recent report, Target was one of 12 textile brands out of 52 evaluated that was ranked green for supply chain management performance.

### Environmental Standards

## ENVIRONMENTAL STANDARDS (from p. 33)

### Strengthening standards for our vendors



Our Standards of Vendor Engagement (SOVE) include nine business principles that form the basis of our ethical standards. During the year, we conducted pre-production audits of 97 percent of factories new to Target's owned-brand supply chain; the remaining facilities were audited soon after production began.

In 2014, we expanded the SOVE's environmental standards, spelling out our specific expectations related to energy efficiency, water use, waste management, hazardous materials, air pollution and supply chain management. In 2015, we will begin environmental auditing of primary facilities based on the expectations we set in 2014.

### Extending oversight and sustainability to our secondary facilities

Because our apparel suppliers' biggest environmental impacts occur wherever fabric is dyed or washed, we began piloting secondary facilities assessments that include a more comprehensive audit of environmental management practices. Target is taking the lead in developing these assessments, which are based on the SAC Higg index, and we're encouraging other brands to follow our lead. The SAC and its members have endorsed the process we developed in coordination with the SAC and Société Générale de Surveillance (SGS) as the official verification standard for the SAC. In 2015, we will pilot this process with several other brands and retailers as an industry standard that will more closely align environmental expectations across the textile industry.

 [Return to feature story](#)

## Energy

### EN3 Energy consumption (Scope 1 + 2)

#### GOALS

Progress Toward 2015 Goal: Increase Energy Star Certifications

#### DIRECT ENERGY USE (U.S AND CANADA COMBINED)

Nonrenewable:

Natural Gas – 4,702,590 GJ (44,574,310 Therms)

Propane – 30,935 GJ (321,238 Gallons)

Stationary Diesel – 11,594 GJ (84,018 Gallons)

Mobile Diesel – 251,449 GJ (1,822,096 Gallons)

#### INDIRECT ENERGY USE (U.S AND CANADA COMBINED)

Nonrenewable:

Electricity – 16,835,146 GJ (4,676,429 MWh)

Steam – 68,067 GJ (64,519 MMBtue)

Chilled Water – 36,405 GJ (10,113 MWh)

Renewable:

Solar - 63,842 GJ (17,734 MWh)\*

#### SOLAR

We added solar power to 74 new facilities in 2014, bringing our total sun-powered sites to 108. In our stores that have it, solar power generates between 15-30 percent of the sites' energy.

#### WORKING WITH UTILITIES ON DEMAND RESPONSE

We participate in demand response programs with various utilities, voluntarily reducing energy usage to prevent brownouts or blackouts in our communities.

#### SMART DEVELOPMENT

Target is committed to creating buildings and sites that use space more efficiently, improve connectivity for guests and team members and enhance local communities. That's why our Smart Development priorities are focused on initiatives such as rainwater management and innovation; construction waste reduction; increased use of native landscaping; alternative transportation; and Leadership in Energy & Environmental Design (LEED) Volume Certification.

*\*Solar is for total 2014 production and not related to RECs held or sold*

## ENERGY AND EMISSIONS (from p. 37)

### Reaching our 1,000<sup>th</sup> Energy Star Certified store

In 2014, Target reached a huge sustainability milestone when the 1,000th Target building earned ENERGY STAR certification from the U.S. Environmental Protection Agency. That makes Target the retailer with the most certified buildings in the country—and moving closer to our goal of earning ENERGY STAR status in at least 75 percent of U.S. buildings by 2015. The certification means that a building demonstrates superior performance in efficient energy use, comfort and air quality when compared to similar buildings. In fact, the average Target store uses less energy than four out of five comparable retail buildings.

To receive ENERGY STAR certification, a building must range in the top 25 percent of energy efficiency as modeled by the EPA as part of the ENERGY STAR program. The building then receives an official certification from the EPA. To accelerate the process, Target introduced a method for achieving certification in an automated, lower cost environment. While the certification process is normally geared toward just a few sites, reaching our goal of 75 percent certification meant certifying up to 1,400 locations. Based on ENERGY STAR's normal method, this was a challenge. So Target worked with the agency to streamline the final certification process and get sign-off and certification from the EPA remotely. This achievement reflects the investments we've made in our process, which is deemed credible by the EPA. As a result of our success in fast-tracking ENERGY STAR certifications, other companies are interested in taking advantage of this approach.



[Return to feature story](#)

## ENERGY AND EMISSIONS (from p. 37)

### Our refrigerant strategies gained White House attention

In 2014, Target was part of a White House Council on Environmental Quality event to share the steps we have taken to reduce hydrofluorocarbon (HFC) greenhouse gas emissions. At the event, we announced that new designs for prototypical Target stores will utilize a hybrid CO<sub>2</sub> / R134a cascade refrigeration system in our grocery section. By incorporating CO<sub>2</sub> into our refrigeration design, we have eliminated more than 150 metric tons of CO<sub>2</sub>-equivalent for each store that uses this technology.

Today, Target has five stores that use CO<sub>2</sub> refrigeration systems and we plan to expand this technology to two additional sites in 2015. In 2014, we also opened two new cold storage facilities that were designed to use ammonia, an HFC-free refrigerant. In addition to using HFC-free ammonia refrigeration systems in the warehouse space, Target designed these facilities to cool the office areas with ammonia, eliminating the use of HFC refrigerants in our HVAC systems and reducing our carbon impact by 900 metric tons of CO<sub>2</sub>. We are partnering with chemical producers to test a new generation of refrigerants that do not affect the ozone layer or overall energy efficiency. In addition, Target is working with the manufacturer of beverage coolers to test HFC-free, hydrocarbon solutions. In 2014, in partnership with our soft drink suppliers, we replaced 13,000 self-contained coolers, reducing energy consumption by 15 million kW-hrs./year in our stores.



[Return to feature story](#)

### FUTURE: TESTS WITH EV CHARGING STATIONS, TRACKING VOCS

We are exploring a number of energy-related initiatives that we may pursue in the future. These include:

**Electric Vehicle (EV) Charging Stations.** Our network of EV charging stations at Target stores continues to grow. In 2014, we installed three additional charging stations at three different stores, bringing our 2014 count to 26 stations at eight stores. We also have two non-store charging stations at our HQ location at Target North Campus in Brooklyn Park.

**Tracking volatile organic compounds (VOCs).** We continue to look at ways to improve the air quality within our stores through a combination of low-VOC building materials and more effective ventilation systems. A recent test conducted with the University of Minnesota indicates that these efforts are having a positive effect. The test, which compared a recently constructed store with tests conducted at three Target stores in 2006-2008, showed reduced concentrations of total VOCs and formaldehyde. The researchers considered this reduction to be “remarkable; it is a credit to the design of the ventilation system, control of stock entering the store and maintenance practices used in the store.” They also noted that the new store did not have typical “out-gassing” of a newly constructed building, which is “likely a result of store design following LEED criteria on low emitting material used during construction in all new building projects.” We plan to develop more specific VOC benchmarks in the future.

### Energy and Emissions

#### EN6 Energy reductions

#### ENERGY EFFICIENCY AND CONSERVATION PROJECTS (U.S AND CANADA COMBINED)

Optical LED - 7,882 GJ (2,189 MWh)  
GM Reach-In LED - 17,624 GJ (4,896 MWh)  
CSE LED - 2,603 GJ (723 MWh)  
VCP - 61,172 GJ (16,992 MWh)  
Sub-Cooler - 14,179 GJ (3,939 MWh)  
GM Energy Star - 18,013 GJ (5,004 MWh)  
Economizer - 34,925 GJ (9,701 MWh)  
Control Sequences - 12,966 GJ (3,602 MWh)  
Total - 169,364 GJ (47,046 MWh)

## ENERGY AND EMISSIONS (from p. 37)

### We signed onto the Corporate Renewable Energy Buyer's Principles

In early 2015, we reinforced our commitment to renewable energy by signing on to the World Resources Institute (WRI) and World Wildlife Fund (WWF) Corporate Renewable Energy Buyers' Principles. The principles are intended to spur renewable energy progress by encouraging discussions between customers, utilities and renewable energy providers. WRI, a global research organization, and WWF hope the principles will enhance the ability of large commercial customers—which are some of the largest and most innovative companies in the country—to buy renewable energy.



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[Return to feature story](#)

## Water

### EN8 Water withdrawals by source

#### GOALS

Progress Toward 2015 Goal: [Reduce Water Use](#)

[Efficient Operations](#)

[2014 CDP Water Response](#)

A large percentage of our buildings' water is supplied via municipal systems, and a small percentage of our buildings (less than one percent) directly withdraw water via water wells.

#### REDUCTIONS IN WATER USE

Our goal is to reduce water use by 10 percent per square foot by the end of 2015. We used 3.2 billion gallons of water in 2014, a decrease of 13.1 percent per square foot from our 2009 baseline. We continue to seek innovative ways to reduce water use.

#### SMART IRRIGATION OF EXTERIOR PLANTINGS

We began prototyping smart irrigation controllers that irrigate based on real-time local weather data in lieu of set times in 2009, with an average 20 percent reduction in outside water usage. In 2014, we piloted some additional smart irrigation systems, with plans to expand the technology to several hundred more locations nationwide.

#### NATIVE PLANTINGS

Native plantings at our stores can significantly reduce maintenance, water use and the amount of fertilizer required, while offering resiliency and an environment conducive to natural pollinators. That's why we're working toward incorporating 75 percent native plantings in each new U.S. store, and are actively seeking ways to use native plants in our existing stores' landscaping, particularly in water scarce areas.

### EN9 Water sources affected by withdrawals

As a retailer, we do not operate in a water-intensive industry where significant water withdrawals are necessary. We are not aware of any water sources significantly affected by our withdrawal of water. Our strategy is to achieve milestones in our business by using resources responsibly, eliminating waste and minimizing our water consumption.

## EN10 Water recycled and reused

We currently have no facilities that recycle or reuse water and have one facility that captures rainwater for use in flushing toilets and urinals. We do not have a meter at this facility to report the amount of water captured and used within our operations.

## EN13 Biodiversity habitats protected or restored

### STORMWATER IMPROVEMENT PROJECTS REDUCE POLLUTION

Iron filings are the unexpected key to reducing water pollution. One of our existing storm water systems was retrofitted with this innovative technology made with sand and iron filings. As storm water enters the basin, the rust from the filings removes dissolved phosphorous from the water. That's important because phosphorous removes oxygen from water, making it impossible for the water to support life. We're using these systems—along with other low-impact development systems—to clean water from roofs and parking lots at some of our stores. Best of all, it's a long-term solution: The iron filing system has a life of about 50 years.

## Emissions

GHG Emissions - Direct and Indirect (U.S. And Canada Combined)  
Total Emissions - 3,174,028 MTCO2e

## EN15 GHG emissions (Scope 1)

### GOALS

Progress Toward 2015 Goal: Reduce Greenhouse Gas Emissions: Per Square Foot  
Progress Toward 2015 Goal: Reduce Greenhouse Gas Emissions: Per Retail Sales

### GHG EMISSIONS: DIRECT EMISSIONS (U.S. AND CANADA COMBINED)

Natural Gas - 236,693 MTCO2e  
Propane - 1,839 MTCO2e  
Stationary Diesel - 862 MTCO2e  
Mobile Diesel - 18,671 MTCO2e  
Refrigerants - 443,493 MTCO2e  
Total - 701,558 MTCO2e

## EN16 GHG emissions (Scope 2)

### GHG EMISSIONS: INDIRECT EMISSIONS (U.S. AND CANADA COMBINED)

Electric - 2,466,757 MTCO2e  
Steam - 3,424 MTCO2e  
Chilled Water - 2,289 MTCO2e  
Total Indirect Emissions - 3,174,028 MTCO2e

## EN19 Reduction of GHG emissions

### GHG EMISSIONS REDUCTION PROJECTS (U.S. AND CANADA COMBINED)

Optical LED - 1,213 MTCO2 eq. (2,189 MWh)  
GM Reach-In LED - 2,712 MTCO2 eq. (4,896 MWh)  
CSE LED - 401 MTCO2 eq. (723 MWh)  
VCP - 9,414 MTCO2 eq. (16,992 MWh)  
Sub-Cooler - 2,182 MTCO2 eq. (3,939 MWh)  
GM Energy Star - 2,772 MTCO2 eq. (5,004 MWh)  
Economizer - 5,375 MTCO2 eq. (9,701 MWh)  
Control Sequences - 1,995 MTCO2 eq. (3,602 MWh)  
Total - 26,063 MTCO2 eq. (47,046 MWh)



## Effluents & Waste

### EN23 Waste by type and disposal method

#### GOALS

Progress Toward 2015 Goal: [Reduce Waste](#)

Progress Toward 2016 Goal: [Improved Owned-Brand Packaging Sustainability](#)

#### RECYCLING (U.S. ONLY)

Plastic bags and shrink wrap - 914 tons

Plastic, glass and aluminum cans and bottles - 2,055 tons

MP3 players, cell phones and ink cartridges - 31 tons

Donations - 30,059 tons

Salvage - 48,888 tons

#### WHERE OUR WASTE GOES (U.S. ONLY)

Recycle - 59%

Landfill - 31.5%

Reuse - 9.5%

## REPURPOSING MATERIALS (from p. 39)

### Preventing food waste in collaboration with our peer companies



We're working closely with the Food Waste Reduction Alliance (FWRA), an organization that is taking on the challenges of food waste in an attempt to shrink our environmental footprint while addressing hunger in America. FWRA members, who include retailers, grocers and restaurant businesses, seek to address the root causes of food waste within their own operations and find ways to donate or recycle unavoidable food waste. Our next step is to collaborate with FWRA to map out where we can build scale for composting infrastructure at our operations.

[Return to feature story](#)

## ELECTRONICS RECYCLING PROGRAM

The recycling kiosks at our stores have given guests an easy way to recycle not only cans, glass, plastic bottles and plastic bags, but also MP3 players, ink cartridges and cell phones. In 2014, our guests turned in more than 31 tons of used electronics, which were repurposed and recycled by our partner NextWorth.

## FUTURE STRATEGIES TO REDUCE WASTE

We're searching for innovative ways to recapture more materials for our supply chain once products reach the end of their useful life. Ideas range from an automated e-waste collection system and used clothing collections, to gift card recycling and peel-off graphics on our store fixtures.

## 69 PERCENT OF ALL WASTE RECYCLED

Throughout Target, 69 percent of all waste is recycled, including more than 448,000 tons of cardboard, 7,800 tons of plastic bags and shrink wrap, 2,000 tons of glass, plastic and aluminum cans and bottles, and even 31 tons of MP3 players, cell phones and ink cartridges. This percentage includes hazardous and non-hazardous waste diverted from landfills.

## CONSTRUCTION WASTE DIVERSION

We strive to divert as much waste as possible from landfills from our new stores and remodel construction sites. In 2014, we diverted over 7,750 tons of our construction waste from landfills, which is enough waste to build the Eiffel Tower. This waste includes concrete, cardboard, metal and roofing materials. We established a specific recycling plan and diversion goal for each construction project, based on the scope of work and market recycling capabilities. We continue to explore ways to divert construction waste from landfills to reduce environmental impact and expense. Working closely with our vendor partner, we also executed a material-specific program that recycled 886 tons of roofing membrane in 2014. We're the only major retailer to have a fully integrated roofing recycling program, resulting in our recycled material being put back into the new roof membrane that we use on our stores.

## FOOD DONATIONS – 25 TONS TO FEEDING AMERICA

Since 2001, we've partnered with Feeding America in its fight to end hunger in the United States. In 2014, we donated more than 54 million pounds of food, providing meals to families in need. In total Target provided more than 60 million pounds of donated goods to this partner.

[Sustainability Engagement](#) ➤

[Repurposing Materials](#) ➤

## Products & Services

### EN27 Mitigation of environmental impacts of products and services

#### GOALS

Progress Toward 2017 Goal: [Increase Organic Food Offerings](#)

Progress Toward 2015 Goal: [Increase Sustainable Seafood Selection](#)

Progress Toward 2015 Goal: [Improve Owned-Brand Packaging Sustainability](#)

By the end of 2014, our guests used more than 76 million reusable bags, avoiding the use of 190 million plastic bags.

#### DIRECT TRADE COFFEE

Target's owned-brand Direct Trade coffee program offers coffee farmers a fair price, gives them incentives to use sustainable growing practices and encourages them to reinvest in their farms. It also makes sure guests can enjoy coffee that is ethically sourced.

#### THE HONEST COMPANY

The Honest Company, co-founded by actress Jessica Alba, offers non-toxic and beautiful products that are better for the environment, families and wallets. The line, which ranges from diapers and biodegradable wipes to organic skin care and laundry detergent, launched at Target stores in 2014.

## TRANSPARENCY AND INNOVATION (from p. 17)

### up&up continues push to remove chemicals of concern

Our up&up brand, which we introduced in 2009, offers Target guests everyday essentials in more than 50 categories throughout household, healthcare, beauty, baby, personal care and school and office supplies. up&up includes more than 1,500 different products, which we are continually working to improve. These improvements include removing polyethylene microbeads from personal care products (polyethylene microbeads end up in our waterways and eventually the ocean and the food chain), and reformulating liquid hand soap and body soap to remove triclosan (may have adverse health effects, including impact on the thyroid hormone).



### Production Readiness Process

Our Product Safety and Quality Assurance program actively validates that our guests are offered safe, high-quality owned-brand products. In 2014, we expanded our Safety and Quality program by rolling out our Production Readiness Process to all owned-brand vendor partners. The newly introduced process increases vendor transparency and accountability to Target specifications and requirements for our products. During a factory Production Readiness Review, the factory's capabilities, quality and raw material programs are reviewed to ensure they meet Target's rigorous requirements. This process has improved supply chain transparency and increased our ability to drive safe, reliable and quality products.

[Return to feature story](#)

## FOOD SAFETY

We share our guests' concern about the quality and safety of the foods they purchase for their families at Target. That's why our Food Safety and Quality Assurance team has processes in place to require vendors to have appropriate programs to produce safe, high-quality products. Additionally, we conduct food safety risk assessments that focus on quality and safety. Since 2009, Target has required Global Food Safety Initiative (GFSI) certification for all of our vendors' manufacturing facilities that produce owned-brand food items. In 2014, this requirement was expanded to vendors for high-risk produce, including farm-level certification. Read more about our commitment to food safety and quality.

## CLEAN PRODUCTS (from p. 11)

### Sustainability Boot Camps for innovation

Target held its first seven sustainability boot camps in 2013, giving some 250 team members insights into what our guests want in sustainable products—insights they put to work in 2014 improving the sustainability of our owned-brand products. The effort focuses on taking a fresh, close look at every product in our owned-brand assortment and looking for ways to make them better. That means pushing to improve each product by at least one factor. Whether it's reducing a product's environmental impact or social impact, we believe that improving just one attribute—when applied to as many of our 90,000 owned-brand products as possible—will make a big difference.

In 2014, our Sustainability team led this effort, which is being implemented by team members across the company—including our Food Social Responsibility, Sourcing, Product Development and Design and Packaging teams. Early successes include the development of a recycled polyester twill pant, which use eight recycled water bottles per pant in place of virgin polyester, and the removal of triclosan from up&up soaps and body washes. In 2014, we also extended our boot camps to all teams that touch sustainability at Target, with over 600 team members trained.

[Return to feature story](#)

## RESPONSIBLE PRODUCTS (from p. 13)

### Sustainable palm oil goal



The increased worldwide demand for palm oil, a globally-traded and widely-used vegetable oil, has led to deforestation of tropical rainforests and threatens endangered wildlife habitats. It is critical for us to understand the environmental and social risks in our supply chains and the opportunities to drive positive change. By increasing the percentage of sustainably sourced palm oil in our owned-brand (food and non-food) products, we can drive responsible sourcing practices that guard against deforestation, habitat destruction and human exploitation.

In 2014, we focused on assessing the issue, calculating palm oil volume in our assortment and reviewing vendor sourcing strategies and capabilities, and opportunities to move to more sustainable sources of palm oil and to support the key principles of the Roundtable on Sustainable Palm Oil. According to data provided by our vendors, approximately one-third of the total palm oil/palm kernel oil used in Target owned-brand food products in 2013 was classified as segregated, mass balanced, or book-and-claim.

In March 2015, we announced that all palm oil in Target's owned-brand food (Market Pantry, Archer Farms, Simply Balanced), personal care (up&up) and household cleaning products (up&up) will be fully traceable and sustainably sourced by 2018 or sooner. We also entered into a partnership with Proforest, a UK-based independent organization that supports the sustainable management and sourcing of natural resources, including palm oil and other agricultural and forest commodities, to further guide our responsible sourcing policy development and vendor engagement.

We are embarking on a journey with our vendor partners to increase the use of sustainably sourced palm oil. We plan to emphasize multi-year targets, including advancing from our 2015 baseline along the spectrum of book-and-claim, mass balance, segregated supply chains and traceability in our food supply chain by 2016.

[Return to feature story](#)

## RESPONSIBLE PACKAGING (from p. 15)

### How2Recycle label encourages recycling

Target is a member of the How2Recycle Label program, which was designed by our nonprofit partner, GreenBlue's Sustainable Packaging Coalition, to give consumers clear, on-package recycling instructions. We use the labels on our owned-brand packaging and Target.com shipping materials. Target joins more than 30 other participating companies, including General Mills, Seventh Generation, Kellogg's and ConAgra Foods.

### Recycling plastic bags

Recycling stations at the entrance to every Target store enable guests to easily recycle cans, glass, plastic bottles, plastic bags, MP3 players, ink cartridges and cell phones. Many of those plastic bags help build Trex® composite decks— the average 500-square-foot composite Trex deck contains 140,000 recycled plastic bags.



[Return to feature story](#)

## FACEBOOK PRODUCT RECALL APP

In 2008, we introduced In-Store Kiosks that allow guests to search for and print product recall information. These kiosks are designed to increase the awareness and transparency of this important information and help ensure the safety of our guests and their families. Knowing how integral Facebook is to our guests' daily routines, we developed a new Product Safety Recall app that provides our more than 23 million followers with an unprecedented level of product and food recall information. Reliable, convenient and easily available at the top of our Facebook page, it can be accessed anytime, anywhere, helping Target guests be among the first to know about recalls and safety issues.

## Transport

### EN30 Environmental impacts from product distribution and employee travel\*

#### GOALS

Progress Toward 2015 Goal: [Improve Transportation Efficiencies: Inbound](#)

Progress Toward 2015 Goal: [Improve Transportation Efficiencies: Outbound](#)

#### DOMESTIC TRANSPORTATION NETWORK OPTIMIZATION

Sustainability is a priority with our transportation network. In 2014, we concluded a domestic network optimization effort that focused on which trailers are moving and how we could use them for multiple purposes. Our goal is to get more products on our trailers and fewer total miles on our network. This effort goes hand-in-hand with our distribution center development. Last year, we opened two new food distribution centers in California and Ohio, which enable us to travel fewer miles to deliver fresh products to our stores. We also look closely at how our distribution centers are aligned with delivery routes to make sure we are optimizing our outbound loads.

#### KANSAS TESTS WITH CNG/LNG

We continue to explore ways to implement cleaner and more fuel-efficient transportation practices, including the use of compressed natural gas (CNG) and liquid natural gas (LNG) fuels. At this point, we don't believe that a network to fully support CNG/LNG has been established, but we continue to actively explore the role CNG/LNG may play within our transportation system in the future.

*\*Target does not currently track employee travel.*

## SOCIAL

### Labor

#### DMA-LA Disclosures on management approach (DMA)

Target complies with international, federal, state and local laws and regulations relating to our business. Target expects all team members to conduct themselves with the utmost personal and professional integrity every day.

Target's approach to responsible labor practices includes:

- Dedicated Corporate Compliance and Ethics Team
- Business teams focused on building and sustaining business compliance programs
- Semiannual online integrity training
- An "integrity hotline," where team members or any third party can anonymously report ethics concerns 24 hours a day
- Business Conduct Guide: Describes our expectations for ethical behavior
- Standards of Vendor Engagement (SOVE)

Target's approach to Team Member Well-Being

Target's approach to Diversity & Inclusion

Diversity & Inclusion Business Councils:

12,242 team members participated in Diversity & Inclusion Business Councils in 2014

Team Member Networks:

120 networks (i.e. Alumni, Health & Wellness, Professional, Interests & Hobbies, Life & Family)

### Employment

#### LA2 Benefits provided to full-time employees

Employee Benefits

### GOALS:

Progress Toward 2015 Goal: Increase Health Assessments

Progress Toward 2015 Goal: Increase Biometric Health Screenings

Progress Toward 2015 Goal: Increase Use Of Financial Tools

Progress Toward 2015 Goal: Increase Diabetes HbA1c Testing Compliance

Progress Toward 2015 Goal: Increase Breast Cancer Screenings

Progress Toward 2015 Goal: Increase Cervical Cancer Screenings

Progress Toward 2015 Goal: Increase Colon Cancer Screenings

## HEALTHY LIVING (from p. 20)

### Healthy options in Target cafeterias



We have worked closely with our Target Café vendor, Bon Appetit, to indicate healthy items and change recipes to create healthier versions. We have also worked with internal partners to improve team member well-being while at work. For example, Building Management is including bright lighting and improved displays in any café remodeling while our own Merchant team

is including team member-facing promotions, discounts and educational opportunities as they roll out new products to guests. In 2015, we will continue to explore how we can help make healthy options more accessible to all of our team members.

### Health and Well-being Center and physical wellness facilities

We continue to add to the services offered at our two Minneapolis HQ Health and Well-being Centers, an onsite primary care clinic and full-service Target Pharmacy that are available to team members and their adult dependents. In 2014, we added physical therapy and chiropractic services. We also opened a second Health and Well-being Center location at our Brooklyn Park HQ location, which offers primary care services. All Minneapolis HQ buildings also promote physical wellness by providing team members with varying amenities, such as bike racks, group fitness classes, lockers and showers.

[Return to feature story](#)

## TARGET CREDIT UNION

The Target Credit Union often becomes the center of the financial lives of team members and their families. In addition to providing basic services such as checking and savings accounts, the credit union offers mortgages, loans, classes and seminars. It even helps team members who have had financial difficulties rebuild their credit. We ended 2014 with more than 19,000 team members participating in the credit union.

## AWARD FROM DCIIA AND P&I

In 2014, Target's efforts to drive engagement with our 401(k) and our innovative programs, such as our financial well-being assessment tool, were acknowledged with an Innovator Award from the Defined Contribution Institutional Investment Association and Pensions and Investments.

## ENGAGEMENT PROGRAMS

We work to find ways to keep team members engaged in their health and the health of their community through programs such as group walks that benefit the American Cancer Society and the Target Simplicity Challenge, a nationwide search for innovative ideas to simplify healthcare and discounts on healthy products, such as our own Simply Balanced brand.

In 2014, we also launched a campaign called Well-Being Dreams, which gave team members the chance to think about what inspires them to be their personal best and to share their well-being dreams for a chance to see them come true. Nearly 2,000 team members submitted dreams and team members across the organization voted for their favorites.

One winner was a cancer survivor whose dream was to get better camera equipment and a computer to be able to capture photos and stories of those affected by cancer. Winning meant that he is now able to pursue publishing a book of photos and stories to raise cancer awareness. "When I started this project, 'The Signs of Life,' I had a clear vision of what I had on my hands but had no idea on how to achieve my dream," he said. "Through The Well-Being Dreams Contest, I now have a solid direction on how to not only achieve that dream, but also to accelerate past it to bigger and better dreams of helping people. I am excited about the road ahead of me."

Healthy Living ➤

Financial Smarts ➤

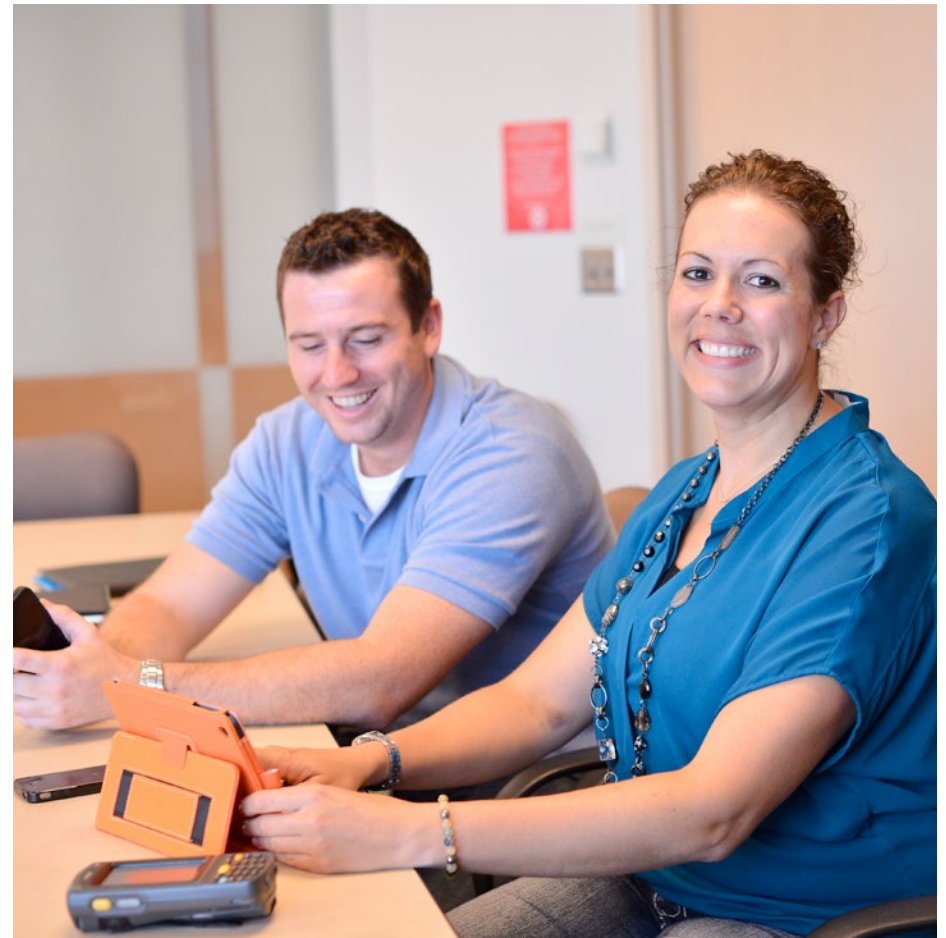
## Training & Education

LA10 Programs for skills management and managing career endings

Career Benefits

LA11 Employees receiving performance and career development reviews

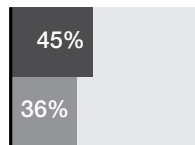
Team Members



Diversity and Inclusion

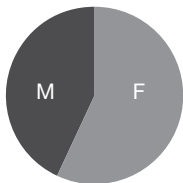
LA12 Diversity and Equal Opportunity

More information: [Diversity and Inclusion reporting](#)



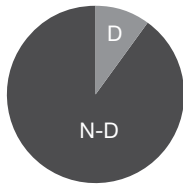
**Total Target Workforce: Racial/Ethnic Diversity (U.S. Target vs. U.S. population)**

Target - 45%  
U.S.\* - 36% \*2010 Census



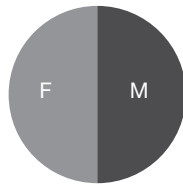
**Target Total Workforce: Gender Diversity (Numbers for Global and U.S. Target are the same)**

Female - 57%  
Male - 43%



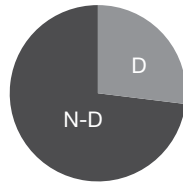
**Target Executive Committee: Racial/Ethnic Diversity**

Diverse - 10%  
Non-Diverse - 90%



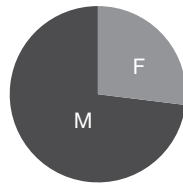
**Target Executive Committee: Gender Diversity**

Female - 50%  
Male - 50%



**Target Board of Directors: Racial/Ethnic Diversity**

Diverse - 27%  
Non-Diverse - 73%



**Target Board of Directors: Gender Diversity**

Female - 27%  
Male - 73%

DIVERSITY AND INCLUSION (from p. 26)

Supporting our LGBT (lesbian, gay, bisexual and transgender) colleagues

At Target, we have openly LGBT leaders across our organization and have worked hard to provide equitable benefits internally and support external changes that promote equality. We have offered domestic partner benefits since 1999 and include sexual orientation and gender identity in our EEO policy.

In 2014, we expanded our support for LGBT team members by joining several other national companies in signing on to an amicus brief in support of marriage equality that's currently pending in the United States Court of Appeals for the Seventh Circuit. We subsequently signed on to a second brief that was filed with the Court of Appeals for the Eighth Circuit. The briefs were filed on behalf of a group of employers concerned about the impact that disparate marriage equality laws have on business, customers and employees. We signed on to the briefs because we believe they will help us attract and manage talent, offer meaningful benefits to all team members and truly support the communities where we live and work.



[Return to feature story](#)

## ACCOLADES

Target has been recognized by numerous organizations for our efforts to promote diversity. Recent awards include:

- The Human Rights Campaign gave Target a score of 100 on its 2015 Corporate Equality Index, the third consecutive year we have earned a perfect score.
- DiversityInc magazine ranked Target No. 22 on its 2014 list of “Top 50 Companies for Diversity,” our fifth straight year in the DiversityInc Top 50.
- The National Association for Female Executives named Target one of the Top 50 Companies for Executive Women for 2014.
- Latina Style, Inc. ranked Target No. 36 on its list of 50 Best Companies for Latinas to Work for in the U.S.

## Diversity and Inclusion ➤

### Human Rights

#### DMA-HR Disclosures on management approach (DMA)

Learn more about Target’s management approach to Human Rights by visiting:

- [Labor and Human Rights Policies](#)
- [Social Compliance Audit Process](#)
- [Standards of Vendor Engagement \(SOVE\)](#)

## ENVIRONMENTAL STANDARDS (from p. 31)



### Helping to lead the industry in developing environmental standards across product categories

As a founding member of the Sustainable Apparel Coalition (SAC), we’re part of a group of more than 80 apparel retailers, suppliers, nonprofits and NGOs who team up to reduce the environmental and social impacts of apparel and footwear products around the world. We have been an industry leader in applying these standards across all of our owned-brand product categories. Our cross-functional teams are quickly establishing initiatives that align our one-attribute sustainability objectives with our supply chain capabilities to implement grassroots ideas that come from different parts of the business. As the SAC evolves its standards into additional product categories, we’re exploring the possibility of consumer-facing, store-wide standards.

### Working to improve the safety of our workers in Bangladesh

Target is a founding member of the Alliance for Bangladesh Worker Safety, established in 2013. In 2014, the Alliance, which helps improve fire safety, electrical safety and the structural integrity of buildings, audited all factories used by Target. The facilities are working quickly to address any issues identified during the audit. The Alliance also provides worker training on fire safety and has launched a help line for workers to express safety concerns.

➤ [Return to feature story](#)

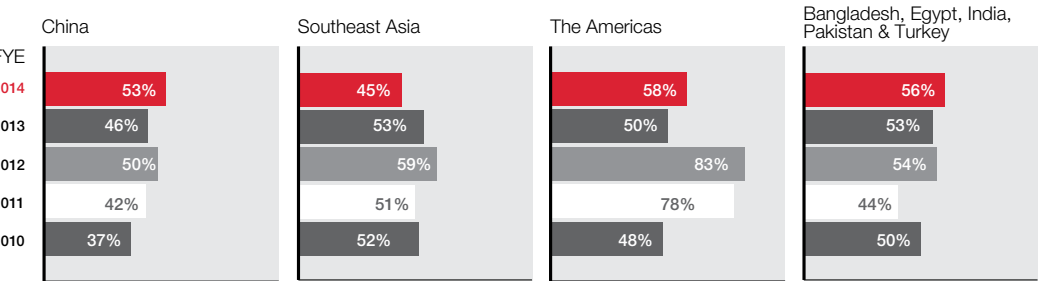


Target social compliance audits of factories producing Target-Brand Merchandise as of (April, 8, 2015).

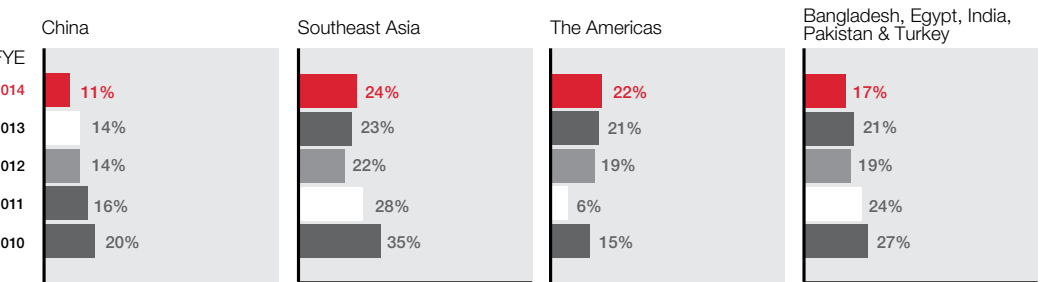
NUMBER AND LOCATION OF REGISTERED MANUFACTURING FACILITIES

Country	#
China	1,423
Southeast Asia	241
The Americas	1,180
India, Bangladesh, Pakistan, Egypt and Turkey	155
Other	74

PERCENTAGE OF AUDITS WITH ACCEPTABLE RESULTS BY COUNTRY/REGION:

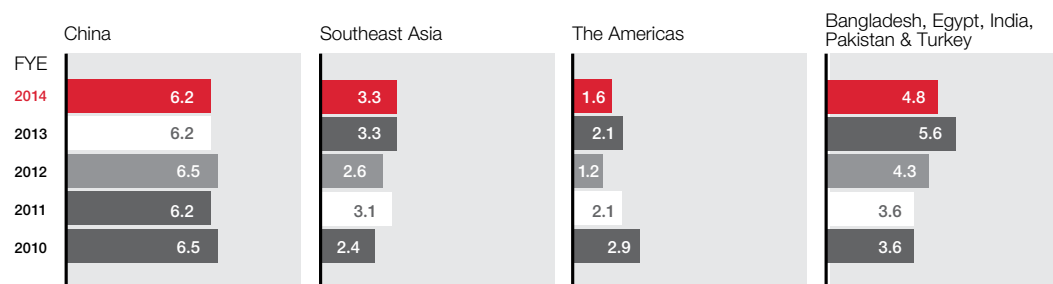


PERCENTAGE OF CRITICAL ISSUES IDENTIFIED BY COUNTRY/REGION:

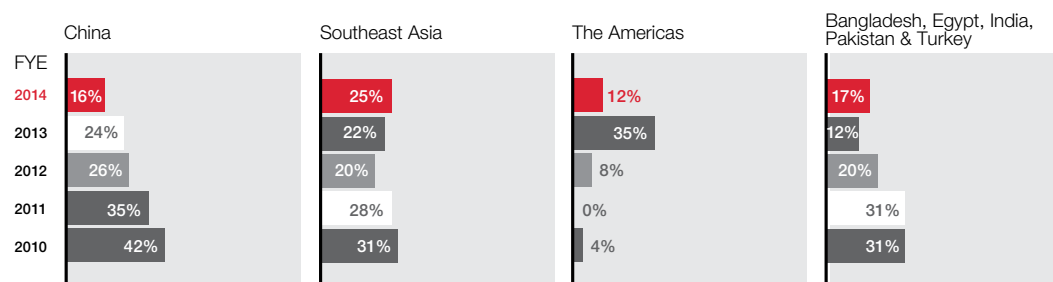


We have taken a more stringent approach in evaluating Better Work assessments in Southeast Asia and this is reflected in the statistics for 2014. The change in performance is primarily the result of our shift in approach versus a material shift in factory conditions.

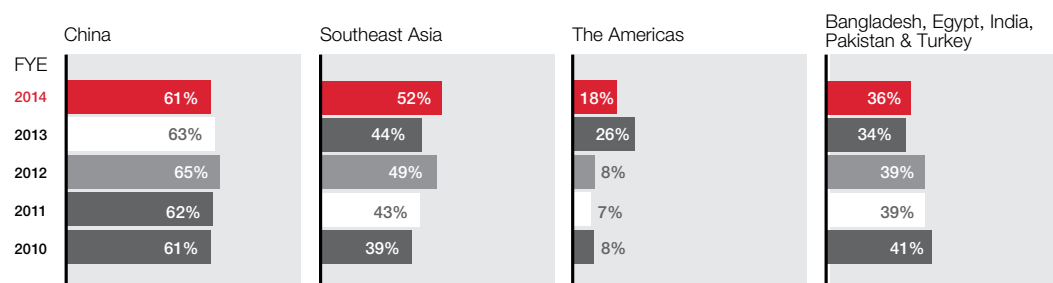
## AVERAGE NUMBER OF HEALTH AND SAFETY ISSUES PER AUDIT:



## PERCENTAGE OF AUDITS WITH WORKING HOURS AND TIME-OFF ISSUES:



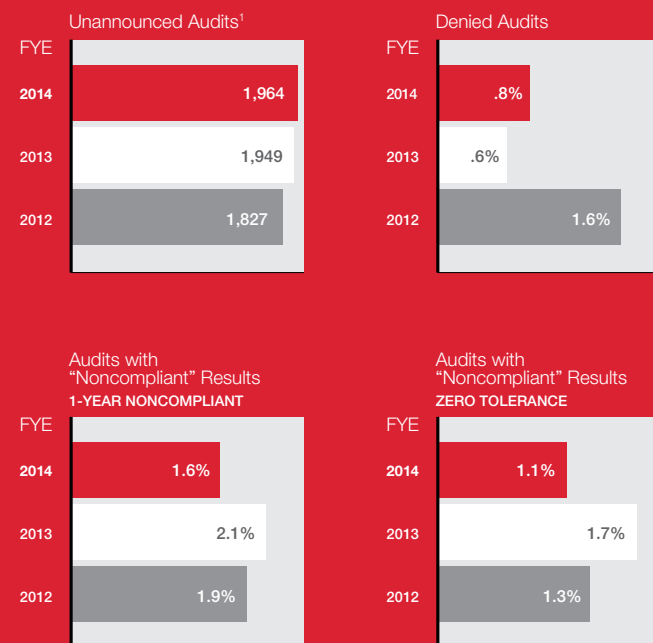
## PERCENTAGE OF AUDITS WITH WAGE ISSUES:



We have taken a more stringent approach in evaluating Better Work assessments in Southeast Asia and this is reflected in the statistics for 2014. The change in performance is primarily the result of our shift in approach versus a material shift in factory conditions.

## FACTORY TRANSPARENCY

Target is committed to providing increased supply chain transparency. To meet this commitment, we partner with our vendors to maintain an accurate list of factories producing owned-brand products. In 2014 we began publishing a [list of all registered factories](#) producing these products. This list is subject to change and updates will be provided on a quarterly basis.



Number of Factories Producing Target-Brand Merchandise:  
More than 3,000

<sup>1</sup>We focus our audits on factories we consider to be at the highest risk for noncompliance. View our [social compliance audit process](#) for more information.

## Child Labor

### HR5 Significant risk of child labor in operations\* and suppliers

Labor and Human Rights Policies: [Underage Labor](#)

### Responsible Sourcing

## Forced or Compulsory Labor

### HR6 Significant risk of forced or compulsory labor in operations\* and suppliers

Labor and Human Rights Policies: [Forced Labor](#)

## Human Rights Assessments

### HR9 Operations\* that have been subject to human rights assessments

Because Target doesn't own its factories, our global sourcing offices are the only operations we own. These offices are subject to the same standards and policies as our domestic offices. Human rights considerations are made when exploring new countries for office locations.

Factories Producing Target-Brand Merchandise: more than 3,000

North America – 1,146

Central and South America – 40

Europe – 64

Middle East and Africa – 16

Asia and Pacific Region – 1,818

Total number and percentage of operations that have been subject to human rights reviews of human rights impact assessments, by country:

#### NORTH AMERICA – 1,146

Country	#	% of total
Canada	62	2.01%
Mexico	24	0.78%
United States	1,060	34.37%

#### CENTRAL AND SOUTH AMERICA – 40

Country	#	% of total
Brazil	1	.03%
Chile	2	.06%
Dominican Republic	2	.06%
Ecuador	1	.03%
El Salvador	4	.13%
Guatemala	15	.49%
Haiti	3	.10%
Honduras	1	.03%
Nicaragua	9	.29%
Peru	2	.06%

#### EUROPE – 64

Country	#	% of total
Belgium	3	.10%
Denmark	1	.03%
France	1	.03%
Germany	10	.32%
Greece	1	.03%
Hungary	2	.06%
Italy	17	.55%
Luxembourg	1	.03%
Netherlands	2	.06%
Poland	3	.10%
Portugal	2	.06%
Spain	9	.29%
Sweden	1	.03%
Switzerland	2	.06%
Turkey	5	.16%
United Kingdom	4	.13%

\*Factories are not included in our operations

## MIDDLE EAST AND AFRICA – 16

Country	#	% of total
Bahrain	1	.03%
Egypt	6	.19%
Israel	6	.19%
Jordan	2	.06%
South Africa	1	.03%

## ASIA AND PACIFIC REGION – 1,818

Country	#	% of total
American Samoa	1	.03%
Bangladesh	30	.97%
Cambodia	28	.91%
China	1,423	46.14%
Hong Kong	1	.03%
India	95	3.08%
Indonesia	56	1.82%
Malaysia	9	.29%
Pakistan	19	.62%
Philippines	13	.42%
Korea, Republic of (South Korea)	4	.13%
Sri Lanka	1	.03%
Taiwan	32	1.04%
Thailand	29	.94%
Vietnam	77	2.50%

## Supplier Human Rights

HR10 New suppliers screened for human rights

[Social Compliance Audit Process](#)

## Society

DMA-SO Disclosures on management approach (DMA)

Learn more about Target's management approach to societal material issues by visiting:

[Suppliers](#)

[Responsible Sourcing](#)

[Social Compliance](#)

[Target Clinic](#)

[Target Pharmacy](#)

## HELPING CURB CHRONIC DISEASES AND REDUCE THE BURDEN ON HEALTHCARE SYSTEMS

Our collaboration with Kaiser Permanente at four Target Clinics in Southern California offers expanded services that are not typically available in retail clinics, such as management of chronic conditions like diabetes and high blood pressure. By addressing these needs, our expanded care can reduce the burden on local healthcare systems.

## COUNSELING FOR HEALTHIER BEHAVIORS

Our pharmacies are increasingly adopting a more holistic, relationship-based approach and expanding services focused on wellness, including nutrition counseling and smoking cessation. In this way, we hope to encourage healthier behaviors and improve overall community health.

## MONITORING MEDICATION SCHEDULES

Mismanagement of medications is a huge public health problem in the United States, with an estimated 1.5 million preventable adverse events happening each year, resulting in \$177 billion in injury and death. Medication therapy management (MTM) addresses this problem with a broad range of health care services provided by pharmacists, including identifying which patients may not adhere to medication schedules, putting themselves at higher risk. These patients may require enhanced counseling sessions about their health and their medications. We engage our patients through our targeted intervention program that involves actions such as outreach calls to help ensure they're following their medication schedule.

## HEALTHFUL APP

We recently launched a new pharmacy app called Target Healthful that allows patients to organize prescriptions, check their prescription status, transfer prescriptions, place orders for refills, locate the nearest Target Pharmacy and even set up notifications or reminders to take medications. We plan to update the app with additional health and wellness functionality in 2015.

## HEALTH SERVICE ROOMS AND POINT OF CARE TESTING

Target pharmacies are expanding the services they provide by improving access to services that previously required a visit to a physician or clinic. For example, many pharmacies are adding health service rooms that provide point of care testing for conditions such as flu and strep throat. These services enable our pharmacists to practice at the top of their license while helping to reduce the burden on the healthcare system.

## FUTURE: TELEHEALTH

We're exploring the potential of adding telehealth services, a form of virtual healthcare that enables patients to visit a Target pharmacy or Clinic at home or on the go.

## LEADING SUPPLIER DIVERSITY PROGRAM

Target's Supplier Diversity is consistently recognized externally as a leader in diverse supplier inclusion programs, and 2014 was no different. Nationally, Target's Supplier Diversity efforts were recognized by the Women's Business Enterprise National Council with a Top Corporation award and by the United States Hispanic Chamber of Commerce with a Million Dollar Club designation. Regionally, the North Central Minority Supplier Development Council named Target its Corporation of the Year.

## SUPPLIER DIVERSITY DATA

Number of diverse suppliers in 2014 - 762

New Diverse Suppliers - 160

First-Tier Spending with Diverse Suppliers - \$965,527,141

Second-Tier Spending with Diverse Suppliers - \$557,091,949

Spending with Diverse Suppliers - 26.21% decrease over 2013\*

Diversity Spending 2008-2013 Compound Annual Growth Rate - 0%

Percentage of Diverse Supplier Bid Inclusion - 29%

## Supplier Diversity

*\*In 2014, our overall spend was impacted by the mergers and acquisitions of several large companies, including the acquisition of our largest diverse supplier in 2013. While these changes in ownership decreased our diverse spend, Target's Supplier Diversity team is diligently working to bring the program forward by integrating more into merchandising and maintaining our momentum with our indirect suppliers. Diverse indirect RFP inclusion was high in 2014 and we continue positive momentum in some of our core categories, such as housekeeping.*

## Local Communities

### SO1 Local community engagement, impact assessments and development programs

Refer to [EC7](#) for more information on community engagement efforts.

All of Target locations have opportunities to engage with their community through volunteerism efforts, and our store locations have specific discretionary funds to spend in their local communities for local grants and/or local volunteerism events.

## EMERGENCY PREPAREDNESS – CRISIS ACTION TEAM PLANS

Our Crisis Action Team (CAT) Plans are comprehensive documents that help our teams know how to respond in the event of a crisis. Constantly updated, these CAT Plans detail everything from how we communicate with stores and distribution centers in an emergency situation to how we activate funding if a store needs to provide water or snacks to guests during a crisis.

## EMERGING LEADERS TRAINING

Since 2010, Target has hosted sessions for the Emerging Leaders Training program. These sessions provide an opportunity for the next generation of emergency management professionals in early- to middle-management roles within their organizations to learn leadership and business management skills while building their network of peers and partners. The program was developed in partnership with Big City Emergency Managers, Inc. At the 2014 session, participants met with Target team members and leaders, including Tim Baer, Executive Vice President, Law, to learn about topics such as leadership essentials, marketing and communications basics. They also toured Target's Corporate Command Center and heard case study examples of Target's preparedness and response efforts and crisis management.

## ALTERNATIVE YOUTH COURT

Working with the Center for Court Innovation in New York, we have tested an innovative approach to shoplifter diversion called Youth Court. Also known as "teen court," it provides a response to low-level offenses committed by young people, such as retail theft. Typical youth courts train young people to serve as a real life jury of one's peers, hearing the low level cases of fellow youths from their community and crafting individualized sanctions based on each case, such as community service, letters of apology, youth development workshops and referral to needed social services. Not only is compliance with youth court sanctions often dramatically higher than for traditional courts—averaging 87 percent nationwide—but the process is designed to deter repeat offenders and repair the harm done to the community.

## Political Disclosure

### SO6 Public Policy

Political Engagement

Issues Advocacy

#### E-FAIRNESS

E-fairness is an important issue for us in trying to level the field with online-only retailers. As a result, we promote federal and state legislation to require online-only retailers to collect state sales tax, thus eliminating their current unfair pricing advantage.

#### INTERNATIONAL TRADE

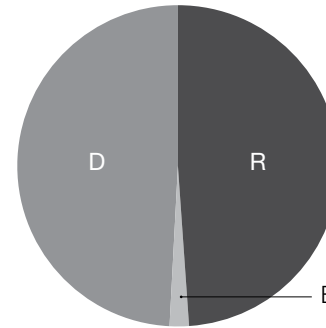
We support the Trans-Pacific Partnership (TPP), a trade negotiation between 12 countries in the Asia Pacific designed to drive economic growth and create jobs. We are advocating for an agreement that creates high standards, eliminates trade barriers and opens markets and ultimately delivers better value for our guests.

#### NATIONAL CONFERENCE OF STATE LEGISLATURES

Target was a major sponsor of the NCSL 2014 Legislative Summit, which was held in Minneapolis. The Summit gave us an opportunity to maintain a significant presence with an organization of which we have long been a member. The Summit brings together legislators and staff from across the nation to put solutions and innovation above politics and address critical issues facing states today. Another benefit of the summit is the opportunity for business leaders to connect with legislators and enable a flow of information on priorities and ways to partner to benefit states and communities.

#### CITIZENS COUNCIL

The Target Citizens Council is a group of more than 1,000 team members at Target Headquarters dedicated to bringing relevant policy dialogue into our workplace and inspiring active civic engagement. Through the Council's monthly lunch series, Pizza & Policy, Target welcomed a diverse group of speakers to share their expertise during 2014. Memorable events included celebrating Women's Equality Day with Minneapolis Mayor Betsy Hodges and representatives from VoteRunLead, a nonprofit group that provides tools for women running for office; and hearing from the University of Minnesota's Bee Squad on pollinator issues and the impact to the food supply, how to make a difference for the health of Minnesota's bees and related policy at the federal and state levels.



#### TARGET CITIZENS PAC CONTRIBUTIONS

Democratic - \$ 111,500 (49%)

Bipartisan - \$ 5,000 (2%)

Republican - \$ 111,000 (49%)

#### TRADE ASSOCIATION AND POLICY-BASED ORGANIZATION SUPPORT

The aggregate amount of financial support is \$4,200,000, 55 percent of which supports non-deductible lobbying activities (45% deductible).

#### CORPORATE POLITICAL CONTRIBUTIONS

The following is a list of contributions of general corporate funds in the amount of \$5,000 or more to support or oppose the election of candidates for office or ballot initiatives.

California Business Properties Association PAC - \$6,800

California Retailers Association Good Government Council - \$6,800

California Chamber of Commerce PAC - \$6,800

Illinois Merchants Political Action Committee Team - \$20,000

New York Retailers for Effective Government - \$5,000

Florida Retail Federation Political Committee - \$10,000

#### CORPORATE POLITICAL CONTRIBUTIONS

Target is also a member of national organizations. Our team members attend conferences and other events hosted by these organizations to learn about the elected officials, policy priorities and initiatives and to share a retail perspective. However, because these organizations primarily engage in political efforts, we disclose our memberships as political contributions. Target expressly requires that our funds are used only to support educational and association management activities and not for campaign contributions.

Democratic Governors Association - \$50,000

Republican Governors Association - \$50,000

## Product Responsibility

### DMA-PR Disclosures on management approach (DMA)

Target's approach to product responsibility spans the life cycle of our products, from design to end of life:

- Design: We build responsibility and sustainability into every product design.
- Produce: We collaborate with vendors to make products and services better for people and the planet.
- Ship: We reduce loads shipped and miles traveled so that we save fuel, reduce our carbon emissions and lower costs, while getting products to our guests fast.
- Sell: We focus on sustainable and responsible operations from our headquarters to our stores.
- Use and Reuse: We provide tools, information and incentives to help guests reduce waste and turn their old items into something new.

Learn more about our approach to product responsibility by visiting:

[Product Safety & Quality Assurance](#)

[Supply Chain Sustainability](#)

### ANIMAL WELFARE FOR PORK PRODUCTS

We remain committed to sourcing pork products from vendors who are removing the use of sow gestation crates by 2022. In order to further our progress on this commitment, we are applying a model of collaboration that aligns a wide range of subject matter experts and cross-functional teams to build milestones, engage with vendors and share learnings from across the industry.

In 2014, we conducted a vendor survey specific to the use of sow gestation crates. The information we collected will guide our work toward achieving our 2022 commitment. Target will continue to grow our assortment of pork products that are from operations using group sow housing instead of gestation crates. We have also set interim milestones, the first of which is to require all Simply Balanced pork products to meet our commitment—a milestone we've already reached. Next, we aim to ensure that all fresh and frozen pork products, including holiday hams, cuts like pork chops, deli meat, bacon and sausage, are supplied from approved vendors—those that either already don't use gestation crates, or have a time-bound goal to remove gestation crates from their operations—by 2018. As we move to work with vendors who support our commitment, we will look specifically to partner with any company using production facilities that allow sows to exhibit a full range of natural behavior for a majority of their pregnancy.

## Customer Health & Safety

### PR1 Health and safety impact assessments of products and services

Refer to [PR3](#) for more information on our health and safety impact assessments.

### STATE-OF-THE-ART DISPENSING SYSTEM

Target pharmacies have implemented a new state-of-the-art dispensing platform for prescription fulfillment that is designed to improve the safety with which medications are dispensed to help reduce or eliminate errors. For example, the system enables pharmacists to use a scanner to validate product selection of the medication that is being dispensed in order to ensure accuracy.

### PREVENTING FRAUD THROUGH THE CYBERSECURITY COALITION

In 2014, we announced the Allies for Consumer Digital Safety, a coalition to help educate the public on the dangers of cyber scams. Working with a group of nationally recognized, respected organizations—the National Cyber-Forensics and Training Alliance (NCFTA), National Cyber Security Alliance (NCSA) and Better Business Bureau, Inc. (BBB)—we committed \$5 million and created a campaign to educate consumers on how to protect themselves from cybersecurity scams and threats.

### TARGET SECURITY SUMMIT WITH PEER COMPANY CHIEF SECURITY OFFICERS/NATIONAL SECURITY EXPERTS

In 2014, nearly two dozen of the nation's leading cybersecurity experts convened in Minneapolis for a two-day Security Summit hosted by Target and moderated by The Chertoff Group. The event brought together leaders working to advance cyber threat information-sharing and collaboration through public-private partnerships. This was the third time that Target has brought a group of experts in the public and private forums together for similar efforts. Throughout the Summit, several of the participants shared their perspectives on the biggest security challenges and threats, as well as the role of the private sector in addressing emerging threats.

### NEW LEADER: JACQUELINE HOURIGAN RICE

As part of our ongoing efforts to better position Target to mitigate risk, we hired Jacqueline Hourigan Rice as senior vice president, chief risk and compliance officer in 2014. She reports directly to Brian Cornell, chairman of the board and chief executive officer of Target. In addition, we have elevated the position to include centralized oversight of enterprise risk management, compliance, vendor management and corporate security under her leadership. Rice comes to Target from General Motors Company where she was most recently the chief compliance officer. Her 17-year-career with the company included key global leadership roles in areas that included ethics, compliance and data privacy.

## FREE IDENTIFY THEFT PROTECTION

In early 2014, we announced that we would offer one year of free credit monitoring and identity theft protection to all Target guests who shopped U.S. stores to provide them with additional peace of mind following the data breach. After a thorough review of options, we selected ProtectMyID, provided by Experian—a leading global information services company that helps individuals understand and keep track of their credit reports and monitor for and resolve identity theft. Approximately 3.5 million Target guests requested an activation code for the service.

## ASPEN SECURITY FORUM—FOCUS ON COLLECTIVE PREVENTATIVE MEASURES

In July 2014, experts from the public and private sectors gathered in Aspen, Colorado to take part in the fifth annual Aspen Security Forum, a meeting of top national security experts hosted by our partner organization, The Aspen Institute, and sponsored by Target. Several team members and leaders from across Target—including representatives from Corporate Security, Information Security and Marketing teams—attended the forum to take part in the discussions with members of the Aspen Homeland Security Group, government officials, industry leaders and nationally noted journalists.

Representing the private sector, they shared thoughts on national and global security, the importance of innovation and the value of public-private partnerships. Throughout the three-day forum, team members and leaders took part in discussions, sharing thoughts, insights and information to help protect the American public from safety threats, including cyber attacks, terrorism and natural disasters. By joining discussions and sharing insights and information, we are learning how we can help mitigate potential security risks in our communities.

## Products and Services Labeling

**PR3** Product and service information required for labeling

### PRODUCT INSPECTIONS

In 2014, Target or independent third-party labs conducted:  
79,827 inspections of products we sell

### PRODUCT TESTS

In 2014, Target or independent third-party labs conducted:  
53,474 tests of products we sell

### PRODUCT EVALUATIONS

In 2014, Target or independent third-party labs conducted:  
2,506 evaluations of factories that make Target-brand products

## CONTACT INFORMATION

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[A Bullseye View](#)

