

Welcome to your CDP Water Security Questionnaire 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Target Corporation (Target, the Corporation, or the Company) was incorporated in Minnesota in 1902. Our corporate purpose is to help all families discover the joy of everyday life. We offer to our customers, referred to as "guests," everyday essentials and fashionable, differentiated merchandise at discounted prices. We operate as a single segment designed to enable guests to purchase products seamlessly in stores or through our digital channels. Since 1946, we have given 5 percent of our profit to communities. Our team, technology, and operations enable us to serve guests, fulfil our purpose, and drive business results through a durable, growth-focused enterprise strategy that differentiates Target in the marketplace.

The six pillars of our strategy are:

- Differentiating from our competition with our assortment of unique owned brands and curated leading national brands;
- Investing to create an engaging, convenient, safe, and differentiated shopping experience for our guests;
- Leveraging our stores as fulfilment hubs to efficiently meet our guests' needs, whether they purchase online or in-store;
- Engaging with our guests through programs like Target Circle and RedCard to maintain and enhance our relevancy;
- Delivering affordability to our guests; and
- Leveraging our size and scale to benefit people, the planet, and our business, primarily through Target Forward, our enterprise sustainability strategy.

Target's definition for net zero emissions is: Achieved when a company's Scope 1, 2, and 3 emissions are reduced to a level that is consistent with a 1.5°C pathway and any residual emissions are removed from the atmosphere through either nature-based or technological carbon removal solutions (e.g., forestry, regenerative agriculture, carbon capture technology), by no later than 2050. Target has committed to being a Net Zero enterprise by 2040 – zero waste to landfill in US operations and net zero emissions across both our operations and supply chain, inclusive of Scope 1, 2 and 3. Target's responses in this report on matters that

relate to the degree of risk or impact should not be viewed as an indication that such risks or impacts could be “material” as such term is used for SEC reporting purposes. Target’s responses to this questionnaire contain forward-looking statements, which are based on our current assumptions and expectations. These statements are typically accompanied by the words “commit,” “seek,” “expect,” “may,” “could,” “believe,” “would,” “might,” “anticipates” or similar words. The principal forward-looking statements in this report include our sustainability goals, commitments and programs; our business plans, initiatives and objectives; our assumptions and expectations; the scope and impact of corporate responsibility risks and opportunities; and standards and expectations of third parties. All such forward-looking statements are intended to enjoy the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, as amended. Although we believe there is a reasonable basis for the forward-looking statements, our actual results could be materially different. The most important factors that could cause our actual results to differ from our forward-looking statements are set forth in our description of risk factors included in Part I, Item 1A, Risk Factors of our Form 10-K for the fiscal year ended January 28, 2023, which should be read in conjunction with the forward-looking statements in this report. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update any forward-looking statement.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 31, 2022	January 30, 2023

W0.3

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

United States of America

W0.4

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

USD

W0.5

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

Companies, entities or groups over which operational control is exercised

W0.6

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

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Stores	There are 160 Target store locations in which Target is a tenant and pays the Developer/Operator/Property Manager for water utility either as pro-rata shares or flat rate. Target has no water utility account with municipal water utility providers and water withdrawal, consumption, and usage is not provided to Target.

W0.7

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

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

W1. Current state

W1.1

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

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	Direct use: Although water use in direct operations is just over 0.1% of Targets total water use, operations depend on good quality freshwater availability. Target expects that the future of water quality and quantity will become even more important as water risks and water scarcity continue to increase, and our stakeholders, guests, investors will increasingly look to Target to be able to continue to supply water products and be good stewards of water resources. Operations primary water uses include heating, cooling, irrigation, WASH services (restrooms and drinking fountains), and providing business services such as Deli products and Starbucks. For these reasons, clean water is deemed vital, and without it, our direct operations would not be able to adequately maintain brand nor serve guests and team members while at

			<p>Target facilities. Therefore, we rate sufficient amounts of good quality freshwater available for use as vital. The future of good quality freshwater available for use will continue to be vital as climate change impacts water availability and Target will continue to need water for direct business operations.</p> <p>Indirect use: Target's supply chain constitutes 99.89% of Targets overall water use, primarily for food and beverage, essentials, and home goods. Target's supply chain facilities and production depends on sufficient amounts of good quality freshwater available for use. Freshwater uses also include product and material dyeing and finishing processes, as well as access to water for workforce use in restroom facilities and clean in place procedures. Clean water is deemed vital, and without it, our indirect operations would not be able to manufacture the products that we source and sell. Therefore, we rate sufficient amounts of good quality freshwater available for use as vital.</p>
<p>Sufficient amounts of recycled, brackish and/or produced water available for use</p>	<p>Neutral</p>	<p>Not important at all</p>	<p>Direct use: Target does not use recycled, brackish, and/or produced water for direct operations. However, some of our third party sources (municipal water utilities) provide recycled water for use (Target has 7 known irrigation accounts and 5 water accounts).</p> <p>However, no viable Target produced solutions have been determined yet. Target is looking to innovate and test ways in which more recycled, brackish, and/or produced water can be supplied and used for direct operations including irrigation with the intent of increasing water resiliency in direct operations.</p> <p>Target Store (T2033) in Allen Park, MI installed a rainwater harvesting and reuse system as a pilot/test project for recycled water use in toilets in 2004, but was not able to maintain the system due to financial and maintenance constraints.</p> <p>Indirect Use: Target does not use recycled, brackish and/or produced water in indirect</p>

			operations to warrant tracking, and therefore we rate availability of recycled, brackish and/or produced water not important today.
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W1.2

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

	% of sites/facilities/operations	Frequency of measurements	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Yearly	Target water utility providers reported water withdrawals	Target monitors water withdrawal volume across all sites meaning stores, supply chain facilities, and headquarters/office locations. Target consumes water almost exclusively from water utility providers and uses utility billing to calculate withdrawal volumes. Target uses the utility bill payment/platform vendor Engie Insights to compile utility data and generate usage reports.
Water withdrawals – volumes by source	100%	Yearly	Using the WRI aqueduct tool we obtain data on the major and minor water basin from which Target withdrawals water.	Water withdrawal volumes by source are monitored at 100% of our operations. Target consumes water almost exclusively from third party sources (water utility providers). Target understands most of the utility withdrawals are from ground sources within the United States.

				Using the WRI Aqueduct tool, we annually assess the major and minor basin source for all Target properties water withdrawals.
Water withdrawals quality	100%	Continuously	<p>Water withdrawals quality is monitored at the site level using scheduled water sampling and lab testing via Pentair and/or local water testing facilities. Target Store Team Members known as Property Management Leads (PMLs) have a TDS measuring device and thermometer on site at all times to test as needed.</p> <p>Onsite parameters measured include TDS and temperature. Parameters measured by 3rd party labs</p>	<p>100% of our operational sites are monitored for this water aspect. All drinking fountains and water fillers have a water filtration system. Starbucks has specialized filtration reverse osmosis (RO) and/or water softeners at point of use for business products. All Target stores have at some point received a water quality test (testing was provided by Pentair). All test results are documented and retained for Target records. All New Stores receive a quality test prior to store opening. At existing stores, PML measure water quality outside and inside of Starbucks water source for TDS (total dissolved solids) every time the water filter is changed (approx. every 3 months). Target employs Pentair to install water softeners that serve the entire store (treating TDS, chlorides, etc) based on site water quality testing or notifications</p>

			include TSS and BOD.	from the utility. 100 properties collected and sent samples to Pentair for testing in 2022 as part of a maintenance check and/or equipment upgrades.
Water discharges – total volumes	Less than 1%	Monthly	Deduct meters	<p>Less than 1% of water discharged total volume is regularly measured and monitored. Utility billing does not report discharge volume, therefore most discharge is not monitored because it is not technically desirable for the organization.</p> <p>However, Target's water discharge volume is less than total withdrawal due to water use for irrigation, Starbucks product consumption, creation of deli products, and washing related maintenance activities.</p> <p>Store Design calculates estimated discharge quantities per day for the various store formats, which are as follows: Pstore is 3 kgals per day excluding irrigation, Super Target is 5 kgals per day,</p>

			<p>small format is 3kgals per day excluding irrigation, smaller formats/new stores have more varied discharge volume.</p> <p>However, discharge volume is not regularly measured or monitored.</p>
<p>Water discharges – volumes by destination</p>	<p>Not relevant</p>		<p>If water withdrawal source is utility provider, then discharge destination is generally the same municipality/wastewater treatment (81% of Target properties have the same water and sewer utility provider). There are some publicly owned treatment facilities that service multiple municipalities, meaning in those cases (<19% of Target properties), the water withdrawal source is not the same as the discharge source.</p> <p>40 Target store locations have septic systems in which the water discharge is contained within</p>

				<p>the property and not discharged to any third party sources.</p> <p>This aspect is not relevant because Target has not determined if monitoring discharge – volume by destination is technically feasible for its direct operations.</p>
Water discharges – volumes by treatment method	Not monitored			<p>For 99% of Target facilities, water is returned to public utilities via sewer discharge which is treated in primary, secondary, and tertiary phases. The other 1% of locations have septic systems in which case the discharge is treated to secondary phase.</p>
Water discharge quality – by standard effluent parameters	Not monitored			<p>For 99% of Target facilities, water is returned to public utilities, so we assume local waste management is treating discharge to the appropriate quality. For 1% of sites with septic systems, when the septic system is pumped, a sludge factor report is provided to Target.</p>
Water discharge quality – emissions to water (nitrates, phosphates, pesticides,	Not monitored			<p>For 99% of Target facilities, water is returned to public utilities, so we assume local waste management is treating discharge to the</p>

and/or other priority substances)			appropriate emissions quality. For 1% of sites with septic systems, this aspect is not measured or monitored.
Water discharge quality – temperature	Not monitored		For 99% of Target facilities, water is returned to public utilities, so we assume local waste management is treating discharge to the appropriate emissions quality. For 1% of sites with septic systems, this aspect is not measured or monitored.
Water consumption – total volume	Not monitored		<p>Target consumes water almost exclusively from municipal water utilities and uses utility bills to calculate withdrawal volumes. We measure the total volume of water withdrawals annually.</p> <p>Some sites consume various amounts of water in production of business products (e.g. deli, Starbucks) and irrigation and all sites have water fountains for our guests and team members consumption. We do not measure or monitor total consumption because we do not</p>

				<p>track these various amounts of water that are consumed and do not leave via the municipal sewer system.</p> <p>Therefore, we determined our total volume of water consumption to be not monitored, and we do not anticipate it will change in the future.</p> <p>Target is unable to measure this aspect and/or this is an aspect not measured and reported by our water utility providers.</p>
Water recycled/reused	Less than 1%	Other, please specify Never	N/A	Target has 11 water utility provider accounts that are known to use reclaimed or reused water.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Continuously	Visual inspections, physical inspections for temperature and functionality	<p>Target provides restroom facilities and drinking water (water fountains and/or water fillers) at all U.S. stores, distribution centers, and headquarters buildings available for all Team Members and guests. We maintain all WASH related equipment (showers, eye rinses, water fountains, restrooms, etc) and</p>

			<p>mobilize trained technicians as appropriate to ensure all WASH services</p> <p>are functioning properly. Every facility has processes in place to strive for checks on the</p> <p>functionality of WASH services every hour, if there are any non-functioning WASH services then</p> <p>Target Team Members escalate and resolve the issue in an appropriate and timely manner. For</p> <p>example, if restrooms become inoperable due to natural disasters or other incidents, Target will</p> <p>provide portable restroom facilities on site until the store restrooms can be repaired and</p> <p>operable. We measure % of operations through utility billing data on a monthly cadence.</p>
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W1.2b

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

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	11,229	Lower	Increase/decrease in efficiency	Lower	Increase/decrease in efficiency	<p>In Targets' direct operations, including stores, distribution centers, and headquarters locations,</p> <p>water is supplied almost entirely via municipal systems. Target has realized some opportunities for efficiency improvements including increased water monitoring and measuring through upgraded irrigation assets and privately installed domestic water supply meters allowing Target to identify</p>



						<p>inefficiencies and leaks sooner than through utility bills which is the status quo method of measurement. Target also saw changes in consumer behavior with different shopping channel growth and and consumer purchase changes in different product categories. With increased efficiency and changes in business activity, Target saw a slight reduction in water withdrawal at 11,229 ML from 11,399 ML the previous reporting year. Target continues to look for and realize</p>
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						opportunities to reduce water withdrawals.
Total discharges						<p>Although Target measures and tracks our withdrawal amounts, we do not measure our discharge volumes, and therefore cannot quantify our total discharge. However, we know the amount to be less than total withdrawals.</p>
Total consumption						<p>Although Target measures and tracks our withdrawal amounts, we do not measure our discharge volumes, and therefore cannot quantify our</p>

							total consumption. However, we know the amount to be less than total withdrawals.
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W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	26-50	About the same	Other, please specify The majority of Target facilities remain in the same location is the prior reporting year and are thus withdrawing water from the generally the same watersheds meaning Targets withdrawals from	Lower	Increase/decrease in efficiency	WRI Aqueduct	Combining internal Target properties and location attribute data with water withdrawal data from our 3rd party utility billing platform (Engie), we were able to assess the water stress of all of Target's properties using the WRI Aqueduct



				<p>high water stress areas will remain about the same</p>			<p>tool. Corresponding withdrawals from those locations identified as high baseline water stress or extremely high baseline water stress with the amount of water withdrawn from our properties we can measure water withdrawals from water stressed areas.</p> <p>Target used water withdrawal data and location coordinates from 1900+ global facilities to assess water stress using the WRI Aqueduct model. As Target re-</p>
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								<p>evaluated water risk in 2022, Target saw about the same characterization of water risk from the prior evaluation the previous year. Target has 560 locations that are WRI classified as withdrawing water from High or Extremely High Baseline water stress areas accounting for 37% of Target's 2022 water withdrawal. This result is not surprising as Target's water withdrawal habits did not change significantly even though some water efficiency opportunities were realized.</p>
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W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes					
Brackish surface water/Seawater					
Groundwater – renewable					
Groundwater – non-renewable					
Produced/Entrained water					
Third party sources	Relevant	11,229	About the same	Other, please specify municipal water utility provider	Target withdraws water almost exclusively from third party sources, municipal water utility providers, however, using location data and the WRI aqueduct tool, Target can evaluate which major and minor water basin Target properties are withdrawing water from. All of Target's

					withdrawals include freshwater from groundwater sources.
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W1.3

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

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	109,120,000,000	11,229	9,717,695.25336183	Target anticipates a continued increase in water withdrawal efficiency as improvements in water efficiency continue, water monitoring technology advances and is implemented, and Target water stewardship goals evolve and expand.

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances
Row 1	Yes

W1.4a

(W1.4a) What percentage of your company’s revenue is associated with products containing substances classified as hazardous by a regulatory authority?

Regulatory classification of hazardous substances	% of revenue associated with products containing substances in this list	Please explain
Other, please specify	Don't know	Target only sells products in the US and is committed to meeting all local/state/federal laws regarding hazardous substances. However, several of the products Target offers for sale could contain substances that are classified as hazardous by

		<p>regulatory agencies. Determining the percentage is very difficult because it depends on many factors including the products state (used/unused/product/waste), location, volume, and much more.</p> <p>Target is also committed to driving transparency, proactive chemical management, and innovation across all of our owned and national brand consumer products and operations. In Textile products, we utilize a restricted substance list as applicable for Target owned-brand products. This is done by restricting chemicals in our manufacturing processes (MRSL) and through an additional list restricting chemicals in the product (RSL). In Formulated products, we have implemented our Target Priority Chemical List (TPCL) to incentivize and design products that are better for people and the planet. We also offer our Target Clean program that helps our guests identify products that are made without chemicals of concern.</p> <p>We believe a small % falls within this category but do not currently calculate this measurement.</p>
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W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement
Suppliers	Yes
Other value chain partners (e.g., customers)	Yes

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact

Yes, we assess the impact of our suppliers

Considered in assessment

Basin status (e.g., water stress or access to WASH services)

Supplier impacts on water quality

Procurement spend

Number of suppliers identified as having a substantive impact

1,800

% of total suppliers identified as having a substantive impact

51-75

Please explain

We do not currently have a definition or threshold for “substantive impact” but are utilizing our % of supply chain in scope for this response.

We require all Target Owned Brand suppliers as well as national brand where Target is the importer of record (excluding food/FDA regulated factories) to complete the Higg FEM assessment annually. Data collect from the Higg FEM includes water consumption information from factories that quantified on an annual basis. We have received a Higg FEM adoption rate of 95% from our Tier 1 and 2 factories. In addition, Target utilizes the Higg FEM data to conduct a hotspot mapping to understand who are the heavy water users in Target’s manufacturing supply chain, and identify the water consumption and water risk by product and facility type. We also incorporate the results from WRI Water Risk Filter. Our total scope reviewed was 3600 facilities, of which 1800 are substantive impact.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization’s purchasing process?

	Suppliers have to meet specific water-related requirements
Row 1	Yes, water-related requirements are included in our supplier contracts

W1.5c

(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization’s purchasing process, and the compliance measures in place.

Water-related requirement

Providing fully-functioning, safely managed WASH services to all workers

% of suppliers with a substantive impact required to comply with this water-related requirement

76-99

% of suppliers with a substantive impact in compliance with this water-related requirement

Less than 1%

Mechanisms for monitoring compliance with this water-related requirement

Grievance mechanism/Whistleblowing hotline

On-site third-party audit

Supplier self-assessment

Response to supplier non-compliance with this water-related requirement

Other, please specify

Retain and engage and Suspend and engage

Comment

Inclusion of water stewardship and risk management is included in supplier selection and annual review of performance.

Suppliers are required to adhere to our code of conduct regarding water stewardship and management.

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

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

Water-related requirement

Setting and monitoring water withdrawal reduction targets

% of suppliers with a substantive impact required to comply with this water-related requirement

76-99

% of suppliers with a substantive impact in compliance with this water-related requirement

Less than 1%

Mechanisms for monitoring compliance with this water-related requirement

Grievance mechanism/Whistleblowing hotline

On-site third-party audit

Supplier self-assessment

Response to supplier non-compliance with this water-related requirement

Comment

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

Water-related requirement

Other, please specify
no illegal wastewater discharge

% of suppliers with a substantive impact required to comply with this water-related requirement

76-99

% of suppliers with a substantive impact in compliance with this water-related requirement

Less than 1%

Mechanisms for monitoring compliance with this water-related requirement

Grievance mechanism/Whistleblowing hotline
On-site third-party audit
Supplier self-assessment

Response to supplier non-compliance with this water-related requirement

Comment

Inclusion of water stewardship and risk management is included in supplier selection and annual review of performance.

Suppliers are required to adhere to our code of conduct regarding water stewardship and management.

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

Additionally, the Higg FEM assessment is required, annually as a part of Target’s responsible sourcing & sustainability program, from all manufacturing locations that produce Target owned brand products, national brand products where Target is the importer of record, as well as tier 2 factories. We work with the Zero Hazardous Discharge Chemicals (ZHDC) organization to aid in this goal.

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement

Innovation & collaboration

Details of engagement

Encourage/incentivize innovation to reduce water impacts in products and services
Educate suppliers about water stewardship and collaboration

% of suppliers by number

1-25

% of suppliers with a substantive impact

Unknown

Rationale for your engagement

Capability Building training and programming for high impact suppliers due to low performance on Higg FEM scoring or inaccuracy of data reported.

This training was offered to those that needed the most support based on scoring and accuracy of data

Impact of the engagement and measures of success

Apparel Impact Institutes Clean By Design Programs, In 2022, 44 factories participated in programs across China, India, Pakistan, and Taiwan with a total water savings of 4.332.729m² or 98.471m² average savings per factory.

Additionally, as mentioned above, we engage with our suppliers through capability building programs and training such as the Higg FEM assessment as well as Target's environmental requirements and expectations. This is completed for both US/Central America and Asia suppliers in both English and Mandarin languages. These training opportunities are shared with all manufacturing supply chain partners to attend virtually.

Comment

W1.5e

(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

Type of stakeholder

Customers

Type of engagement

Education / information sharing

Details of engagement

Share information about your products and relevant certification schemes

Rationale for your engagement

We have operationalized a new “way to shop” for our guests called Target Zero where we have different sustainability claims that fall under the mode. One of the pillars is waterless/concentrated. This pillar showcases products that are minimizing water use and minimizing packaging as well.

Impact of the engagement and measures of success

We do not have current measurements to the success of this programming but are looking into it.

W2. Business impacts

W2.1

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

Yes

W2.1a

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

Country/Area & River basin

United States of America

Other, please specify

WRI Major Basin Name: Atlantic Ocean Seaboard - 1 California - 69 Columbia and Northwestern United States - 1 Kahului - 1 North America, Colorado - 3 United States, North Atlantic Coast - 1

Type of impact driver & Primary impact driver

Acute physical

Drought

Primary impact

Impact on company assets

Description of impact

Drought Related: Received 76 mandatory water efficiency, conservation, recycling or process standards notifications from third party suppliers

(Municipal water utilities).

The megadrought that persisted throughout 2022 and is continuing to occur in the southwest region of the United States has resulted in mandatory water conservation requirements which have forced a reduction of irrigation for landscape maintenance and increased water utility rates resulting in increased utility costs.

The impact is not substantive to Target’s business but considered a growing risk across our portfolio as drought and other extreme weather conditions impact our facilities and communities

Primary response

Comply with local regulatory requirements

Total financial impact

Description of response

Financial impact: unknown.

When applicable, Target immediately complies with conservation requirements via changes in or reductions to site operations such as irrigation schedules until no longer required. Target requires all national landscape vendors to irrigate per mandated irrigation schedules, to water plants as needed only, and to identify and repair irrigation leaks as soon as possible.

Target adopts water efficiency, water reuse, recycling and conservation practices such as smart irrigation controllers or changes to landscaping to reduce water needs for irrigation and comply with local regulatory requirements.

Furthermore, Target secures alternative water supply when water is not available through 3rd party vendors to maintain WASH standards, operational, or landscaping needs.

Target’s response to impacts of drought is limited at this time but we do all that we can to mitigate any impacts that occur. All responses are continuously evaluated for process improvements and those improvements will be implemented in response to future impacts

Country/Area & River basin

United States of America

Other, please specify

California 13 Columbia and Northwestern United States 1 Great Basin 1 Gulf Coast 6 Gulf of Mexico, North Atlantic Coast 17 Mississippi – Missouri 4 North America, Colorado 1 St Lawrence 2 United States, North Atlantic Coast 7

Type of impact driver & Primary impact driver

Acute physical

Flood (coastal, fluvial, pluvial, groundwater)

Primary impact

Closure of operations

Description of impact

Flood Related: 54 locations were damaged/received flood remediation efforts in 2022.

Primary response

Amend the Business Continuity Plan

Total financial impact

711,653

Description of response

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

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

In 2022, Target spent \$711,653 flood remediation efforts.

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

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

Country/Area & River basin

United States of America
Not known

Type of impact driver & Primary impact driver

Acute physical
Storm (including blizzards, dust and sandstorm)

Primary impact

Closure of operations

Description of impact

Impacts resulting from storms have several outcomes on Target properties including water shortages or no water availability, water boil events, and/or damage to infrastructure and plumbing assets including irrigation systems. Stores that have food production departments are more heavily impacted by storm outcomes as production is reduced or halted until remediation efforts are complete. Aspects of disruptions to operations include:

- No water for cleaning and hygiene (hand washing)
- Boil Order, Boil Order advisory means production department closure
- Restroom accessibility and sanitation. In some cases, portable restrooms are rented and brought on site.
- Inventory shift management with increased bottled water, sometimes donating bottled water to the local community as well.
- Recovery and remediation steps (filter replacement, ice bin flush)
- Product loss, expiration
- Labor disruption

Primary response

Comply with local regulatory requirements

Total financial impact

Description of response

Total financial impact - unknown. Target's Corporate Command Center (C3) constantly monitors for tropical weather that could impact our teams, business operations, or the communities we do business in. When a potentially impactful storm system is identified, C3 provides advance notice to other teams across the company to begin preparation for response and recovery.

As a part of this process, our Global Supply Chain and Store Operations teams execute strategies to ensure we are able to service the demand for supplies of bottled water in areas that may experience public water utility outages as a result of the storm. We do this through a combination of pre-positioned product that can be quickly deployed ahead of a storm and robust strategies to replenish the supply of bottled water during the immediate recovery time period. This includes accounting for communities affected by extended water utility outages and boil-water advisories.

Target ensures that all Team Members and guests are immediately and remain safe from any water-related detrimental impacts and that any WASH water needs are supplemented through the appropriate emergency escalation process.

Any additional support for remediation efforts that is needed is provided by Target

headquarters.

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

Country/Area & River basin

United States of America

Other, please specify

Mississippi - Missouri Gulf of Mexico, North Atlantic Coast United States, North Atlantic Coast

Type of impact driver & Primary impact driver

Acute physical

Cyclone, hurricane, typhoon

Primary impact

Closure of operations

Description of impact

One of the hurricanes that impacted Target in 2022 was Hurricane Ian, the category 4 hurricane that struck Florida in September 2022 and brought torrential rain and strong winds causing stores to close due to flooding, power outages, building damage, product loss, no water or unsafe availability from utility providers, and/or unsafe conditions for Team and Guests.

Although closure of operations is the primary impact, other impacts include Disruption to sales and Impact on Company Assets.

Primary response

Comply with local regulatory requirements

Total financial impact

6,000,000

Description of response

Target’s Corporate Command Center (C3) constantly monitors for tropical weather that could impact our teams, business operations, or the communities we do business in. When a potentially impactful storm system is identified, C3 provides advance notice to other teams across the company to begin preparation for response and recovery.

As a part of this process, our Global Supply Chain and Store Operations teams execute strategies to ensure we are able to service the demand for supplies of bottled water in areas that may experience public water utility outages as a result of the storm. We do this through a combination of pre-positioned product that can be quickly deployed ahead of a storm and robust strategies to replenish the supply of bottled water during the immediate recovery time period. This includes accounting for communities affected by

extended water utility outages and boil-water advisories.

Target ensures that all Team Members and guests are immediately and remain safe from any water-related detrimental impacts and that any WASH water needs are supplemented through the appropriate emergency escalation process.

Any additional support for remediation efforts that is needed is provided by Target headquarters.

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

W2.2

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

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	Yes	Fines, but none that are considered as significant	Target has received irrigation fines from utility providers and storm water, and wastewater fines from local governing authorities.

W2.2a

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

Row 1

Total number of fines

12

Total value of fines

30,000

% of total facilities/operations associated

1

Number of fines compared to previous reporting year

About the same

Comment

The violations received in 2022 are due to incorrect irrigating (outside of scheduled days/times), overuse of water, and missed site inspections (hydrant, backflow, etc.).

Landscape Vendors are required to know proper irrigation schedule, however, there are cases of incorrect irrigation timing. As soon as notice is received for violation, Target Team Members work with landscape vendors to adjust irrigation schedule or plumbing vendors to complete inspections.

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified
Row 1	Yes, we identify and classify our potential water pollutants	<p>Direct Operations: Target evaluates water pollutants by identifying any substances used on Target properties that have known impacts to plants, wildlife, or water. Using this lens, Target has identified pesticides and chloride as potential water pollutants and requires vendors to disclose when these pollutants are used and implement best management practices when applying chloride during snow events.</p> <p>Indirect/Supply Chain: From an OB apparel and accessories perspective, these pollutants are identified by aligning to the industry standard, Zero Discharge of Hazardous Chemicals Wastewater Guidelines.</p> <p>For MRSL, we look at restrictions for the input chemistry for a facility and set corresponding requirements for the output/wastewater from the facility. As of 2018, Target became a signatory brand of the ZDHC Roadmap to Zero Programme and adopted the ZDHC MRSL and corresponding ZDHC Wastewater Guidelines.</p> <p>Our MRSL applies to owned brand textile supply chains only and doesn't include trims.</p> <p>Categories: Clothing, Accessories, footwear, bedding, bath, and kitchen textiles.</p> <p>Factory: Dyeing/finishing forward.</p>

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category

Inorganic pollutants

Description of water pollutant and potential impacts

Too much chloride in waterways is known to contribute to contaminated drinking water, be harmful to fish, wildlife, and plants, and can corrode infrastructure.

Value chain stage

Direct operations
Product use phase

Actions and procedures to minimize adverse impacts

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
Industrial and chemical accidents prevention, preparedness, and response
Provision of best practice instructions on product use
Other, please specify

Please explain

Target is committed to driving transparency, proactive chemical management and innovation across all of our owned and national brand consumer products, and operations.

Products: We utilize our Target Priority Chemical List (TPCL) for Target Clean. The TPCL was created by considering Green Screen Hazard Profile information for each chemical, which includes both human health and potential environmental pollutants.

Direct Ops: Where Target properties receive snow services, vendors are asked to use salt appropriately and efficiently to reduce chloride contamination and pollution in waterways. Target Exterior Services has been participating in Minnesota Pollution Control Agency's Smart Salting Certification Course and has been piloting various Smart Salting Programs to Target snow service suppliers to implement some of the Smart Salting learnings and reduce chloride contamination on Target properties.

Target's storm water practices and infrastructure meet local, state, and federal requirements for managing storm flows. Best Management Practices at locations include vegetated assets and enhanced filtering to capture and remove common contaminants found in runoff from impervious surfaces, such as oil, nutrients, metals, and solid waste. Additionally, Target has a response protocol for any potentially harmful discharges to the storm sewer system. Headquarters is notified immediately and an emergency spill response company is on hand to contain and clean known spills.

Water pollutant category

Pesticides

Description of water pollutant and potential impacts

Pesticides are known to degrade water quality and reduce the supply of clean water for potable water.

Value chain stage

Direct operations
Product use phase

Actions and procedures to minimize adverse impacts

Provision of best practice instructions on product use

Please explain

Target is committed to driving transparency, proactive chemical management and innovation across all of our owned and national brand consumer products, and operations.

Direct Ops: An initial focus for Target's Chemical Policy, specific to Operations, is Neonicotinoids in our Landscape Chemical Products.

The NMP (Neonicotinoid Management Plan) is a process put in place by Target as part of our ongoing corporate responsibility initiatives to identify and monitor the use of neonicotinoids on Target properties. The NMP defines roles/responsibilities of Target team members and contractors as well as establishes processes/procedures to collect and manage data related to the use of neonics on Target's properties.

Target Landscape vendors are required to sign and submit a 'NMP Vendor Agreement' annually. By signing the agreement, Vendors ensure they have read and understand the NMP plan and will adhere to the requirements within which

include the following:

- Confirm they are a pest management control business.
- Ensure the use of neonics are used in accordance with label precautions, including EPA Bee Advisory label precautions.
- Submit information to Target within one week of treating with neonicotinoids

Products: We utilize our Target Priority Chemical List (TPCL) for Target Clean. The TPCL was created by considering Green Screen Hazard Profile information for each chemical, which includes both human health and potential environmental pollutants.

Water pollutant category

Other nutrients and oxygen demanding pollutants

Description of water pollutant and potential impacts

Other nutrients and oxygen demanding pollutants, impact water streams by restricting the available oxygen water from marine life and aquatic plants.

Value chain stage

Supply chain
Product use phase

Actions and procedures to minimize adverse impacts

Beyond compliance with regulatory requirements
Provision of best practice instructions on product use
Reduction or phase out of hazardous substances
Requirement for suppliers to comply with regulatory requirements
Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

Please explain

Target is committed to driving transparency, proactive chemical management and innovation across all of our owned and national brand consumer products, and operations.

Manufacturing: The textile manufacturing process is water intensive, and uses many different chemistries as well – for dyeing, finishing, etc. To mitigate these pollutants for our owned brand apparel and accessory wet processing facilities, we are in the process of implementing the ZDHC MRSL and subsequent WW Guidelines.

Products: We utilize our Target Priority Chemical List (TPCL) for Target Clean. The TPCL was created by considering Green Screen Hazard Profile information for each chemical, which includes both human health and potential environmental pollutants.

Water pollutant category

Other, please specify
Oil Nitrates Phosphates Other nutrients and oxygen demanding pollutants ,
Pathogens Microplastics and plastic particles Other physical pollutants

Description of water pollutant and potential impacts

Oil has a deleterious effect on ecosystems at large, and is toxic to most organisms.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
Industrial and chemical accidents prevention, preparedness, and response
Upgrading of process equipment/methods
Procedure(s) under development/ R&D

Other, please specify

Please explain

Target’s stormwater practices and infrastructure meet local, state, and federal requirements for managing storm flows. Best Management Practices at locations include vegetated assets and enhanced filtering to capture and remove common contaminants found in runoff from impervious surfaces, such as oil, nutrients, metals, trash, and pathogens.

Where Target is responsible for maintaining the storm water infrastructure it has a robust preventative and corrective maintenance program to ensure that systems are functioning as designed.

Additionally, Target has a response protocol for any potentially harmful discharges to the storm sewer system. Headquarters is notified immediately and an emergency spill response company is on hand to contain and clean known spills.

W3.3

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

Yes, water-related risks are assessed

W3.3a

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

Value chain stage

Direct operations

Coverage

Full

Risk assessment procedure

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

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Other

Tools and methods used

WRI Aqueduct

Internal company methods

Other, please specify

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

Contextual issues considered

Water availability at a basin/catchment level

Water quality at a basin/catchment level

Stakeholder conflicts concerning water resources at a basin/catchment level

Implications of water on your key commodities/raw materials

Water regulatory frameworks

Status of ecosystems and habitats

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

Stakeholders considered

Customers

Employees

Investors

Local communities

NGOs

Regulators

Suppliers

Water utilities at a local level

Other water users at the basin/catchment level

Comment

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

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

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

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

Access to fully functioning, safely managed WASH services for all employees: (waiting on plumbing team response) Target ensures that safe water, sanitation, and hygiene services are provided for all Team Members and Guests at all facilities. Target complies with all OSHA WASH requirements and processes are in place at every facility to remain compliant with WASH standards. Water filters are installed at every drinking fountain location to ensure safe, clean water is provided for consumption. Restroom

facilities provide the necessary hygiene requirements surrounding water temperature and hands-free fixtures. Food service areas are designed so that food preparation is separate from hand washing operations so as not to contaminate either process. Target is continuously working to improve WASH services provided to Team Members through new technologies and innovations and communicating these improvements to team members and guests so all can safely shop and work at Target.

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Water risks are assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

Up to 1 year

Type of tools and methods used

Tools on the market
International methodologies and standards

Tools and methods used

WRI Aqueduct
WWF Water Risk Filter
Other, please specify
Higg FEM

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Water regulatory frameworks

Stakeholders considered

Local communities
NGOs
Regulators
Suppliers

Comment

Target requires all of our Tier 1 factories that produce Target owned brand product as well as Tier 2 factories to complete the Higg FEM self-assessment annually (except those regulated by FDA), which is considered as Target reports on our water use, risks

and management information. We also incorporate the results from WRI Aqueduct into the hotspot mapping to understand the water risk by geographical distribution

W3.3b

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

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	<p>Target believes clean, drinkable water and sanitation are human rights and should be accessible for all. Healthy ecosystems and sustainable water management are essential in the delivery of these basic rights and align with Target’s values to benefit people and planet.</p> <p>To ensure we maintain the accessibility of quality freshwater and healthy ecosystems and communities, we have and continue to identify, assess, and respond to water-related risks within direct operations and other stages of our value chain.</p> <p>Target has identified water stress as a strategic risk for the enterprise. This risk reaches horizontally across the company</p>	<p>Direct Operations:</p> <p>Water availability at a basin/catchment level, water quality at basin/catchment level: Target has identified water stress as a strategic risk for the enterprise. This risk reaches horizontally across the company and will have an impact on stores, supply chain, inventory, human resources, and security. Target will continue to refine processes to identify, prepare for, respond to and recover from water emergencies tactically.</p> <p>Stakeholder conflicts concerning water resources at a basin/catchment level: Target’s Government Affairs Team regularly monitors stakeholder conflicts that have the potential to impact Target properties or business operations.</p>	<p>Direct Ops</p> <p>Customers – Guests are at the heart of Target and considered in everything we do.</p> <p>Employees – Target believes that you should work somewhere you love, and we strive to ensure that we’re meeting the freshwater needs of our employees.</p> <p>Investors – investors increasingly look to sustainability efforts to evaluate a company’s performance and they are considered in everything we do.</p> <p>Local communities – Local communities make up target guests and are considered an important stakeholder.</p>	<p>Direct Ops: Target identified and will continue to assess water risks across the enterprise to focus its direct operation’s water sustainability programs, projects, and process improvements at facilities and in communities where there exists and/or is potential for higher water risk in the future and continue to refine processes to identify, prepare for, respond to and recover from water emergencies tactically such as floods, treatment inundation, boil water emergencies, and extreme weather; but also to grow the capability of our risk teams to understand how water shapes our operations in the long term.</p> <p>Indirect Ops: The water risk</p>

<p>and will have an impact on stores, supply chain, inventory, human resources, and security now and in the future. Using open-source public sector tools, partner intelligence and situational awareness tools such as WRI Aqueduct, FEMA National Risk Index, The Atlas of Global Conservation, National Oceanic and Atmospheric Administration, State and Local Public Data, Factual, Emergency Risk International, and ESRI;</p> <p>Supply chain: Target requires all of our Tier 1 factories that produce Target owned brand product as well as Tier 2 factories to complete the Higg FEM self-assessment annually (except those regulated by FDA), which is considered as Target reports on our water use, risks and management information. We also incorporate the results from WRI Aqueduct into the hotspot mapping to understand the water risk by geographical distribution</p>	<p>Implications of water on your key commodities/raw materials: Target's sourcing and procurement Team regularly monitors impacts to key commodities and raw materials including implications of water on those materials.</p> <p>Water regulatory frameworks: Target's Government Affairs Team regularly monitors any changes or impacts to water regulatory frameworks as it applies to Targets business.</p> <p>Status of ecosystems and habitats: Target considers ecosystems and habitats in determining priorities for capital expenditures and maintenance processes.</p> <p>Target ensures that safe water, sanitation, and hygiene services are provided for all Team Members and Guests at all facilities.</p>	<p>NGOs – Target has partnerships and collaborations with NGO's and thus they are considered a stakeholder.</p> <p>Regulators – Regulators have authority over certain aspects of Target operations and are thus considered an important stakeholder.</p> <p>Suppliers – Target relies on suppliers to meet the demands of product production and delivery so they are considered a stakeholder.</p> <p>Water utilities at a local level – Target consumes water almost exclusively from water utilities at the local level in direct operations, being reliant on their ability to provide fresh water is important and thus they are considered a stakeholder.</p> <p>Other water users at the basin/catchment level – Target aims to be a steward of freshwater and other natural resources, so other water users that share the same</p>	<p>information helped support our decision in scaling local supply chain efforts through collaborative work in strategic locations that are facing high water risks with our suppliers to understand and reduce water consumption within our supply chain through our partnership with the Apparel Impact Institute. For water returned to the environment via factory wastewater, we do take steps to ensure that it is clean; especially for factories generating industrial wastewater to make owned brand clothing. For these facilities, we expect them to adhere to the ZDHC Wastewater Guidelines, and require them to test against these standards on an annual basis.</p>
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			resource are an important stakeholder to Target.	
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W4. Risks and opportunities

W4.1

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

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

W4.1a

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

We consider multiple factors in evaluating risk. Importantly, something that has a "substantive financial or strategic impact on our business" is not necessarily "material" to investors as defined by the Securities and Exchange Commission (SEC).

In the context of climate-related issues and this response, Target leverages both the TCFD framework and our internal Enterprise Risk Management Framework to assess climate-related risks that may have a substantive financial or strategic impact . We consider a number of quantitative and qualitative factors including, but not limited to: financial, team, guest, operations, and reputation impact; likelihood of potential events occurrence over time; and our ability to mitigate potential risks.

W4.1b

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

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	698	26-50	In 2022, Target evaluated companywide facilities water risk by utilizing the WRI Aqueduct Water Risk Atlas Tool. Facilities included stores, supply chain facilities, headquarters, and other Target properties that withdraw

		<p>and/or consume water. Using the tool, Target was able to conduct a baseline water risk assessment as well as other water risk assessments, however, for purposes of answering this question Target deems only the baseline water risk assessment as relevant. Baseline water risk is defined by WRI as “the ratio of total water withdrawals to available renewable surface and groundwater supplies. Water withdrawals include domestic, industrial, irrigation, and livestock consumptive and non-consumptive uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. Higher values indicate more competition among users.” 36% of Target facilities were identified as located in an area of High or Extremely High water stress, meaning they are exposed to water risks with the potential to have a substantive financial or strategic impact on Target’s business.</p>
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W4.1c

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

Country/Area & River basin

United States of America

Other, please specify

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

Number of facilities exposed to water risk

698

% company-wide facilities this represents

26-50

% company’s total global revenue that could be affected

Unknown

Comment

In 2022, Target evaluated companywide facilities water risk by utilizing the WRI Aqueduct Water Risk Atlas Tool. Facilities assessed included stores, supply chain facilities, headquarters, and other Target properties that withdraw and/or consume water. Using the tool, Target was able to conduct a baseline water risk assessment as well as other water risk assessments via facility geographical coordinates, however, for

purposes of answering this question Target deems only the baseline water risk assessment as relevant to this response. Baseline water risk is defined by WRI as “the ratio of total water withdrawals to available renewable surface and groundwater supplies. Water withdrawals include domestic, industrial, irrigation, and livestock consumptive and non-consumptive uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. Higher values indicate more competition among users.” 36% of Target facilities were identified as located in an area of High or Extremely High water stress meaning they are exposed to water risks with the potential to have a substantive financial or strategic impact on Target’s business.

W4.2

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

Country/Area & River basin

United States of America

Other, please specify

Multiple

Type of risk & Primary risk driver

Acute physical

Cyclone, hurricane, typhoon

Primary potential impact

Increased operating costs

Company-specific description

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

In 2022 over 50 of our stores were impacted by hurricane Ian damaging physical building equipment and inventory.

Timeframe

4-6 years

Magnitude of potential impact

Low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

4,000,000

Potential financial impact figure - maximum (currency)

6,000,000

Explanation of financial impact

In 2022, over 50 stores were impacted by Hurricane Ian through power outages and damage to physical equipment and inventory, resulting in replacement costs between \$4M - \$6M. While difficult to predict future losses, given the increasing frequency and magnitude of severe weather due to climate change, it is likely over the short term that losses similar to those experienced in 2022 could be incurred.

Primary response to risk

Engage with local communities

Description of response

As a response to Hurricane Ian, backup generators were deployed to mitigate operational impacts caused by extreme weather events that cause prolonged power outages.

Target also acted as staging location for Florida Power & Light emergency crews. As a result, Target was able to recover power within 4 days on average. Teams across Targets including Store Operations, Assets Protection, Properties, Supply Chain, HR, Corporate Responsibility and the Corporate Command Center, set up Team Member Resource Centers to support employees impacted by Ian. Over 700 team members visited our Centers across four days to stock up on supplies, fill their cars with gas, do laundry, get support from counselors and health and benefits partners, and apply for financial help from our Team Member Giving Fund.

Cost of response

4,300,000

Explanation of cost of response

The cost of deploying the backup generator to help decrease the impact of future acute physical risks like hurricanes on our operations was approximately \$4.3M.

Country/Area & River basin

United States of America

Other, please specify

Multiple

Type of risk & Primary risk driver

Chronic physical
Water scarcity

Primary potential impact

Increased operating costs

Company-specific description

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

In 2022 over 50 of our stores were impacted by hurricane Ian damaging physical building equipment and inventory.

Timeframe

4-6 years

Magnitude of potential impact

Low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

4,000,000

Potential financial impact figure - maximum (currency)

6,000,000

Explanation of financial impact

In 2022, over 50 stores were impacted by Hurricane Ian through power outages and damage to physical equipment and inventory, resulting in replacement costs between \$4M - \$6M. While difficult to predict future losses, given the increasing frequency and magnitude of severe weather due to climate change, it is likely over the short term that losses similar to those experienced in 2022 could be incurred

Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

Description of response

Target continues to explore and implement opportunities to optimize water efficiency, reduce water scarcity, manage stormwater flows and runoff, improve maintenance of

infrastructure, improve monitoring, and increase investment in new technology. Responses and costs vary by issue, climate, and watershed needs and responses include unplanned (as needed) and planned years into the future. Target is committed to continuously improving infrastructure and maintenance practices around our infrastructure.

Cost of response

9,000,000

Explanation of cost of response

We do this by investing in water efficiency products such as smart irrigation controllers and flow meters (\$2,000,000), repair and replace assets including backflow replacements, booster pump replacements, water main replacements, and water treatment upgrades and replacements (\$4,000,000), and make improvements to stormwater infrastructure (\$3,000,000). Target responds to stormwater water quality risk at approximately 800 self-maintained store locations and 40+ distribution locations.

W4.2a

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

Country/Area & River basin

India

Not known

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Reputation & markets

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Company brand damage

Company-specific description

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

Timeframe

4-6 years

Magnitude of potential impact

Unknown

Likelihood

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Impact not quantified financially

Primary response to risk

Supplier engagement

Other, please specify

NGO Collaboration

Description of response

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

The data was analyzed so we are able to understand which supplier has high potential in improving water efficiency, installing water meter for better water management and recycling or reusing water. With this analysis, we are able to identify potential suppliers to engage in water efficiency programs via the Apparel Impact Institutes Clean By Design Programs. In 2022, 44 factories participated in programs across China, India, Pakistan, and Taiwan with a total water savings of 4.332.729m² or 98.471m² average savings per factory.

Cost of response

Explanation of cost of response

Cost of response not quantified at corporate level

Country/Area & River basin

China

Not known

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Reputation & markets

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Company brand damage

Company-specific description

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

Timeframe

4-6 years

Magnitude of potential impact

Unknown

Likelihood

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Impact not quantified financially

Primary response to risk

Supplier engagement

Other, please specify

NGO Collaboration

Description of response

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

geographical distribution.

The data was analyzed so we are able to understand which supplier has high potential in improving water efficiency, installing water meter for better water management and recycling or reusing water. With this analysis, we are able to identify potential suppliers to engage in water efficiency programs via the Apparel Impact Institutes Clean By Design Programs. In 2022, 44 factories participated in programs across China, India, Pakistan, and Taiwan with a total water savings of 4.332.729m² or 98.471m² average savings per factory.

Cost of response

Explanation of cost of response

Cost of response not quantified at corporate level

Country/Area & River basin

Pakistan
Not known

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Reputation & markets
Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Company brand damage

Company-specific description

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

Timeframe

4-6 years

Magnitude of potential impact

Unknown

Likelihood

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Primary response to risk

- Supplier engagement
- Other, please specify
- NGO Collaboration

Description of response

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

The data was analyzed so we are able to understand which supplier has high potential in improving water efficiency, installing water meter for better water management and recycling or reusing water. With this analysis, we are able to identify potential suppliers to engage in water efficiency programs via the Apparel Impact Institutes Clean By Design Programs. In 2022, 44 factories participated in programs across China, India, Pakistan, and Taiwan with a total water savings of 4.332.729m² or 98.471m² average savings per factory.

Cost of response

Explanation of cost of response

Cost of response not quantified at corporate level

Country/Area & River basin

- Taiwan, China
- Not known

Stage of value chain

- Supply chain

Type of risk & Primary risk driver

- Reputation & markets
- Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Company brand damage

Company-specific description

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

Timeframe

4-6 years

Magnitude of potential impact

Unknown

Likelihood

Unknown

Are you able to provide a potential financial impact figure?

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Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Primary response to risk

Description of response

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Design Programs. In 2022, 44 factories participated in programs across China, India, Pakistan, and Taiwan with a total water savings of 4.332.729m² or 98.471m² average savings per factory.

Cost of response

Explanation of cost of response

W4.3

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

Yes, we have identified opportunities but are unable to realize them

W4.3b

(W4.3b) Why does your organization not consider itself to have water-related opportunities?

	Primary reason	Please explain
Row 1	Not yet evaluated	At this point in time, Target has investigated and pursued opportunities at the product level, such as high-efficiency laundry detergents, but not yet evaluated water-related opportunities at the strategic level.

W5. Facility-level water accounting

W5.1

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

W6. Governance

W6.1

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

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

W6.1a

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

	Scope	Content	Please explain
Row 1	Company-wide	<p>Description of business dependency on water</p> <p>Description of business impact on water</p> <p>Commitment to water stewardship and/or collective action</p>	<p>In 2018, Target created our freshwater stewardship approach and initial goals to help us address three important issues in communities where we operate:</p> <ul style="list-style-type: none"> - Improving water quality -Optimizing water efficiency -Increasing access to clean water <p>BUSINESS DEPENDENCY ON WATER: Our direct use in stores depends on available, good quality freshwater available for use. Clean water is deemed vital, and without it, our direct operations would not be able to adequately serve our guests and team members as they shop and work in Target-owned facilities. Our indirect use of contracted manufacturing facilities depends on available, good quality freshwater available for use. Clean water is deemed vital, and without it, our indirect operations would not be able to manufacture the products that we source and sell.</p> <p>BUSINESS IMPACT ON WATER: Water is important to the success of our business operations, from our supply chains to our stores and the communities within which we operate. We'll focus our freshwater stewardship efforts in areas and on issues where our influence and support can help deliver the greatest impact.</p> <p>WATER-RELATED PERFORMANCE STANDARDS FOR DIRECT OPERATIONS: Across our stores, distribution centers and headquarters locations, we're taking action to reduce water scarcity, improve water quality outcomes and manage stormwater flows.</p> <p>WATER-RELATED STANDARDS FOR PROCUREMENT: Our water footprint starts with growing the raw materials needed to produce our products, such as food and fiber, so we're working to better understand our basin-level impacts to prioritize our responses. Of our various raw materials, we recognize that production of cotton has a large bearing on the water impact within the supply chain. A goal was set to source 100% sustainable cotton for our owned brand and exclusive national brand products by 2022.</p> <p>Our definition of sustainable cotton: 1. Ensure the cotton used in our supply chain is not cultivated or harvested using underage or forced labor, 2. Ensure working conditions in our</p>

			<p>supply chain are both ethical and compliant with applicable laws, 3. Optimize production practices to minimize environmental impact, such as water use and pollution, and chemical use.</p> <p>Reference to International Standards and widely recognized water initiatives: We recently joined the ZDHC Roadmap to Zero Program and will use its wastewater guidelines for our 2025 manufacturing goal for water.</p>
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W6.2

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

Yes

W6.2a

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

Position of individual or committee	Responsibilities for water-related issues
Board-level committee	Board-level Committee: The full Board has an important role in overseeing the development, periodic review, and ongoing monitoring of our strategy, which includes Target Forward, our enterprise sustainability strategy that leverages our size and scale to benefit people, the planet, and our business. As part of Target Forward, we have specific, time-bound goals that support our sustainability ambitions, which include water related issues.

W6.2b

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

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring progress towards corporate targets Reviewing and guiding corporate responsibility strategy	Given the breadth of ESG matters for a company of our size and scale, oversight of those issues is allocated throughout the Board and its Committees. The full Board has oversight over Sustainability and ESG strategy and risks (through oversight of our business strategy, annual strategic priorities, and top enterprise risks).

		<p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding strategy</p>	<p>The Governance & Sustainability Committee of our Board is responsible for oversight of environmental stewardship practices (including climate and energy, among others). The Audit & Risk Committee having oversight over certain supply chain ESG matters.</p> <p>Our Executive Vice President & Chief Communications Officer and Senior Vice President of Corporate Responsibility regularly engages with the Governance & Sustainability Committee of the Board and the full Board on ESG-related topics, which includes our implementation and execution plans and activities related to Target Forward, the sustainability component of our overall business strategy, and our Target Forward goals and commitments.</p>
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W6.2d

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

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

W6.3

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

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

Other, please specify

Senior Vice President of Corporate Responsibility

Water-related responsibilities of this position

Monitoring progress against water-related corporate targets

Frequency of reporting to the board on water-related issues

As important matters arise

Please explain

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

W6.4

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

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

W6.5

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

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

W6.5a

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

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

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

W6.6

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

No, and we have no plans to do so

W7. Business strategy

W7.1

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

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant	5-10	<p>Target views Water use and management as an ESG Priority, but it is not currently assessed as a significant or strategically relevant issue in our Long-range planning process therefore we have no main enterprise-wide objectives geared toward water-related issues at the moment.</p> <p>We have updated our water materiality assessment and continue to evaluate our approaches surrounding improving water quality, optimizing water efficiency, and increasing access to clean water across our operations and value chain</p>
Strategy for achieving long-term objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant	5-10	<p>Target views Water use and management as an ESG Priority, but it is not currently assessed as a significant or strategically relevant issue in our Long-range planning process therefore we have no main enterprise-wide objectives and/or financial plans geared toward water-related issues at the moment.</p> <p>We have updated our water materiality assessment and continue to evaluate our approaches surrounding improving water quality, optimizing water efficiency, and increasing access to clean water across our operations and value chain</p>

Financial planning	No, water-related issues were reviewed but not considered as strategically relevant/significant	5-10	Target views Water use and management as an ESG Priority, but it is not currently assessed as a significant or strategically relevant issue in our Long-range planning process therefore we have no main enterprise-wide objectives and/or financial plans geared toward water-related issues at the moment. We have updated our water materiality assessment and continue to evaluate our approaches surrounding improving water quality, optimizing water efficiency, and increasing access to clean water across our operations and value chain
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W7.2

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

Row 1

Water-related CAPEX (+/- % change)

30.62

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

34.81

Water-related OPEX (+/- % change)

4.85

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

8.48

Please explain

Target is proactive in capital expenditure to avoid future and recurring water related issues. Capital expense is typical of planned, full asset and proactive replacements to prevent inefficient water use or recurring leaks from water infrastructure. ,Water treatment replacements, irrigation controller replacements, water meters, and flow meters. Target intends to be more efficient in operations and water withdrawals, so a portion of Targets capital expenditure is also used for new water monitoring or water measuring assets. Target’s assumption is that capital expense will continue to increase. Operating Expense includes Target’s water, irrigation, and sewer utility expense. This has increased from the previous reporting year and is expected to continue to increase at a rate of 5%

W7.3

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

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

W7.3a

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

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	Parameters: Our assets and tier 1 factories were analyzed using the Shared Socioeconomic Pathway (SSP) 5-8.5 forced CMIP6 climate models, originally created to support the IPCC’s recent Sixth Assessment Report (AR6). SSP 5-8.5 is the scenario most aligned with RCP 8.5 in the new CMIP6 models. Utilizing the SSP 5-8.5 scenario, a proprietary modeling tool was used to conduct the analysis. The proprietary modeling tool	Results of our analysis reveal, for example, changes in water stress southern US states under business-as-usual and optimistic conditions to 2040. Outcomes could impact Target in a variety of ways. In areas prone to drought, for example, water use restrictions could impact the whole of Target’s value chain from raw material production, to operational facilities, to downstream use of products that require	Both the BAU and optimistic scenarios revealed water-related risks for our operations and supply chain. We recognize the tension between protecting this critical natural resource and needing it to operate our business. Our business is dependent on our ability to effectively manage our inventory in a broad range of merchandise categories, including products that are dependent on agriculture

	<p>identified the impact from six (6) perils: Drought, Flood, Hail, Tropical Cyclone, Wildfire, and Wind Gust. All assets and factories contained a single risk score (the combination value of the likelihood and impact of the peril) for each of the perils. The numerical value for the risk score represents the likelihood and impact of the natural disaster at the location in relation to the global likelihood and impact range of the peril. Assumptions: SSP 5-8.5 generally assumes fossil fuel exploitation and energy intensive lifestyles, leading to a global temperature increase of 4oC relative to pre-industrial periods. We assumed that the impact of this results in an increase or decrease in the frequency and severity of the six (6) perils examined by our model, based on a global temperature rise of 4oC over our observed time horizon. Analytical Choices: To assess our chosen physical scenario, we engaged with an independent third-party consultant to conduct physical climate scenario modeling using a proprietary physical risk model, which was created and developed based on scientifically supported research and frameworks containing publicly</p>	<p>water, e.g. shampoo, laundry detergent, etc. From time-to-time, weather events have negatively affected the supply or increased the cost of certain products.</p> <p>Target maintains stormwater assets across the country at our stores, distribution centers and headquarters locations. To date, Target has made several investments in green infrastructure to help reduce impacts on local watersheds, including rain gardens, green roofs and stormwater retention basins.</p>	<p>production like certain textiles, paper products, and grocery items. We source products from suppliers and vendors from a global network of facilities in nearly fifty countries. Our geographically diverse supply chain and extensive product assortment reduces the risk of droughts or other weather-related events materially affecting our business operations or the availability of our product offerings. To complement our risk mitigation through geographical diversification, we also leverage our freshwater stewardship framework in our decisions, which takes a holistic approach by incorporating our existing water management aspirations as well as our work in climate change, chemicals management and sustainable resource use. We have taken great actions to increase our awareness and mitigate our risks</p>
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		<p>available data taken from various domestic and international agencies. We examined physical risk impacts on a short-time, medium-time and long-time horizon, starting with 2025 and ending at 2040 (2025, 2030, 2035, 2040). To understand future projections under a high emissions scenario, we select the Shared Socioeconomic Pathway RCP 8.5.</p> <p>Parameters: Our assets and tier 1 factories were analyzed using the Shared Socioeconomic Pathway (SSP) 1-2.6 forced CMIP6 climate models, originally created to support the IPCC's recent Sixth Assessment Report (AR6). SSP 1-2.6 is the scenario most aligned with RCP 2.6 in the new CMIP6 models. Utilizing the SSP 1-2.6 scenario, a proprietary modeling tool was used to conduct the analysis, we identified the impact from six (6) perils: Drought, Flood, Hail, Tropical Cyclone, Wildfire, and Wind Gust.</p>		
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W7.4

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

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

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

W7.5

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

	Products and/or services classified as low water impact	Definition used to classify low water impact	Please explain
Row 1	Yes	<p>Percentage of SKUs of garment-washed owned brand apparel utilizing water-saving design principles</p> <p>Products under our Target Zero banner that are claimed as waterless/concentrated</p>	<p>Across our denim and non-denim garment washes, we use water-saving design principles to stay in line with our Freshwater stewardship approach of water efficiency in manufacturing.</p> <p>We have a new “way to shop” where guests can shop by Target Zero claims and waterless/concentrated claim alerts the guest that the product they are purchasing is minimizing water and packaging use.</p>

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	Yes	

Water withdrawals	No, but we plan to within the next two years	<p>We previously had goals in the category of water withdrawals across our direct operations and manufacturing parts of our value chain. We met and subsequently retired those goals as the goal year has passed and we are looking to create new, dynamic goals that reflect both the state of water stewardship and the state of water stress + risks in our value chain. We are intending the nature of our new targets to still include water use efficiency, but are also taking the time to understand the best way for Target to make a positive difference within the watersheds in which we operate and how/what indicators would look like if we were to set watershed specific targets'</p> <p>We have already assessed our water risks across a materiality index, but we are now digging deeper to understand which of our business units and stages of our value chains need to be prioritized first.</p>
Water, Sanitation, and Hygiene (WASH) services	No, but we plan to within the next two years	Our water stewardship approach has included the importance of beyond the fence line work. We previously had WASH investments with Water.org and we are working to better understand what investments and resources we need to increase our community engagement and supplier engagement in WASH across our value chain.
Other	No, but we plan to within the next two years	As a retailer, we understand that our water footprint does not stop at the store but continues down to the product use stage. We are discussing the importance of water-savings products and leaning into learnings from our Target Zero program which includes a category for waterless/concentrated products. This helps guests find products that minimize packaging and water use.

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number

Target 1

Category of target

Water pollution

Target coverage

Business division

Quantitative metric

Other, please specify

% of suppliers meeting the ZDHC progressive standard

Year target was set

2018

Base year

2022

Base year figure

0

Target year

2025

Target year figure

228

Reporting year figure

17

% of target achieved relative to base year

7.4561403509

Target status in reporting year

Underway

Please explain

We have a goal for all Owned Brand apparel textile factories to comply with Zero Discharge of Hazardous Chemicals (ZDHC) progressive level wastewater standard by 2025.

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

Although the goal was set several years ago, 2022 was the first year we were able to report. Ideally, we would want 100% of the total of facilities in scope to meet this standard, thus the target we listed is 1. The data provided is a minimum, based on Wastewater (WW) data submitted. A total of 228 facilities are in scope, and based on WW data provided - at least 7% (.07) of facilities (17) meet the ZDHC progressive standard.

W9. Verification

W9.1

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

Yes

W9.1a

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

Disclosure module	Data verified	Verification standard	Please explain
W4 Risks and opportunities	Supply Chain facility information	Other, please specify Higg FEM verification	<p>Facilities within our supply chain complete the Higg FEM verification. Particularly within apparel and home textiles tier 1 and tier 2 facilities.</p> <p>Currently, all tier one and tier two soft home and apparel textile suppliers disclose environmental impacts related to their production using the Sustainable Apparel Coalition’s Higg Facilities Environmental Module (FEM). Target also holds tier two soft home and apparel textile suppliers accountable by using the Higg FEM verification process to audit and ultimately elevate their environmental performance. Those results are subject to third party verification and are mapped against the applicable environmental sustainability standards to ensure compliance and to promote excellent environmental performance within our supply chain.</p>

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Direct operations	We are signatories to the Ellen MacArthur Foundation Global Commitment and provide detailed information about the plastics used in our owned brand plastic packaging, the substrates used and in which categories, and volume by weight.

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Yes	Direct operations	Regulatory Reputational	We are signatories to the Ellen MacArthur Foundation Global Commitment and provide detailed information about the plastics used in our owned brand plastic packaging, the substrates used and in which categories, and volume by weight. This supports mitigation of reputational and regulatory risks, in particular extended producer responsibility laws.

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Plastic packaging	Reduce the total weight of plastic packaging used and/or produced Eliminate problematic and unnecessary plastic packaging Reduce the total weight of virgin content in plastic packaging Increase the proportion of post-consumer recycled content in plastic packaging Increase the proportion of plastic packaging that is recyclable in practice and at scale	<p>Target intends to reduce the total volume of virgin plastic packaging by 20% in our owned brand Food, Beauty, and Essentials businesses, measured against our total plastic packaging baseline volume in these categories in 2020.</p> <p>Target will work towards 20% post-consumer recycled content in owned-brand plastic packaging by 2025. (separate goal from above)</p> <p>Target will work toward 100% of Owned Brand plastic packaging designed to be recyclable, compostable, or reusable by 2025.</p> <p>Target will work to eliminate problematic and unnecessary plastic packaging through redesign, innovation and new delivery models by 2025 (PVC, PS, PVDC, Carbon Black and EPS)</p> <p>Target will work to explore at least five reuse programs to reduce or eliminate single use plastic and, where possible, pilot by 2025.</p>

			<p>Increase the proportion of plastic packaging that is reusable</p> <p>Increase the proportion of plastic packaging that is compostable</p>	<p>Scope is limited to Owned Brand packaged goods in the following categories: Home, Hardlines, Food and Beverage, Personal Care and Beauty, Household Cleaning products, OTC medication, Baby Toiletries and Food, and Pets. Reported data reflects packaging weights available from product packaging specification. This is the first year, July 2023, where we are using available non-extrapolated data in this report due to increased data availability. Home and Hardlines wasn't included in 2022 numbers. We are still actively collecting and reviewing data to improve data completeness and accuracy over time.</p>
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W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	
Production of durable plastic components	No	
Production / commercialization of durable plastic goods (including mixed materials)	No	
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	No	
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	Yes	Please see information at this hyperlink: https://gc-22.emf.org/detail-ppu?cid=Target+Corporation

W10.8

(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	% virgin fossil-based content	% post-consumer recycled content	Please explain
Plastic packaging used	84,929	% virgin fossil-based content	85	15	

		% post-consumer recycled content			
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W10.8a

(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

	Percentages available to report for circularity potential	% of plastic packaging that is recyclable in practice at scale	Please explain
Plastic packaging used	% recyclable in practice and at scale	23.7	

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

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

SW. Supply chain module

SW0.1

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

	Annual revenue
Row 1	

SW1.1

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

SW1.2

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

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

SW2.1

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

SW2.2

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

SW3.1

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

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Yes, CDP may share our Main User contact details with the Pacific Institute

Please confirm below

I have read and accept the applicable Terms

