

# Target Corporation - Climate Change 2019

## C0. Introduction

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### C0.1

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**(C0.1) Give a general description and introduction to your organization.**

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

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

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

Target's answers to this questionnaire contain forward-looking statements, which are based on our current assumptions and expectations. These statements are typically accompanied by the words "expect," "may," "could," "believe," "would," "might," "anticipates," or similar words. All such forward-looking statements are intended to enjoy the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, as amended. Although we believe there is a reasonable basis for the forward-looking statements, our actual results could be materially different. The most important factors which could cause our actual results to differ from our forward-looking statements are set forth in our description of risk factors in Item 1A of our Form 10-K for the fiscal year ended February 2, 2019, which should be read in conjunction with the forward-looking statements in this report. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update any forward-looking statement.

### C0.2

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**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	February 4 2018	February 3 2019	No	<Not Applicable>

### C0.3

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**(C0.3) Select the countries/regions for which you will be supplying data.**

United States of America

### C0.4

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**(C0.4) Select the currency used for all financial information disclosed throughout your response.**  
USD

C0.5

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**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.**  
Operational control

C1. Governance

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C1.1

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**(C1.1) Is there board-level oversight of climate-related issues within your organization?**  
Yes

C1.1a

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**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

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

C1.1b

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**(C1.1b) Provide further details on the board’s oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Monitoring implementation and performance of objectives	The Board of Directors’ review of environmental and social topics is obtained through the updates it receives from the Nominating and Governance Committee. The Nominating and Governance Committee reviews environmental and social topics at least semi-annually. This happens independently of our financial reporting process, which includes economic topics, and is overseen throughout the year by the Audit and Finance Committee, which provides regular reports to the Board of Directors. Target’s Vice President of Corporate Responsibility presents to the Nominating and Governance Committee semiannually on corporate responsibility related topics.

**C1.2**

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Sustainability Officer (CSO)	Both assessing and managing climate-related risks and opportunities	Half-yearly
Energy manager	Both assessing and managing climate-related risks and opportunities	Half-yearly

**C1.2a**

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

The Vice President of Corporate Responsibility oversees CR across Target. They report to the Executive Vice President and Chief Marketing Officer at Target. The CR team moved within the marketing pyramid back in 2017. This move has allowed the CR team to engage directly with marketing and communications partners to help amplify the goals and key milestones when it comes to CR and climate work. Within CR, the Business Integration team engages directly with partners from across the enterprise to help drive and incorporate our key enterprise initiatives like climate into the core business. Specifically, our climate account manager within the business integration team works with a number of partners from Responsible Sourcing to the energy team within Property Management to help coordinate and strategize on work. This climate account manager also leads the coordination and strategy behind our Scope 3 goals in tandem with Responsible Sourcing. All our work on climate ladders up to our CR Future at Heart Strategy and lives within the Design Tomorrow Pillar of the strategy.

The Vice President of Property Management oversees the Property and Energy Management across Target. They report to the Senior Vice President of Properties at Target. The Property and Energy Management teams conduct critical work around our waste minimization efforts, store HVAC efficiencies, EV charging stations, and lead the work around procuring renewable energy sources. These initiatives also ladder up to our goals within the CR Future at Heart Strategy. The Property and Energy Management teams also drive a majority of the strategy behind our Scope 1 and 2 goals in conjunction with the Business Integration team within CR. On a bi-annual basis the Vice President of Property Management brings together their team along with other critical partners like Responsible Sourcing and CR to review progress on set goals and understand key milestones.

### C1.3

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**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

Yes

### C1.3a

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**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

**Who is entitled to benefit from these incentives?**

Energy manager

**Types of incentives**

Monetary reward

**Activity incentivized**

Efficiency target

**Comment**

Progress toward Target's carbon reduction goal is included in applicable individuals' Goals and Objectives. Performance against these Goals and Objectives is a key factor in annual performance reviews and compensation adjustments.

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**Who is entitled to benefit from these incentives?**

Environment/Sustainability manager

**Types of incentives**

Monetary reward

**Activity incentivized**

Efficiency target

**Comment**

Progress toward the carbon reduction goal is included in individual Goals and Objectives; performance against Goals and Objectives is a key factor in annual performance reviews and compensation adjustments.

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## C2. Risks and opportunities

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### C2.1

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**(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.**

	From (years)	To (years)	Comment
Short-term	0	2	
Medium-term	2	3	
Long-term	3	100	

### C2.2

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**(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.**

A specific climate change risk identification, assessment, and management process

### C2.2a

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**(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.**

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Six-monthly or more frequently	>6 years	In 2017, we introduced a new climate policy and goals, based on the latest climate science. We have set goals to reduce our greenhouse gas footprint, and continue to work with our industry partners, policymakers and other stakeholders to accelerate the transition to a low-carbon economy. While we are implementing projects in our owned brand manufacturing facilities that will result in the avoidance of Scope 3 emissions, this past year, we also developed and received approval on our Scope 3 goal. This approved Scope 3 goal, coupled with our Scope 1 and 2 goal, will fulfill our commitment to the Science-Based Targets initiative. This initiative provides guidance for and champions science-based target setting as a powerful way of boosting companies' competitive advantage in the transition to the low-carbon economy. These new goals build on our 2020 commitments to improve energy efficiency, drive investments in renewable energy and lower our overall hydrofluorocarbon (HFC) impact.

**C2.2b**

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**(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.**

In developing Target's Scope 1, 2, and 3 reduction goal, Target reviewed the SBTi's guidance on the developing goals that align with at least a two-degree Celsius warming limit scenario. The guidance identifies the pace of greenhouse gas (GHG) reductions by sector required to meet the warming limit identified by scientists and the Paris Agreement. By committing to reduce emissions in line with science, Target will continue work to minimize aspects of transition risk, such as policy/regulatory and reputational risk. Target also recognizes that climate change impacts will and are affecting Target's supply chains and the communities we serve. We are committed to mitigating our contribution to climate change and working with impacted communities. Target is evaluating roles we can play in community disaster resilience in communities experiencing extreme weather events.

Target also uses scenario analysis to for identifying and assessing climate-related risks. In deciding how to approach our scenario analysis, we reviewed the guidelines from the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD recommends performing scenario analysis to identify both physical and transition risks, as well as using at least two scenarios (one to be a 2°C or lower scenario). The TCFD also recommends establishing one or more timeframes, e.g. short-, medium, or long-term. In keeping with this best practice, we chose well-established third-party scenarios to look at both physical and transition risks and opportunities over three timeframes (2025, 2030, and to 2040). For physical risks and opportunities, we drew on IPCC RCP 4.5 and RCP 8.5. For transition risks and opportunities, we used IEA's WEO Sustainable Development Scenario and Current Policies Scenario. We also used the WRI Aqueduct tool to investigate water-related risks under different decarbonization pathways. In addition to the IPCC scenarios already mentioned, the tool uses socioeconomic assumptions from the Shared Socioeconomic Pathways (e.g. SSP2 and SSP3).

Inputs: We also reviewed the U.S. Government's Fourth National Climate Assessment to incorporate relevant U.S. region-specific findings. For internal data sources we analyzed: historical financial results e.g. sales, Target Scope 1 & 2 emissions, energy use across our physical locations (stores, distribution centers, headquarters, etc.), relevant supply chain information (e.g. raw ingredients in products), etc.

Coverage: The scenario analysis covered Target's owned facilities, logistics, and three product lines: apparel & accessories, beauty & household essentials, and food & beverage. For these lines, we considered supply chain, operations, and sales.

Time-horizons: We considered scenarios on our business in 2025 and in 2030 as this is in line with our current GHG emission targets, and to 2040 to capture physical impacts. While Target business strategy does not extend to 2040, we felt that this was an appropriate timeframe for trying to capture physical risks, as differences in climate impacts in the scenarios may not become apparent before this time.

Assumptions: In the 2°C (RCP 4.5, IEA SDS, SSP2) scenario, we assume in the period to 2025 and to 2030, society acts rapidly to limit emissions and puts in place measures to restrain deforestation and discourage emissions (e.g. implementing a carbon price). In the 4°C scenario to 2025 and to 2030, we assume climate policy is less ambitious with emissions remaining high. For this time period, there is not a significant difference in physical impacts between the two scenarios. For the period to 2040, the transition assumptions remain the same for both scenarios, however the physical manifestations become more apparent in the 4°C scenario.

Results: We identified material impacts on our business arising from each scenario based on existing internal and external data (see inputs above). Examples of impacts of the 2°C scenario: Federal, state or local efforts to regulate fuel-efficiency would impact Target's business most significantly through changing prices for transportation costs; zero net deforestation requirements introduced and shifts to sustainable agriculture pressures agricultural production, raising the price of key raw materials; a higher carbon price applied in more geographies could increase Target's operational costs, as well as supply chain costs through pass-through. Examples of impacts of the 4°C scenario: chronic & acute water stress, reducing agricultural productivity in some regions, raising prices of raw materials such as cotton, which is crucial to Target's apparel products; increased frequency of extreme weather causing increased incidences of disruption to manufacturing & distribution networks; temperature increase & extreme weather events reducing economic activity.

**(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?**

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Target operates in 50 states and the District of Columbia. As an end user of energy, we pay for existing renewable energy standard and carbon regulation policies that are implemented through regulated utility programs. Current regulations are the foundation of IEA's WEO Current Policies Scenario, which was included in our scenario analysis.
Emerging regulation	Relevant, always included	Target is tracking carbon regulation and related energy policy proposals at the U.S. federal and state levels. As a large consumer of energy, we evaluate how these proposals may impact energy pricing, both negatively and positively. Emerging regulations are a key component of IEA's WEO Sustainable Development Scenario, which was included in our scenario analysis. We looked at emerging regulation both in the near term and long term to help identify climate-related risks.
Technology	Relevant, always included	As a retailer, Target plays a key role in the roll out of potential carbon reducing consumer projects such as smart thermostats, efficient lighting, and other types of products. Target is also installing direct current (DC) fast electric vehicle charging stations at over 100 stores in the coming years. Target believes the retail sector can play a key role in developing the electric vehicle infrastructure needed to transition the transportation sector to run on clean energy. Included in the pathways we used in our scenario analysis is an analysis of the various kinds of technology that will be needed to achieve the end results. E.g. for IEA's WEO Sustainable Development Scenario, various technologies are analyzed and assumed to be implemented in order to achieve 2 degrees or lower of average temperature increase. The implications of these technologies on society, i.e. the cost to implement and changes in energy prices, is considered. Target also examined technologies that may become more prevalent as climate change progresses, e.g. window air conditioners and fans in areas that are expected to see a high rise in average temperatures. These are areas that present an opportunity to Target to meet the increase in demand.
Legal	Not relevant, explanation provided	Included in the scenario analysis was an examination of legal-related risks. However, it was found at this time that although Target is subject to regulatory and policy-related risks, Target does not have strictly legal-related climate risks.
Market	Relevant, always included	We aim to leverage our size, scale and reach to positively impact the communities in which we serve and operate. Going beyond what we can achieve in our own operations and with our vendors, we collaborate with NGOs, governments, industry organizations and other businesses to innovate solutions to the most pressing issues we face today. Examining market risks was a large part of the scenario analysis. We analyzed how the market would play out in different climate scenarios, e.g. the cost of energy (oil, natural gas, electricity) as well as how the overall economy would react to climate change in the long-term. Through this process we were able to identify market-related climate risks.
Reputation	Relevant, always included	Since the company's formation in 1962 Target has invested in the communities we operated in and serve. Target's corporate responsibility team evaluates how our climate mitigation goals, policy, and resiliency efforts impact our standing with local communities where we operate, with our NGO stakeholders and partners, and with third party industry analysts. Target's existing climate policy and goals are designed to set a leadership example within the retail industry and are accompanied by internal execution strategies and management plans to hold our team accountable to meeting the goals and maintaining our credible reputation in this space. Target commits to publicly reporting annually on our goal progress. Target understands that falling short of what climate science says is needed to mitigate the worst of the warming scenarios will damage our reputation. Reputational risks were considered in the scenario analysis from both a consumer standpoint and investor standpoint. Target identified both reputational risks and opportunities associated with climate change.
Acute physical	Relevant, always included	Target operates in many communities impacted by extreme weather events. In the past few years Target has experienced facility damages from extreme weather events such as Hurricanes Harvey, Irma, and Maria, and wildfires across California. Repairing damaged stores and other facilities has direct costs to Target. Acute physical risks played a large role in the scenario analysis, as Target is already prone to climate-related acute weather events. As described above, Target has already experienced financial damage from weather-related events.
Chronic physical	Relevant, always included	Rising temperatures require longer run times on HVAC equipment in impacted stores. Longer HVAC run times incur additional energy costs to Target. Chronic physical risks played a large role in the scenario analysis, as it is very likely that chronic risks associated with climate change will impact Target.
Upstream	Relevant, always included	Target anticipates supply chain disturbances from extreme weather events, agricultural changes, and other climate change impacts. These disturbances cause Target to incur significant costs and/or product disruptions for our guests. The transition and physical climate-related risks that Target experiences will most likely also impact Target's suppliers. Disruptions in the supply chain can have financial impacts on Target. Thus, upstream climate-related risks were also included in the scenario analysis.
Downstream	Relevant, always included	As online shopping continues to grow, climate change may disrupt the delivery of orders to guests. Extreme weather events may change the types of products purchased by guests.

**(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.**

The Corporate Responsibility, Energy, and Responsible Sourcing teams coordinate Target's climate change strategy, identify key initiative areas, assess risks and opportunities, and coordinate the company's response to climate change. The scope of the risks and opportunities considered include, but are not limited to, changes in regulation (company and asset level), policy (company and asset level), building codes (asset level), guest behavior (company level), reputation (company level), impact to carbon reduction goal (company level), and extreme weather conditions (asset level). In addition to CR and Energy teams, our Corporate Command Center and Enterprise Risk teams are dedicated to risk management and monitor risks, including climate-related risks, on a daily basis at both company and asset levels.

**C2.3**

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**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.3a**

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**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Supply chain

**Risk type**

Transition risk

**Primary climate-related risk driver**

Market: Uncertainty in market signals

**Type of financial impact**

<Not Applicable>

**Company- specific description**

Changing prices for electricity and other fuels could significantly impact Target's business. For example, higher fuel costs will lead to higher logistics costs. With almost 2,000 stores in the US and nearly 40 distribution centers, Target relies heavily on a complex supply chain and logistics network. An increase in higher fuel costs will lead to a higher logistics cost for Target. Both the IEA WEO 2018 and the EIA Outlook 2019 project increases in fossil fuels costs under the BAU scenario through 2040. The 2025 global oil price is projected at \$101/ barrel and the 2025 US oil price is projected at \$80/ barrel. The 2040 global oil price is projected at \$137/ barrel and the 2040 US oil price is projected at \$105/ barrel.

**Time horizon**

Long-term

**Likelihood**

Very likely

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

200000000

**Potential financial impact figure – maximum (currency)**

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300000000

**Explanation of financial impact figure**

By 2040, the cost of diesel used in heavy-duty trucks is expected to increase by roughly 75% compared to 2018. If this increase in fuel cost is passed down to Target from its logistics suppliers, the potential financial impact could be \$200,000,000 to \$300,000,000 USD/year by 2040.

**Management method**

We work closely with vendors to determine the best ship points and delivery routes to reduce the number of transportation miles and to mitigate risk associated with transportation of merchandise. We apply careful research and sophisticated optimization technology to choose the most efficient combination of transportation methods to carry each shipment throughout our supply chain and continue to improve loading practices and efficiencies at our regional distribution centers. We also are managing these risks through our work with Clean by Design and the Sustainable Apparel Coalition.

**Cost of management**

0

**Comment**

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**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Supply chain

**Risk type**

Transition risk

**Primary climate-related risk driver**

Policy and legal: Mandates on and regulation of existing products and services

**Type of financial impact**

<Not Applicable>

**Company- specific description**

Federal, state or local efforts to regulate fuel-efficiency would impact Target's business most significantly through changing prices for transportation costs. Although Target moves most of its merchandise via third-party transportation providers, domestic low-carbon fuel standards, fuel-economy requirements, equipment retrofit and other requirements impact our business partners. For example, increased logistics costs can arise from more stringent fuel-economy requirements. With almost 2,000 stores in the US and nearly 40 distribution centers, Target relies heavily on a complex supply chain and logistics network. An increase in cost to operate logistics due to more expensive, high efficiency trucks will lead to a higher logistics cost for Target. According to the EIA Outlook 2019, the steepest decline in the US in energy intensity occurs in the transportation sector, with the level of energy used per highway vehicle-mile traveled declining by 32% from 2018 to 2050 as a result of increasingly stringent fuel economy and energy efficiency standards for light- and heavy-duty vehicles. Policy developments in this space will increase transportation costs to Target: California's Zero-Emission Vehicle regulation, which nine additional states have adopted, requires a minimum percentage of vehicle sales of BEV and PHEV. In 2025, the year the regulation and new federal fuel economy standards go into full effect, projected sales of BEV and PHEV reach 1.3 million, or about 8% of projected total vehicle sales in the BAU case.

**Time horizon**

Long-term

**Likelihood**

Very likely

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

## Explanation of financial impact figure

### Management method

We work closely with vendors to determine the best ship points and delivery routes to reduce the number of transportation miles and to mitigate risk associated with transportation of merchandise. We apply careful research and sophisticated optimization technology to choose the most efficient combination of transportation methods to carry each shipment throughout our supply chain and continue to improve loading practices and efficiencies at our regional distribution centers. We also are managing these risks through our work with Clean by Design and the Sustainable Apparel Coalition.

### Cost of management

### Comment

The financial impact of policy standards is difficult to quantify without specific policy proposals to evaluate. We work with our third-party transportation and supply chain partners to understand changing operating costs in different manufacturing regions.

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### Identifier

Risk 3

### Where in the value chain does the risk driver occur?

Direct operations

### Risk type

Transition risk

### Primary climate-related risk driver

Policy and legal: Mandates on and regulation of existing products and services

### Type of financial impact

<Not Applicable>

### Company- specific description

We aim to build and remodel intentional spaces that are designed with our long-term impact on the environment in mind. Target has built an energy efficient portfolio of stores by continuously adopting new technologies and operating procedures. Building and equipment codes will continue to evolve toward higher efficiency and more sustainable operational models, which will lead to increased capital costs for new and existing stores. For example, increased CAPEX tied to renewable energy portfolio standards and increased energy efficiency requirements will factor into future building decision-making.

### Time horizon

Short-term

### Likelihood

Very likely

### Magnitude of impact

High

### Are you able to provide a potential financial impact figure?

No, we do not have this figure

### Potential financial impact figure (currency)

<Not Applicable>

### Potential financial impact figure – minimum (currency)

<Not Applicable>

### Potential financial impact figure – maximum (currency)

<Not Applicable>

### Explanation of financial impact figure

By 2020 Target will remodel more than 1,000 stores across the country. Target continues to open new stores, many of which will be part of existing building stock and in urban locations. Both projects require investments to comply with current and evolving energy efficiency codes. Code compliance is a requirement and Target's investments in energy efficiency projects produce financial value to the company. Target also partners with utility energy efficiency programs, where available, to maximize the impact and value of the company's energy efficiency projects.

### Management method

We believe that one way to address energy price risk is by making investments that will reduce our demand for high-carbon energy sources over time. Over the past decade, we made significant investments which reduced our energy-related expenditures on a pro-rata basis. We are working to reduce the carbon footprint of our organization through two primary means - energy efficiency

and renewable energy; and will continue to do so to manage these risks. As a means to drive renewable energy, we have installed solar energy systems at 470 locations across the U.S. At present, we are also exploring a number of ways to expand our renewable energy programs as a key component of our carbon reduction strategy. These energy efficiency and renewable energy investments help us to mitigate the risk associated with the potential for rising energy costs associated with increased legislation including a carbon tax, a cap and trade system, fuel taxes, and higher building efficiency standards. Target's Property Management teams partner on remodel and store design projects to meet energy codes and make smart efficiency investment decisions that go beyond code where feasible. Target's Energy team works with internal asset teams and Target's electric utilities to maximize utility energy efficiency rebates where available.

#### **Cost of management**

0

#### **Comment**

Our investments in both energy efficiency and renewable energy have positive paybacks and are a direct financial benefit. Over the last seven years, we have invested over \$250 million dollars in energy efficiency projects, many of which have a payback of fewer than three years.

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#### **Identifier**

Risk 4

#### **Where in the value chain does the risk driver occur?**

Supply chain

#### **Risk type**

Physical risk

#### **Primary climate-related risk driver**

Acute: Increased severity of extreme weather events such as cyclones and floods

#### **Type of financial impact**

Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions)

#### **Company- specific description**

Changes in acute climate events will impact our vendors and the products they supply. Increased flood occurrence can cause infrastructure damage, disrupt the supply chain and cause delays in distribution. Heat waves introduce negative impacts on livestock, leading to increase cost of beef and milk, e.g. higher cost to keep animals cool during heat waves, reduced productivity in milking cows, livestock die offs, etc. Increased wildfire occurrence can cause infrastructure damage, disrupt the supply chain and cause delays in distribution.

#### **Time horizon**

Long-term

#### **Likelihood**

Very likely

#### **Magnitude of impact**

High

#### **Are you able to provide a potential financial impact figure?**

No, we do not have this figure

#### **Potential financial impact figure (currency)**

<Not Applicable>

#### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

#### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

#### **Explanation of financial impact figure**

Uncharacteristic or significant weather conditions can affect customer shopping patterns, particularly in apparel and seasonal items, which could lead to lost sales or greater than expected markdowns. Natural disasters in states where our sales are concentrated could result in significant physical damage to our stores or distribution centers, and cause delays in the distribution of merchandise, which could adversely affect our sales.

#### **Management method**

Target monitors forecasts for extreme weather events and works with supply chain partners and store logistics teams to ensure necessity products (e.g. bottled water, non-perishable foods, baby supplies) are in stock for guests preparing for impending

extreme weather events.

**Cost of management**

0

**Comment**

Uncharacteristic or significant weather conditions can affect consumer shopping patterns, particularly in apparel and seasonal items, which could lead to lost sales or greater than expected markdowns and adversely affect our short-term results of operations. In addition, our three largest states by total sales are California, Texas and Florida, areas where natural disasters are more prevalent. Natural disasters in those states or in other areas where our sales are concentrated could result in significant physical damage to or closure of one or more of our stores, distribution centers or key vendors, and cause delays in the distribution of merchandise from our vendors to our distribution centers, stores, and guests, which could adversely affect our results of operations by increasing our costs and lowering our sales.

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**Identifier**

Risk 5

**Where in the value chain does the risk driver occur?**

Supply chain

**Risk type**

Physical risk

**Primary climate-related risk driver**

Chronic: Changes in precipitation patterns and extreme variability in weather patterns

**Type of financial impact**

Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions)

**Company- specific description**

Changes in chronic climate events will impact our vendors and the products they supply. Increased frequency and length of droughts can cause infrastructure damage, disrupt the supply chain and cause delays in distribution. Water stress can lead to decreased agriculture production, leading to an increase in material cost such as cotton, and an increase in food and produce costs. Global sea-level rise can cause infrastructure damage, disrupt the supply chain and cause delays in distribution.

**Time horizon**

Long-term

**Likelihood**

Very likely

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Uncharacteristic or significant weather conditions can affect customer shopping patterns, particularly in apparel and seasonal items, which could lead to lost sales or greater than expected markdowns. Natural disasters in states where our sales are concentrated could result in significant physical damage to our stores or distribution centers, and cause delays in the distribution of merchandise, which could adversely affect our sales.

**Management method**

For chronic local climate changes Target monitors guest shopping patterns at the macro level and assesses if changes in product assortments in apparel, home furnishing, grocery, and other product categories is needed as a result of chronic changing weather patterns.

**Cost of management**

0

**Comment**

Uncharacteristic or significant weather conditions can affect consumer shopping patterns, particularly in apparel and seasonal items, which could lead to lost sales or greater than expected markdowns and adversely affect our short-term results of operations. In addition, our three largest states by total sales are California, Texas and Florida, areas where natural disasters are more prevalent. Natural disasters in those states or in other areas where our sales are concentrated could result in significant physical damage to or closure of one or more of our stores, distribution centers or key vendors, and cause delays in the distribution of merchandise from our vendors to our distribution centers, stores, and guests, which could adversely affect our results of operations by increasing our costs and lowering our sales.

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**Identifier**

Risk 6

**Where in the value chain does the risk driver occur?**

Customer

**Risk type**

Transition risk

**Primary climate-related risk driver**

Reputation: Shifts in consumer preferences

**Type of financial impact**

<Not Applicable>

**Company- specific description**

Guests' expectations could shift as a result of climate change – driving a need for new reputational leadership in the retail industry. Use of unsustainable materials (e.g. materials produced as a result of deforestation, materials that use a lot of water, etc.) in products could lead to losses in sales from reputational damage. Additional costs could relate to a decrease in share price or increased cost in restoring public relations.

**Time horizon**

Long-term

**Likelihood**

More likely than not

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Guests' preferences and expectations could shift as a result of climate change- driving a need for new merchandise offerings and base expectations of reputational leadership in the retail industry. These types of incidents could have an adverse impact on perceptions and lead to tangible adverse effects on our business, including consumer boycotts and lost sales.

**Management method**

Target is actively working on a number of projects to manage this risk and understand evolving guest attitudes and how our merchandise assortment meets those needs. For example, we have teams across the enterprise focused on understanding and improving attributes (including environmental) of our owned- and national-brand product assortment. This team is comprised of representatives from key departments within our merchandising, sourcing, and marketing divisions. The work of this team is helping to inform and guide our merchandise strategy. In addition, the CR team works with hundreds of partners across the company to set goals, develop initiatives and monitor and report progress. LINK: <https://corporate.target.com/article/2018/07/future-at-heart> • Some of these goals include: By 2022, source 100 percent sustainable cotton for owned-brand and exclusive national brand products; source all owned brand paper-based packaging from sustainably managed forests by 2022; and in 2018, 38 percent of palm oil in products covered by our commitment was certified sustainable via physical certification (Mass Balance or Segregated) and the remainder covered by RSPO PalmTrace credits.

## Cost of management

0

## Comment

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### Identifier

Risk 7

### Where in the value chain does the risk driver occur?

Direct operations

### Risk type

Physical risk

### Primary climate-related risk driver

Acute: Increased severity of extreme weather events such as cyclones and floods

### Type of financial impact

Increased capital costs (e.g., damage to facilities)

### Company- specific description

Increased severity of extreme weather events may increase weather-related damage to Target stores and distribution centers, increasing Target's capital and insurance costs. Increased flood occurrence can cause infrastructure damage of owned facilities, potential incurred costs for transporting workers post impacts, and temporary closures resulting in lost sales. Florida is a key market for Target. In this region, the combined effects of changing extreme rainfall events and sea level rise are already increasing flood frequencies, which impacts property values and infrastructure viability, particularly in coastal cities. Aqueduct shows that key locations for target are at risk for flood occurrence: Miami, Minneapolis, Los Angeles (medium to high risk); Houston (high risk); Chicago (extremely high risk). Increased storms/ hurricane occurrence can cause infrastructure damage of owned facilities, potential incurred costs for transporting workers post impacts, and temporary closures resulting in lost sales. Wildfires could cause infrastructure damage of owned facilities, potential incurred costs for transporting workers post impacts, and temporary closures resulting in lost sales. The cumulative forest area burned by wildfires has greatly increased between 1984 and 2015, with analyses estimating that the area burned by wildfire across the western United States over that period was twice what would have burned had climate change not occurred. In Southwest (CA, AZ) Wildfire can threaten people and homes, particularly as building expands in fire-prone areas. Wildfires around Los Angeles from 1990 to 2009 caused \$3.1 billion in total economic damages (unadjusted for inflation).

### Time horizon

Long-term

### Likelihood

Likely

### Magnitude of impact

Medium-low

### Are you able to provide a potential financial impact figure?

No, we do not have this figure

### Potential financial impact figure (currency)

<Not Applicable>

### Potential financial impact figure – minimum (currency)

<Not Applicable>

### Potential financial impact figure – maximum (currency)

<Not Applicable>

### Explanation of financial impact figure

Target tracks its costs in inventory and property damages from extreme weather events, such as hurricanes, lightning strikes, cyclones, rain and hail storms, wildfires, earthquakes, etc. . Since 2011, the cost to Target of inventory and property damage due weather-related events has been about \$170 million, with annual losses ranging from about \$8 million to about \$55 million per year. The most significant costs have been the result of hurricanes, floods, and rain and hail storms. As the frequency and severity of these types of extreme weather events are expected to increase in both the 2°C and 4°C scenarios, Target can expect that these costs will increase over time.

### Management method

Target monitors weather forecasts and works with store teams and Target's emergency management team to prepare the stores and prioritize team member and guest safety.

## Cost of management

### Comment

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#### Identifier

Risk 8

#### Where in the value chain does the risk driver occur?

Direct operations

#### Risk type

Physical risk

#### Primary climate-related risk driver

Chronic: Changes in precipitation patterns and extreme variability in weather patterns

#### Type of financial impact

Increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations

#### Company- specific description

Increased severity of chronic changes in climate may increase damage to Target stores and distribution centers, increasing Target's capital costs. Global sea-level rise can cause infrastructure damage of owned facilities and permanent closure of Target distribution centers and stores. Prolonged heat waves and overall higher average temperatures can cause higher cooling costs at owned facilities. Florida is a key market for Target. Warm nights associated with heat waves currently occur only a few times per year across most of the region but are expected to become common events across much of the Southeast under a higher scenario.

#### Time horizon

Long-term

#### Likelihood

Very likely

#### Magnitude of impact

High

#### Are you able to provide a potential financial impact figure?

No, we do not have this figure

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact figure

Across a chain of over 1,800 stores the overall magnitude of extreme events may be small but at a local market level the impacts may be larger.

#### Management method

Target monitors weather forecasts and works with store teams and Target's emergency management team to prepare the stores and prioritize team member and guest safety.

## Cost of management

### Comment

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#### Identifier

Risk 9

#### Where in the value chain does the risk driver occur?

Supply chain

#### Risk type

Transition risk

#### Primary climate-related risk driver

Market: Increased cost of raw materials

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**Type of financial impact**

<Not Applicable>

**Company- specific description**

Higher material costs from global suppliers due to slowing of global economy is a risk to Target's supply chain. Climate change is expected to cause substantial losses to infrastructure and property and impede the rate of economic growth over this century. The continued warming that is projected to occur without significant reductions in global greenhouse gas emissions is expected to cause substantial net damage to the U.S. economy, especially in the absence of increased adaptation efforts. The potential for losses in some sectors could reach hundreds of billions of dollars per year by the end of this century. Additionally, the impacts of climate change beyond our borders are expected to increasingly affect our trade and economy, including import and export prices and U.S. businesses with overseas operation and supply chains.

**Time horizon**

Long-term

**Likelihood**

Very likely

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure****Management method**

Target's major suppliers are spread out geographically across the globe. Having a diverse supply chain geographically reduces Target's risk of a localized climate-change related event greatly impacting our business.

**Cost of management****Comment**

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**Identifier**

Risk 10

**Where in the value chain does the risk driver occur?**

Investment chain

**Risk type**

Transition risk

**Primary climate-related risk driver**

Reputation: Increased stakeholder concern or negative stakeholder feedback

**Type of financial impact**

<Not Applicable>

**Company- specific description**

827 investors are now requesting data from companies through CDP's climate change program. These investors represent over US \$100tn. The expectation for corporate responsibility reporting has grown significantly in the past 30 years. Over 93% of the G250 (world's 250 largest companies by revenue based on the Fortune 500 ranking of 2016) reported on corporate responsibility in 2016. If Target does not maintain its sustainable operations to limit climate change, there is a risk that it could lose investors that value ESG and sustainability within their portfolio companies.

**Time horizon**

Long-term

**Likelihood**

Likely

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure****Management method**

Target is striving to improve its climate-related reporting, including completing a scenario analysis following TCFD guidelines. Target will continue to report to CDP and aims to meet all of our environmental targets.

**Cost of management****Comment**

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**Identifier**

Risk 11

**Where in the value chain does the risk driver occur?**

Customer

**Risk type**

Transition risk

**Primary climate-related risk driver**

Market: Uncertainty in market signals

**Type of financial impact**

<Not Applicable>

**Company- specific description**

Target regional markets may be dis-proportionally affected by climate change, leading to decreased sales in certain regions from decreased disposable income/purchasing power of customers in those regions. Florida is one of Target's key markets. In this region, by the end of the century, over one-half billion labor hours could be lost from extreme heat-related impacts. Such changes would negatively impact the region's labor-intensive agricultural industry and compound existing social stresses in rural areas.

**Time horizon**

Long-term

**Likelihood**

Very likely

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure****Management method**

Target is developing its ecommerce services. National online sales could dampen any disproportionate negative effect on income in

one region of the US.

## Cost of management

### Comment

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#### Identifier

Risk 12

#### Where in the value chain does the risk driver occur?

Supply chain

#### Risk type

Transition risk

#### Primary climate-related risk driver

Market: Increased cost of raw materials

#### Type of financial impact

<Not Applicable>

#### Company- specific description

Changes in global electricity and oil prices would impact Target's business. For example, increased electricity costs globally will lead to increased prices from suppliers. 81% of Target's imports are from China, 5% from Vietnam, 5% from India, and the remaining 9% from other countries in Asia, Europe, Africa, and Central America. Suppliers are likely to pass their increased costs to customers. Global electricity prices are expected to rise by 15% in the EU and 13% in China by 2040 according to the IEA WEO 2018. Global oil prices impact the prices of materials that use petrochemicals as feedstocks, such as plastics, detergents, solvents, nylon, and polyester. Plastic packaging affects the majority of Target's products, while textiles accounted for 20% of sales in 2018.

#### Time horizon

Long-term

#### Likelihood

Very likely

#### Magnitude of impact

High

#### Are you able to provide a potential financial impact figure?

No, we do not have this figure

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact figure

#### Management method

Target is working with our suppliers to transition to renewable energy sources and implement our own emissions reductions projects. We are using post-consumer recycled plastic, such as in our Everspring brand product packaging. We are using recycled plastic for polyester in Target owned-brand apparel. Target is working to eliminate expanded polystyrene from our owned-brand packaging by 2022, and we plan to pursue the goals of the New Plastics Economy commitment by 2025.

## Cost of management

### Comment

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#### Identifier

Risk 13

#### Where in the value chain does the risk driver occur?

Supply chain

#### Risk type

Transition risk

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**Primary climate-related risk driver**

Market: Increased cost of raw materials

**Type of financial impact**

<Not Applicable>

**Company- specific description**

A potential decrease in supply of raw materials due to climate change could lead to an increase in competition and prices. Globally, changes in the suitability of agriculture, increases in fire frequency and extent, the loss or migration of coastal wetlands, and the spatial relocation of natural vegetation will disrupt material supplies and their costs. Competition for resources will cause an increase in raw material prices and pose a risk to Target's supply chain.

**Time horizon**

Long-term

**Likelihood**

Very likely

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure****Management method**

Target is focused on taking the circular economy mainstream. Target established a goal that by 2020 we aimed to invest \$1 million USD in textile recycling technologies. By the end of 2018, 27.8% of the goal had been invested.

**Cost of management****Comment**

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**C2.4**

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**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.4a**

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**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.****Identifier**

Opp1

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

Direct operations

**Opportunity type**

Energy source

**Primary climate-related opportunity driver**

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Use of lower-emission sources of energy

### Type of financial impact

Reduced exposure to GHG emissions and therefore less sensitivity to changes in cost of carbon

### Company-specific description

Multiple federal and regional efforts have emerged that seek to put a price on carbon. Included in these proposals are federal and regional cap-and-trade programs, carbon taxes, and other proposals. The end objective of policymakers is to reduce the price disparity between carbon-based and alternative energy sources, establish increased certainty for future energy prices and regulations, reduce U.S. dependence on foreign energy sources, and incentivize organizations and individuals who act to reduce their energy use. In addition to the certainty that would come from the establishment of significant carbon regulations, we believe Target could benefit in two other ways. First, more than 10 years of substantial investments in energy efficiency will position Target to compete in an economy where energy costs increase. Strategies that de-couple our business operations from carbon-based energy sources will reduce our exposure to price fluctuations and help the organization manage expense. Second, as we continue to invest in energy efficiency and renewable energy – there may be opportunities for Target to monetize the value we create by reducing GHG emissions through the sale of renewable energy certificates.

### Time horizon

Current

### Likelihood

Very likely

### Magnitude of impact

Medium-low

### Are you able to provide a potential financial impact figure?

No, we do not have this figure

### Potential financial impact figure (currency)

<Not Applicable>

### Potential financial impact figure – minimum (currency)

<Not Applicable>

### Potential financial impact figure – maximum (currency)

<Not Applicable>

### Explanation of financial impact figure

Target has invested heavily in carbon reduction efforts over the past several years. Through energy efficiency and refrigerant management efforts, we are avoiding over 300,000 metric tons of carbon emissions annually. Based on existing programs we anticipate a price of carbon ranging between \$2 and \$20 per ton.

### Strategy to realize opportunity

Target has invested heavily in carbon reduction efforts over the past several years. Through energy efficiency and refrigerant management efforts, we are avoiding over 300,000 metric tons of carbon emissions annually. Target is currently realizing financial value through the sale of Renewable Energy Credits (RECs) in states with renewable energy standards and strong REC markets. When Target sells the RECs from a behind-the-meter solar energy installation, Target does not make public claims to be solar powered nor does Target include the associated solar production in annual renewable energy or GHG reporting.

### Cost to realize opportunity

0

### Comment

Our investments in both energy efficiency and renewable energy have positive paybacks and are a direct financial benefit. Over the last seven years, we have invested over \$250 million in energy efficiency projects, many of which have a payback of fewer than three years.

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### Identifier

Opp2

### Where in the value chain does the opportunity occur?

Direct operations

### Opportunity type

Resource efficiency

### Primary climate-related opportunity driver

Move to more efficient buildings

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**Type of financial impact**

Reduced operating costs (e.g., through efficiency gains and cost reductions)

**Company-specific description**

Target has built a highly energy efficient portfolio of stores by continuously adopting new technologies and operating procedures. In addition, we have team members dedicated to identifying financing and rebate opportunities for energy efficiency projects. This has allowed for increased investment in energy efficiency projects. We anticipate continued opportunities to leverage third-party financing and rebate opportunities for implementing energy efficiency projects in the coming years.

**Time horizon**

Current

**Likelihood**

Virtually certain

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

By continually updating our energy-consuming assets, we have been able to take advantage of continually improving energy efficiency standards and regulations. This has led to energy-related savings. In addition, we have team members dedicated to identifying financing and rebate opportunities for energy efficiency projects. This has allowed for increased investment in energy efficiency projects.

**Strategy to realize opportunity**

We have team members dedicated to identifying financing and rebate opportunities for energy efficiency projects. They work closely with internal partners as well as utilities to ensure we are taking advantage of as many opportunities as possible.

**Cost to realize opportunity**

0

**Comment**

The cost associated with currently managing these risks is minimal. We utilize internal resources to manage programs and have some expenses related to these programs. However, these costs as a percentage of total costs are minimal.

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**Identifier**

Opp3

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

Customer

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Type of financial impact**

Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

**Company-specific description**

From how we build our stores to the products on our shelves, environmental sustainability at Target is integrated throughout our business. Our guests have come to expect attractive, functional, high-quality, and affordable merchandise as a part of our everyday assortment. With the growing awareness of environmental issues including climate change and health and well-being, we see an opportunity to offer our guests additional choices within our product assortment that will drive top-line sales. We constantly revamp our assortment to make sure we're giving guests what they want. We are rethinking the design of products and packaging we sell to incorporate sustainable attributes - because it's the right thing to do and because it creates additional value for our guests. We

measure our guests' preferences through surveys, trend research, sales patterns and product tests. In many departments within our stores, guests will find product choices that incorporate recycled materials, nontoxic chemicals or organic ingredients, and packaging designs that minimize waste and incorporate recyclable or other preferable materials. In addition to top-line sales growth opportunities – there are opportunities to drive improved margin through a greater focus on product and packaging design. The elimination of excess material and energy costs from product manufacturing and transportation can translate into lower cost of goods sold.

**Time horizon**

Current

**Likelihood**

Likely

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Target has seen success with lower-carbon products in the past. We are using recycled content in our polyester sourcing as well as in our Everspring product line. Everspring paper products use at least 50 percent recycled pulp, and Everspring bottle packaging uses 100 percent post-consumer recycled content for Everspring room spray, foaming hand soap, liquid hand soap, dish soap and spray cleaning products and 50 percent post-consumer recycled content in laundry bottles. All of the post-consumer recycled plastic is sourced domestically. In total, we estimate we will use almost 700,000 lbs. of recycled plastic annually. There are several additional initiatives underway to expand the provision of goods with a reduced carbon footprint. Target has not yet conducted a full analysis of the opportunity and its magnitude.

**Strategy to realize opportunity**

Target has measures & plans to offer sustainable products and reduce life-cycle impacts of products (e.g. water efficient products, sustainable cotton, New Plastics Economy Global Commitment, circular fashion design, forest products policy, sustainable seafood, etc.). Yet consumer's sustainability awareness / willingness to pay / boycott could vary across product types (e.g. necessities vs luxury products; healthcare / food), it remains unclear how Target's current measures and policies are well placed against the "consumer awareness hotspots" and also against various age groups of consumers. Target is actively working on a number of projects to understand evolving guest attitudes and how our merchandise assortment meets those needs. For example, we have teams across the enterprise focused on understanding and improving attributes (including environmental) of our owned- and national-brand product assortment. This team is comprised of representatives from key departments within our merchandising, sourcing, and marketing divisions. The work of this team is helping to inform and guide our merchandise strategy. In addition, the CR team works with hundreds of partners across the company to set goals, develop initiatives and monitor and report progress. LINK: <https://corporate.target.com/article/2018/07/future-at-heart>

**Cost to realize opportunity**

**Comment**

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**Identifier**

Opp4

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

Direct operations

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Other

**Type of financial impact**

Other, please specify (Employee engagement and retention)

### Company-specific description

We recognize that environmental sustainability is important to both our current and prospective team members and guests. We communicate with team members throughout the year and involve them in generating new ideas and sharing their environmental efforts. Within the first month of launching an interactive internal web portal dedicated to sustainability, more than 500 headquarters team members joined the site – and it continues to grow daily. As we pursue significant growth in the coming years, we believe our sustainability efforts will position us to retain our current top performers, and attract the best talent, by differentiating Target from other potential employers.

### Time horizon

Current

### Likelihood

Virtually certain

### Magnitude of impact

Medium-low

### Are you able to provide a potential financial impact figure?

No, we do not have this figure

### Potential financial impact figure (currency)

<Not Applicable>

### Potential financial impact figure – minimum (currency)

<Not Applicable>

### Potential financial impact figure – maximum (currency)

<Not Applicable>

### Explanation of financial impact figure

Attracting and retaining talent has direct cost implications for Target. While climate strategy and Target's overall corporate responsibility initiatives are known to be linked to talent attraction and retention, Target has not yet conducted a full analysis of the opportunity and its magnitude.

### Strategy to realize opportunity

Target is striving to be a leader in sustainability. In 2017, we introduced a new climate policy and goals to guide our process, based on the latest climate science. Then in 2019 we announced our approved Science Based Target goals to reduce our Scope 1, 2 and 3 carbon emissions by 30 percent below 2017 levels by 2030. To reduce our Scope 1 and 2 emissions, we'll continue to ramp up investments in renewable energy and energy saving initiatives across our business. Scope 3 accounts for 96 percent of our GHG emissions. That is why we have committed to having 80 percent of our suppliers set their own carbon reduction targets by 2023. We will work with our suppliers to transition to renewable energy sources and implement their own emissions reduction projects. We will expand our implementation of the Clean by Design program, which already helps us reduce the environmental impact of textile mills, by partnering with the Apparel Impact Institute to scale performance improvement in energy use and emissions in our suppliers' factories. In addition, we will leverage our work with the International Finance Corporation's Vietnam Improvement Program which improves factories' energy and water efficiency.

### Cost to realize opportunity

### Comment

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### Identifier

Opp5

### Where in the value chain does the opportunity occur?

Investment chain

### Opportunity type

Products and services

### Primary climate-related opportunity driver

Other

### Type of financial impact

Other, please specify (Increased investor attractiveness)

### Company-specific description

827 investors are now requesting data from companies through CDP's climate change program. These investors represent over US \$100tn. The expectation for corporate responsibility reporting has grown significantly in the past 30 years. Over 93% of the G250 (world's 250 largest companies by revenue based on the Fortune 500 ranking of 2016) reported on corporate responsibility in 2016.

Target has the opportunity to potentially increase investor backing if we can demonstrate a progressive transition to a low-carbon business.

**Time horizon**

Current

**Likelihood**

Likely

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

**Strategy to realize opportunity**

Target is striving to be a leader in sustainability. In 2017, we introduced a new climate policy and goals to guide our process, based on the latest climate science. Then in 2019 we announced our approved Science Based Target goals to reduce our Scope 1, 2 and 3 carbon emissions by 30 percent below 2017 levels by 2030. To reduce our Scope 1 and 2 emissions, we'll continue to ramp up investments in renewable energy and energy saving initiatives across our business. Scope 3 accounts for 96 percent of our GHG emissions. That is why we have committed to having 80 percent of our suppliers set their own carbon reduction targets by 2023. We will work with our suppliers to transition to renewable energy sources and implement their own emissions reduction projects. We will expand our implementation of the Clean by Design program, which already helps us reduce the environmental impact of textile mills, by partnering with the Apparel Impact Institute to scale performance improvement in energy use and emissions in our suppliers' factories. In addition, we will leverage our work with the International Finance Corporation's Vietnam Improvement Project which improves factories' energy and water efficiency.

**Cost to realize opportunity**

**Comment**

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**Identifier**

Opp6

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

Customer

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Other

**Type of financial impact**

Other, please specify (Increased revenue through sales of existing products due to environmental changes)

**Company-specific description**

The prevalence and transmission of vector-borne disease is likely to be affected by changing climate conditions, such as rising temperature, shifts in precipitation patterns and seasons, etc. While the influence of temperature on various diseases tends to be nonlinear and vector specific, parts of the world are likely to experience increased transmission rates (Central and South America) and the expansion of vector-borne disease transmission regions and extension of transmission season (North America). For example, in the U.S., the suitable habitat for mosquito vectors is expected to continue shifting North in the Northeast region over the next few decades, while the projected cases for West Nile Virus are likely to double to over 1,000 cases nationwide by 2050. The increasing risk of vector-borne disease could drive up the demand for insect repellent and related care products. Warmer temperatures, longer seasons and changes in rainfall could increase the production and release of airborne allergens, leading to higher frequency and intensity of allergic respiratory diseases such as asthma and hay fever. Additionally, the increased prevalence of wildfires due to climate change further reduce air quality. The increasing risk of allergic episodes could lead to higher sales in allergy medication. At least 38% of the stores (based on ft2) are located in states subject to the most significant increase in mean

temperature due to climate change. The mean temperature for U.S. on average is expected to increase by 2.2°F (1.2°C) in the next few decades, according to the NCA4. This could result in increased sales of cooling related products (fans, air-conditioners) in the future.

**Time horizon**

Long-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

**Strategy to realize opportunity**

If needed, we would be able to increase our inventory of insect repellent and related care products, allergy products, and cooling related products to accommodate an increase in demand.

**Cost to realize opportunity**

**Comment**

**C2.5**

**(C2.5) Describe where and how the identified risks and opportunities have impacted your business.**

	Impact	Description
Products and services	Impacted for some suppliers, facilities, or product lines	Target tracks weather-related events and natural disasters that trigger an emergency response. From 2007 through 2018, the number of these types of events has steadily risen from 2 in 2007 to 13 in 2018. Damages to property and inventory have increased to the tens of millions of USD, with it being the highest in 2017, mainly due to major hurricanes. Hurricanes, rain storm/hail, and tornadoes/wind cause the most damage to Target's property and inventory.
Supply chain and/or value chain	Impacted for some suppliers, facilities, or product lines	Although Target understands that our suppliers and vendors have felt the effects of climate-related issues in some forms to date, we have yet to see the major impacts of that trickle down to our enterprises. Thus, we have no specific impacts to report for this past year. We expect that if business continues as usual and we reach above a 2-degree warming by 2030 we will see that risk impact significantly increase in tandem.
Adaptation and mitigation activities	Impacted	Target has had to implement adaptation and mitigation activities when it comes to severe weather-related events and natural disasters that impact our facilities and stores. In these times we have utilized our Corporate Command Center and Supply Chain teams to analyze the risks and find alternative solutions. We have seen moderate impact on their workload as these weather-related events and natural disasters have continued to increase year after year.
Investment in R&D	Not yet impacted	Target's investment in R&D has not yet been impacted enough to pivot our current strategy. We foresee this will continue to stay unimpacted in the short-term future.
Operations	Not impacted	Target's operations have not been impacted up to this point. We foresee this continuing in the short-term future.
Other, please specify	Please select	

**C2.6**

**(C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.**

	Relevance	Description
Revenues	Not evaluated	Target is currently evaluating revenues in a different scope and timeline as it does climate impacts. We have yet to evaluate or integrate these two separate processes.
Operating costs	Impacted	Warmer climate zones may require longer HVAC run times, increasing Target's energy costs. Target's energy team works with internal asset teams to evaluate equipment run strategies and their associated costs. These costs are reflected in Target's long range planning process for operating cost forecasts. Revenues from the sale of Renewable Energy Credits generated from behind-the-meter solar installations at select Target stores help reduce operating costs. Target's solar, offsite renewable energy, and energy efficiency programs produce energy cost savings that reduce overall operating costs.
Capital expenditures / capital allocation	Impacted for some suppliers, facilities, or product lines	Increased capital costs from extreme weather event-impacted stores are included in corporate financial planning. Target is evaluating improving the energy resiliency at stores and distribution centers in areas of the country that are likely to experience more extreme weather events. Resiliency measures are likely to require additional capital expenditures, and these costs are evaluated by Target's Property Management team in store planning and long-range financial planning.
Acquisitions and divestments	Not impacted	Currently, Target has not found a direct correlation between our risks and opportunities and our work around acquisitions and divestments. Accordingly, we have not prioritized integrating these processes.
Access to capital	Not impacted	We understand that climate risks and opportunities are of large and growing concern to a number of investors. While we engage with these investors, including through the CDP questionnaires, to date, we have not found our work around climate to change to have materially affected our access to capital either positively or negatively.
Assets	Impacted for some suppliers, facilities, or product lines	Chronic changes to temperature, humidity, and dew points may reduce the expected lifespan of store equipment that was installed under different condition expectations, requiring more frequent replacement. Asset aging and turnover is monitored and included in financial planning. Target's Property Management team is also evaluating how to use Target's existing store and distribution center footprint to create additional opportunities in onsite solar, energy efficiency, and electric vehicle charging stations for guests. The financial value of these programs is evaluated in long term planning and capital request processes.
Liabilities	Not evaluated	Target has robust measures to assess liabilities and climate risks and opportunities, but we have yet to merge those two processes together. Completing our TCFD risk analysis this year will be a first step to understanding how this analysis relates to our greater ERM strategy.
Other	Please select	

**C3. Business Strategy**

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**C3.1**

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**(C3.1) Are climate-related issues integrated into your business strategy?**

Yes

**C3.1a**

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**(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?**

Yes, qualitative and quantitative

**C3.1c**

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### **(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.**

In 2015, Target announced a set of energy-related goals as part of signing on to the White House's American Business Act on Climate Pledge. These include energy efficiency, renewable energy, and refrigeration emission management goals. Senior leadership is updated on progress against these goals quarterly, and teams are responsible for ensuring progress toward the goals. In the short term, GHG emissions reductions from operations are the primary climate-related driver for changing our business strategy. Both reputational and potential regulatory/financial impacts of climate change have also influenced our short-term strategy. This is evident in our allocation of capital specifically for sustainability projects. These projects include energy efficiency projects, on-site solar, and projects that reduce our high global warming potential refrigerants. Our formal innovation process has been designed to bring together partners in engineering, architecture, operations, energy management, and sustainability to identify and test new technologies or processes. Innovation funds small tests and pilots and helps make the business case to implement successful projects across the chain.

In 2016, we expanded programs engaging manufacturing vendors in our supply chain to implement energy and water efficiency projects. Initially partnering with the Natural Resources Defense Council's Clean by Design program (now managed by the Apparel Impact Institute), we have expanded to additional facilities outside of the scope of that program. We continue to pursue additional opportunities to scale the learnings from that program. We also recognize the long-term impacts climate change and potential carbon regulations have on our business. We are developing processes and technologies that enable us to track and monitor the impact of extreme weather events on our facilities, team members, and guests. The current and evolving tools prepare us to address any possible increases in extreme weather events associated with climate change. In addition, we began to examine the environmental impacts embedded within our supply chain to understand our exposure to climate change within our supply chain. Our combination of operational efficiency, energy management, reputation management, and our evolving tools and technology provide a strategic advantage encompassing climate change. Short-term operational efficiencies enable improvements in expenses while we continue to pursue our public goals

In 2017, we introduced a new climate policy and goals to guide our progress, based on the latest climate science. We have set goals to reduce our greenhouse gas footprint, and continue to work with our industry partners, policymakers and other stakeholders to accelerate the transition to a low-carbon economy. We have begun implementing projects in our owned-brand manufacturing facilities that will result in the avoidance of Scope 3 emissions.

In 2018, we also developed and received approval of our Scope 3 goal that, coupled with our Scope 1 and 2 goal, has fulfilled our commitment to the Science-Based Targets initiative. This initiative provides guidance for and champions science-based target setting as a powerful way of boosting companies' competitive advantage in the transition to the low-carbon economy. These new goals build on our 2020 commitments to improve energy efficiency, drive investments in renewable energy and lower our overall hydrofluorocarbon (HFC) impact. We also performed a scenario analysis in line with TCFD recommendations. Going through this process enabled us to understand the potential effects of climate change on our business, in terms of both risks and opportunities. Completing our TCFD risk analysis this year will be a first step to understanding how this analysis relates to our greater ERM strategy.

### **C3.1d**

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**(C3.1d) Provide details of your organization’s use of climate-related scenario analysis.**

Climate-related scenarios	Details
RCP 4.5 RCP 8.5 IEA Sustainable development scenario Other, please specify (IEA Current Policies Scenario, SSP2, SSP3, US Fourth National Climate Assessment)	The Task Force on Climate-related Financial Disclosures (TCFD) recommends performing scenario analysis to identify both physical and transition risks, as well as using at least two scenarios (one to be a 2°C or lower scenario). The TCFD also recommends establishing one or more timeframes, e.g. short-, medium-, or long-term. In keeping with this best practice, we chose well-established third-party scenarios to look at both physical and transition risks and opportunities over three timeframes (2025, 2030, and 2040). For physical risks and opportunities, we drew on IPCC RCP 4.5 and RCP 8.5. For transition risks and opportunities, we used IEA’s WEO Sustainable Development Scenario and Current Policies Scenario. We also used the WRI Aqueduct tool to investigate water-related risks under different decarbonization pathways. In addition to the IPCC scenarios already mentioned, the tool uses socioeconomic assumptions from the Shared Socioeconomic Pathways (e.g. SSP2 and SSP3). Inputs: We also reviewed the U.S. Government’s Fourth National Climate Assessment to incorporate relevant U.S. region-specific findings. For internal data sources we analyzed: historical financial results e.g. sales, Target Scope 1 & 2 emissions, energy use across our physical locations (stores, distribution centers, headquarters, etc.), relevant supply chain information (e.g. raw ingredients in products), etc. Coverage: The scenario analysis covered Target’s owned buildings, logistics, and three product lines: apparel & accessories, beauty & household essentials, and food & beverage. For these lines, we considered supply chain, operations, and sales. Time-horizons: We considered scenarios on our business in 2025 and in 2030 as this is in line with our current GHG emission targets, and to 2040 to capture physical impacts. While Target business strategy does not extend to 2040, we felt that this was an appropriate timeframe for trying to capture physical risks, as differences in climate impacts in the scenarios may not become apparent before this time. Assumptions: In the 2°C (RCP 4.5, IEA SDS, SSP2) scenario, we assume in the period to 2025 and to 2030, society acts rapidly to limit emissions & puts in place measures to restrain deforestation & discourage emissions (e.g. implementing a carbon price). In the 4°C scenario to 2025 and to 2030, we assume climate policy is less ambitious with emissions remaining high. For this time period, there is not a significant difference in physical impacts between the two scenarios. For the period to 2040, the transition assumptions remain the same for both scenarios, however the physical manifestations become more apparent in the 4°C scenario. Results: We identified material impacts on our business arising from each scenario based on existing internal & external data (see inputs above). Examples of impacts of the 2°C scenario: federal, state or local efforts to regulate fuel-efficiency would impact Target’s business most significantly through changing prices for transportation costs; zero net deforestation requirements introduced & shifts to sustainable agriculture pressures agricultural production, raising the price of key raw materials; a higher carbon price applied in more geographies could increase Target’s operational costs, as well as supply chain costs through pass-through. Examples of impacts of the 4°C scenario: chronic & acute water stress, reducing agricultural productivity in some regions, raising prices of raw materials such as cotton, which is crucial to Target’s apparel products; increased frequency of extreme weather causing increased incidences of disruption to manufacturing & distribution networks; temperature increase & extreme weather events reducing economic activity, and is more pronounced in Target’s planned expansion areas. Completing our TCFD risk analysis this year will be a first step to understanding how this analysis relates to our greater ERM strategy.

**C4. Targets and performance**

**C4.1**

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Absolute target

**C4.1a**

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

**Target reference number**

Abs 1

**Scope**

Scope 1 +2 (market-based)

**% emissions in Scope**

100

**Targeted % reduction from base year**

30

**Base year**

2017

**Start year**

2018

**Base year emissions covered by target (metric tons CO2e)**

2817713

**Target year**

2030

**Is this a science-based target?**

Yes, this target has been approved as science-based by the Science-Based Targets initiative

**% of target achieved**

0

**Target status**

New

**Please explain**

By 2030, Target will reduce its absolute Scope 1 and 2 greenhouse gas emissions by 30% percent below 2017 levels. In 2017, Target's Scope 1 and 2 GHG emissions were 2,817,713mt CO2e (market-based). Target received approval of our Scope 1, 2, and 3 Climate goals by SBTi in January 2019.

---

**Target reference number**

Abs 2

**Scope**

Scope 3: Purchased goods &amp; services

**% emissions in Scope**

100

**Targeted % reduction from base year**

30

**Base year**

2017

**Start year**

2018

**Base year emissions covered by target (metric tons CO2e)**

78400000

**Target year**

2030

**Is this a science-based target?**

Yes, this target has been approved as science-based by the Science-Based Targets initiative

**% of target achieved**

0

**Target status**

New

**Please explain**

By 2030, Target will reduce its absolute Scope 3 purchased goods and services greenhouse gas emissions by 30% percent below 2017 levels. Target received approval of our Scope 1, 2, and 3 Climate goals by SBTi in January 2019. As we refine our methodology for collecting and calculating Scope 3 emissions, we are providing only our 2017 baseline calculations at this time. We plan to share a progress update in 2020.

---

**C4.2****(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.****Target**

Renewable electricity consumption

**KPI – Metric numerator**

Percent of U.S. domestic operations powered by renewable electricity

**KPI – Metric denominator (intensity targets only)**

% of renewable electricity / total electricity consumed

**Base year**

2018

**Start year**

2018

**Target year**

2030

**KPI in baseline year**

22

**KPI in target year**

100

**% achieved in reporting year**

22

**Target Status**

New

**Please explain**

Target committed to source 100% of its electricity from renewable sources by 2030. The goal, which applies to all of Target's domestic operations, will help us power our stores, distribution centers and offices even more responsibly. It also builds on the renewable energy goal we made in 2017. We'll track our progress closely, and we're already working toward an initial checkpoint of sourcing 60% of our electricity through renewable sources by 2025.

**Part of emissions target****Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Target**

Energy usage

**KPI – Metric numerator**

Energy Usage (kWh)

**KPI – Metric denominator (intensity targets only)**

Store square footage

**Base year**

2010

**Start year**

2020

**Target year**

2020

**KPI in baseline year**

10.95

**% achieved in reporting year**

10.95

**Target Status**

Underway

**Please explain**

Target continues to reduce our energy intensity per square foot by pursuing efficiency projects in HVAC, lighting and refrigeration. In 2018, we reduced our energy intensity by 10.95 percent from our 2010 baseline. In 2018, we continued to make significant investments in LED lighting conversions to support the achievement of our 2020 goal.

**Part of emissions target**

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

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**C4.3**

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**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

**C4.3a**

---

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	5	468713
Implementation commenced*	0	0
Implemented*	4	226917
Not to be implemented	0	0

**C4.3b**

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**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Initiative type**

Energy efficiency: Building services

**Description of initiative**

Lighting

**Estimated annual CO2e savings (metric tonnes CO2e)**

80722

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

**Investment required (unit currency – as specified in C0.4)**

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

We aim to build and remodel intentional spaces that are designed with our long-term impact on the environment in mind. One of these aspects is converting lighting to LED. This includes store sales floor, distribution center, parking lots, and other miscellaneous LED conversions.

---

**Initiative type**

Low-carbon energy installation

---

**Description of initiative**

Solar PV

**Estimated annual CO2e savings (metric tonnes CO2e)**

47950

**Scope**

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)****Investment required (unit currency – as specified in C0.4)****Payback period**

Please select

**Estimated lifetime of the initiative**

11-15 years

**Comment**

Target installed an additional 25 megawatts at 34 sites in 2018 to end the year with a total of 470 installations. The 2018 installations included Target's largest solar projects to date: two of our distribution centers in California for a combined total of 4.5 MW of new solar. Target is committed to designing for the future, and supporting our communities and solar installations are an important part of that effort. In some cases, Target may generate the solar energy in support of broader clean energy programs and policies, and in those cases, we do not retain the renewable energy credits.

---

**Initiative type**

Low-carbon energy purchase

**Description of initiative**

Other, please specify (Wind Energy VPPA)

**Estimated annual CO2e savings (metric tonnes CO2e)**

64820

**Scope**

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)****Investment required (unit currency – as specified in C0.4)****Payback period**

Please select

**Estimated lifetime of the initiative**

11-15 years

**Comment**

Our investment in Texas wind (40 MW) continues to provide us with clean energy annually – enough to power 60 stores. Our Kansas wind project (100 MW) is on track to generate clean energy each year beginning in 2019. Our two latest renewable power purchase agreements will enable the construction of the Lone Tree Wind Project in Illinois, and Sand Fork Solar in Texas. Together, they're estimated to generate approximately 556,000 megawatt hours of renewable electricity—the equivalent of 280 Target stores' annual consumption. We continue to evaluate and actively pursue additional projects to help us reach our goal of 100 percent renewable energy in our U.S. operations by 2030.

---

**Initiative type**

Energy efficiency: Processes

**Description of initiative**

Process optimization

**Estimated annual CO2e savings (metric tonnes CO2e)**

33425

**Scope**

Scope 3

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

**Investment required (unit currency – as specified in C0.4)**

**Payback period**

No payback

**Estimated lifetime of the initiative**

Ongoing

**Comment**

Since 2016, Target has partnered with the International Finance Corporation (IFC) to create the Vietnam Improvement Program (VIP), which aims to promote environmentally efficient manufacturing in Vietnam, focused on apparel garment and fabric manufacturing factories. In 2018, we worked with 22 factories in Vietnam to reduce their Scope 1 and 2 emissions.

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C4.3c

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**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Dedicated budget for energy efficiency	Target allocates capital for energy efficiency projects.
Dedicated budget for other emissions reduction activities	Target allocates capital for our onsite solar program for feasible sites where third party power purchase agreements (PPAs) are not available or financially viable.

C4.5

---

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

No

C5. Emissions methodology

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C5.1

---

**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

**Scope 1**

**Base year start**  
February 1 2017

**Base year end**  
January 31 2018

**Base year emissions (metric tons CO2e)**  
706176

**Comment**  
The 2017 baseline values are calculated using the AR4 GWP values.

**Scope 2 (location-based)**

**Base year start**  
February 1 2017

**Base year end**  
January 31 2018

**Base year emissions (metric tons CO2e)**  
2186651

**Comment**  
The 2017 baseline values are calculated using the AR4 GWP values.

**Scope 2 (market-based)**

**Base year start**  
February 1 2017

**Base year end**  
January 31 2018

**Base year emissions (metric tons CO2e)**  
2111537

**Comment**  
The 2017 baseline values are calculated using the AR4 GWP values.

**C5.2**

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**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.**

The Climate Registry: General Reporting Protocol

**C6. Emissions data**

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**C6.1**

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**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**

755484

**Start date**

February 4 2018

**End date**

February 3 2019

**Comment**

C6.2

---

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We are reporting a Scope 2, market-based figure

**Comment**

C6.3

---

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

**Scope 2, location-based**

2162064

**Scope 2, market-based (if applicable)**

2108893

**Start date**

February 4 2018

**End date**

February 3 2019

**Comment**

C6.4

---

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

Yes

C6.4a

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**(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.**

**Source**

Non-US Office Facilities

**Relevance of Scope 1 emissions from this source**

Emissions are not relevant

**Relevance of location-based Scope 2 emissions from this source**

Emissions are not relevant

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

Emissions are not relevant

**Explain why this source is excluded**

Our current disclosure does not include our facilities outside of the United States. This includes three buildings in India and several small offices scattered around the globe. These facilities are currently excluded due to a lack of reliable data on energy consumption. Based on estimates of potential emissions from all of these sources, they are considered de minimis, and likely would contribute significantly less than 1% of our overall Scope 1 and Scope 2 emissions.

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**C6.5**

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**(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

43284000

**Emissions calculation methodology**

Emissions from this category comprised of both purchased goods and services for retail and non-retail. For retail products, sales and weights data split by Target's class level was used. This was initially summarized using Alteryx. For product classes without weights, estimates were calculated by using Dept, Division and Group level data. Product class weights were then mapped to product categories in a secondary data set to enable the application of life cycle emission factors. In cases where product classes did not map to the secondary data, an estimated emission factor was generated using the median factor value from each group. The Target-mapped product class weights by percentage of life cycle stage were then multiplied by the life cycle emission factors to provide GHG emissions for each class. The total emissions for each class was summed to provide emissions for purchased retail products. For non-retail products, spend data was evaluated and allocated to appropriate sectors and then multiplied by Carnegie Mellon EE I/O emissions factors to estimate total emissions from non-retail spend. Total emissions for retail and non-retail products were summed to provide a total set of emissions for Target's purchased goods and services.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**

These data points reflect our 2017 emissions baseline.

**Capital goods**

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

1000000

**Emissions calculation methodology**

Target's capital goods spend was evaluated by pyramid to identify appropriate sector allocations and then multiplied by Carnegie Mellon EE I/O emission factors.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**

These data points reflect our 2017 emissions baseline.

---

## Fuel-and-energy-related activities (not included in Scope 1 or 2)

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

905000

### Emissions calculation methodology

Emissions were calculated for fuel-and-energy-related activities (not included in Scope 1 or 2) by totaling activity data for each Scope 1 fuel type and electricity consumption by country. These totals were multiplied by their relevant specific emission factors from UK DEFRA / DECC 2017 Conversion Factors for Company Reporting. UK DEFRA factors were used since there are no equivalent factors within the US (e.g., by US EPA) which provide life cycle or well-to-tank (WTT) factors for fuels consumed or emissions associated with electricity generation and transmission and distribution. All GWPs are from the IPCC Second Assessment Report in line with the Kyoto Protocol.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

### Explanation

These data points reflect our 2017 emissions baseline.

## Upstream transportation and distribution

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

1356000

### Emissions calculation methodology

Target's retail products supplied by China are transported to the US east and west coasts by sea freight. There are three legs to this transportation: initially products are consolidated on the ground in China and then transported by truck to the port; and then finally shipped to the US by sea. Calculations were completed by Target for each of these three legs as follows: Field Consolidation: Target considered points of origin for field consolidation (multi-stop pick-ups). The truck load volume is from historical data. Distance is estimated average distance we consider could cover 80% of the jobs. The distances are scaled up for a full year and then multiplied by a factor of 1.632 kg CO2 per km (source: Nike). This only covers CO2 emissions. Fuel & LNG Truck: Target used total distance (km) for the LNG truck (only used the origins) and multiplied it by an emissions factor of 0.23 g CO2 per km and similarly, the same total distance was used and multiplied by 1.02 kg CO2 per km. The truck load volume is from historical data and distance is estimated average distance and covers 80% of all jobs. Emission factors were sources from Nike. This only covers CO2 emissions. Container Utilization: Target's sea container transport from China to US are allocated by a general percentage allocation of 65% of shipments to the US West Coast (USWC) and 35% to US East Coast (USEC). Total kg CO2 was calculated using the distance travelled (km) to each US coast was then multiplied by an appropriate 2015 BSR sourced emissions factors: 0.118 kg CO2 per FEU-km for USWC and 0.158 kg CO2 per FEU-km for USEC. The reason why all of Asia is considered is because a large portion of our volume is from Asia. For domestic transportation, four modes of transportation were evaluated: air, intermodal, less than a truck load and full truck load. For each mode, distance travelled by product in miles was multiplied by product mass (short ton) for each trip segment. The sum of this product (ton-mile) by mode was multiplied by appropriate 2018 EPA emission factors for product transportation to provide associated GHG emissions. Domestic transportation emissions and emissions from international transportation by sea were summed for a total Scope 3 GHG impact for Target's upstream transportation and distribution activities.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

### Explanation

These data points reflect our 2017 emissions baseline.

## Waste generated in operations

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

168000

### Emissions calculation methodology

Tonnage of waste generated by treatment type of waste (e.g., recycling, incineration, landfill, etc.) may be used to calculate emissions from waste using methodologies and emission factors from the EPA's Waste Reduction Model (WARM), version 13, March 2015. Emissions factors are used directly from WARM with recycling emission factors covering transportation emissions only. This model bases its emissions calculations on a life-cycle analysis, including emissions from the long-term decomposition of waste in a landfill and upstream sources/sinks. GWPs are from the IPCC (2007) Fourth Assessment Report.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

### Explanation

These data points reflect our 2017 emissions baseline.

## Business travel

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

21000

### Emissions calculation methodology

Target's business travel emissions estimate includes passenger miles on commercial airlines. Emissions factors from U.S. EPA Climate Leaders Business Travel Module were used in these calculations. GWPs are from the IPCC Fourth Assessment Report. Radiative forcing adjustment to the airline travel emissions were not applied. This indirect GHG emissions data only includes corporate employee air travel. Gases included in the calculation include: CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O. Target also had spend data for employee mileage reimbursement from business travel. This total spend was multiplied by Carnegie Mellon EE I/O factor for "travel arrangement and reservation services". This result was added to the business air travel for total emission from business travel.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

### Explanation

These data points reflect our 2017 emissions baseline.

## Employee commuting

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

539000

### Emissions calculation methodology

Assume average distance travelled per year per employee. Distribute % of employees to different transport methods (based on Bureau of Transport Statistics figures), and then multiply total distance per year per transport methods by the appropriate emissions factors. Emissions factors from U.S. EPA Climate Leaders Business Travel Module were used in these calculations. GWPs are from the IPCC Fourth Assessment Report.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

### Explanation

These data points reflect our 2017 emissions baseline.

## Upstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

Target's upstream leased assets are accounted for in our Scope 1 and Scope 2 emissions.

## Downstream transportation and distribution

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

6950000

### Emissions calculation methodology

This calculation includes emissions from guests travelling to Target stores to shop and emissions from online purchases shipped to customers by both air and ground (truck). Emissions from guests travelling to Target stores were calculated by utilizing the number of transactions in FY2017 (not including returns nor voided transactions). These transactions were divided by Target Groups (Apparel & Accessories, Essentials & Beauty, Food & Beverage, Hardlines and Home) and weighted based on percentage net sales in FY2017. These weighted transactions for each Group were each multiplied by average miles travelled by guests by car, bus and light rail. The product of the weighted transactions, average miles travelled by mode by an appropriate EPA product transport emissions factor. For online purchases, total transactions (not excluding store pick-up orders and other fulfillment options that may not include shipment to a guest address) were utilized. An average distance of 7.5 miles (representing average last mile distances of Target's ecommerce fulfillment centers) was used. The weighted transaction of each Target Group was multiplied by the average distance and average weight and then this product was multiplied by an appropriate EPA product transport emissions factor. The resultant emissions for each Target Group were summed to provide the total GHG emissions from shipping products purchased online by truck to the customer. A similar calculation methodology was applied to products purchased online and shipped by air. It was assumed that the products would travel by intermodal truck to airport of departure from distribution center and to customer from destination airport. A similar approach and set of assumptions used for ground shipping was applied to the intermodal portion. Average product weights per Target Group were applied as before, utilizing FY2017 sales data. The average distance by air was multiplied by average product weight and by the weighted transactions and finally by the appropriate EPA product transport emissions factor. The similar methodology was applied for the intermodal truck. All emissions by air and intermodal truck for each of the Target Groups were summed to provide the total GHG emissions from products purchased online and shipped by air and intermodal truck to the customer.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

### Explanation

These data points reflect our 2017 emissions baseline.

## Processing of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

Target does not sell intermediate products

## Use of sold products

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

23340000

### Emissions calculation methodology

This calculation utilized a mix of primary data (i.e., sample of wattage for energy using products sold by Target, as well as sales quantities and weight) and secondary data (i.e., various estimates for average lifetime of products groups and estimates for average annual usage for product groups). Target's sales data by class was summed, and then, classes which contained wattage data were manually identified using a mixture of assumptions and manual searching of the product inventory. When a class had some wattage data an assumption was made to determine percentage of total number of products that should have wattage data that sample represents (e.g., only 3 percent of Electric Shave items had wattage data, so this would be uplifted to account for 100 percent of Electric Shave items). Estimates of the lifetime energy use using the wattage data provided were multiplied by estimated annual hours, and in some cases a standby wattage is added. Wattage data by merchandise type was footprinted due to the inability to reasonably generate 'usage profiles' by class type. Products with 'no wattage data' available, were footprinted by class, and assigned a basic high/medium/low footprint to these products. In both instances wattage (incl. those projected) were multiplied by an appropriate EPA electricity emissions factor and the results of each were summed to provide total estimate of emissions from the use of products sold by Target. GWPs are from the IPCC Fourth Assessment Report.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

#### Explanation

These data points reflect our 2017 emissions baseline.

## End of life treatment of sold products

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

809000

### Emissions calculation methodology

The analysis for end-of life treatment of Target's sold products was done within Alteryx - a data analytics platform. Each product sold was allocated with a weight and material type. An average for dept./division/class was used if this information was not available. The material weight was multiplied by an appropriate US EPA WARM Emission Factor – that is weighted by waste destination (based on US EPA research into waste destinations) to calculate tonnes of CO2e per tonne of material disposed, by destination and material. GWPs are from the IPCC (2007) Fourth Assessment Report.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

#### Explanation

These data points reflect our 2017 emissions baseline.

## Downstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

#### Explanation

Target does not lease any significant number of assets to other tenants that are not already included in Target's Scope 1 and 2 inventory under the operational control approach.

## Franchises

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

Target does not operate any franchises.

## Investments

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

28000

### Emissions calculation methodology

Spend data used for charitable giving, events and other donations from Target's non-retail spend data was totaled and then multiplied by Carnegie Mellon's EE I/O factor for "securities, commodity contracts, investments".

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

### Explanation

These data points reflect our 2017 emissions baseline.

## Other (upstream)

### Evaluation status

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

## Other (downstream)

### Evaluation status

Please select

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

## C6.7

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**(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?**

No

## C6.10

---

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**

0.000038

**Metric numerator (Gross global combined Scope 1 and 2 emissions)**

2864377

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

7535600000

**Scope 2 figure used**

Market-based

**% change from previous year**

1.91

**Direction of change**

Decreased

**Reason for change**

CH4, N2O, HFCs. There are two primary factors impacting this change: 1) increase in actual emission 2) increase in total revenue

---

**Intensity figure**

0.00953

**Metric numerator (Gross global combined Scope 1 and 2 emissions)**

2864377

**Metric denominator**

square foot

**Metric denominator: Unit total**

300567262

**Scope 2 figure used**

Market-based

**% change from previous year**

1.34

**Direction of change**

Increased

**Reason for change**

Gases included in the calculation: CO2, CH4, N2O, HFCs. There are two primary factors impacting this change: 1) increase in actual emission 2) change in square footage.

---

## C7. Emissions breakdowns

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### C7.1

---

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Yes

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### C7.1a

**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	280591	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	551	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	179	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	474163	IPCC Fourth Assessment Report (AR4 - 100 year)

### C7.2

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	755484

### C7.3

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**  
By activity

### C7.3c

**(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

Activity	Scope 1 emissions (metric tons CO2e)
Stationary Combustion	245325
Mobile Sources	35996
Refrigerants	474163

### C7.5

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
United States of America	2162064	2108893	5385238	932813

### C7.6

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By activity

**C7.6c**

**(C7.6c) Break down your total gross global Scope 2 emissions by business activity.**

Activity	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Electricity	1831598	1778428
Steam	2537	2537
Chilled Water	327928	327928

**C7.9**

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Increased

**C7.9a**

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	112770	Decreased	3.9	Total change from all renewable energy
Other emissions reduction activities	80772	Decreased	2.8	Total change from all implemented energy efficiency projects
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions	240206	Increased	8.4	Total increase in emissions due to operational changes related to emission factor changes, onsite emission activities, and change in square footage
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

**C7.9b**

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

**C8. Energy**

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**C8.1**

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**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

**C8.2**

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**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

**C8.2a**

---

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	1487910	1487910
Consumption of purchased or acquired electricity	<Not Applicable>	827172	3245454	4072626
Consumption of purchased or acquired heat	<Not Applicable>	0	0	0
Consumption of purchased or acquired steam	<Not Applicable>	0	14933	14933
Consumption of purchased or acquired cooling	<Not Applicable>	0	1441185	1441185
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	105641	<Not Applicable>	105641
Total energy consumption	<Not Applicable>	932813	6189482	7122295

**C8.2b**

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**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

**C8.2c**

---

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Fuels (excluding feedstocks)**

Diesel

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

153829

**MWh fuel consumed for self-generation of electricity**

**MWh fuel consumed for self-generation of heat**

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

---

**Fuels (excluding feedstocks)**

Natural Gas

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

1326075

**MWh fuel consumed for self-generation of electricity**

**MWh fuel consumed for self-generation of heat**

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

---

**Fuels (excluding feedstocks)**

Propane Gas

**Heating value**

---

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

8006

**MWh fuel consumed for self-generation of electricity**

**MWh fuel consumed for self-generation of heat**

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

---

C8.2d

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(C8.2d) List the average emission factors of the fuels reported in C8.2c.

**Diesel**

**Emission factor**

22.51

**Unit**

lb CO2e per gallon

**Emission factor source**

Climate Registry GRP

**Comment**

**Natural Gas**

**Emission factor**

117.18

**Unit**

lb CO2e per million Btu

**Emission factor source**

Climate Registry GRP

**Comment**

Emission factor: 116.18 lb CO2e per million BTU and 117.18 lb CO2e per million BTU

**Propane Gas**

**Emission factor**

139.73

**Unit**

lb CO2e per million Btu

**Emission factor source**

Climate Registry GRP

**Comment**

Emission factor: 139.73 lb CO2e per million BTU and 140.61 lb CO2e per million BTU

C8.2e

---

**(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	266084	105641	266084	105641
Heat				
Steam				
Cooling				

## C8.2f

**(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.**

**Basis for applying a low-carbon emission factor**

Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

**Low-carbon technology type**

Solar PV

**Region of consumption of low-carbon electricity, heat, steam or cooling**

North America

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

105641

**Emission factor (in units of metric tons CO2e per MWh)**

0

**Comment**

Onsite Solar

**Basis for applying a low-carbon emission factor**

Power Purchase Agreement (PPA) with energy attribute certificates

**Low-carbon technology type**

Wind

**Region of consumption of low-carbon electricity, heat, steam or cooling**

North America

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

143208

**Emission factor (in units of metric tons CO2e per MWh)**

0

**Comment**

**Basis for applying a low-carbon emission factor**

Contract with suppliers or utilities ( e.g. green tariff), supported by energy attribute certificates

**Low-carbon technology type**

Solar PV

**Region of consumption of low-carbon electricity, heat, steam or cooling**

North America

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

297

**Emission factor (in units of metric tons CO2e per MWh)**

0

**Comment**

---

**Basis for applying a low-carbon emission factor**

Grid mix of renewable electricity

**Low-carbon technology type**

Solar PV

Wind

Hydropower

Nuclear

Biomass (including biogas)

**Region of consumption of low-carbon electricity, heat, steam or cooling**

North America

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

683667

**Emission factor (in units of metric tons CO2e per MWh)**

0

**Comment**

Target uses the U.S. Energy Information Administration's Annual Energy Outlook report for grid renewables data. The February 2019 AEO reported 17.4% renewable electricity generation. Target applied the 17.4% to Target's electricity usage total after subtracting the RECs from Target's onsite solar, VPPA, and green tariff.

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**C9. Additional metrics**

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**C9.1**

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**(C9.1) Provide any additional climate-related metrics relevant to your business.**

**Description**

Energy usage

**Metric value**

470

**Metric numerator**

Number of Target locations with solar

**Metric denominator (intensity metric only)**

**% change from previous year**

8

**Direction of change**

Increased

**Please explain**

Growing our solar program is a big priority for us. In 2017, we added more than 40 MW of solar, increasing our total solar capacity to over 204 MW. In some cases, Target may generate the solar energy in support of utility and state clean energy programs and policies. In those instances, we do not retain the renewable energy credits. Onsite, we are well on our way toward our goal of 500 buildings with rooftop solar panels by 2020, with 470 projects completed at the end of fiscal year 2018.

---

**Description**

Other, please specify (Electric Vehicle Charging Locations)

**Metric value**

26

**Metric numerator**

Locations with EV charging stations

**Metric denominator (intensity metric only)**

**% change from previous year**

44

**Direction of change**

Increased

**Please explain**

We are making advances in our electric vehicle infrastructure with the help of industry experts Tesla, ChargePoint and Electrify America. As of the end of 2018, our electric vehicle program spanned 26 sites in seven states, and we plan to expand our electric vehicle program over the next two years to more than 600 parking spaces with charging stations at over 100 sites across more than 20 states.

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**C10. Verification**

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**C10.1**

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

## C10.1a

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**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.**

**Scope**

Scope 1

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

GHGVerificationReport Target 2018\_Final.pdf

GHGVerificationStatement Target 2018\_Final.pdf

**Page/ section reference**

See attached GHGVerificationStatement Target 2018\_FINAL

**Relevant standard**

The Climate Registry's General Verification Protocol

**Proportion of reported emissions verified (%)**

100

---

**Scope**

Scope 2 location-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

GHGVerificationReport Target 2018\_Final.pdf

GHGVerificationStatement Target 2018\_Final.pdf

**Page/ section reference**

See attached GHGVerificationStatement Target 2018\_FINAL

**Relevant standard**

The Climate Registry's General Verification Protocol

**Proportion of reported emissions verified (%)**

100

---

**Scope**

Scope 2 market-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

GHGVerificationReport Target 2018\_Final.pdf

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GHGVerificationStatement Target 2018\_Final.pdf

**Page/ section reference**

See attached GHGVerificationStatement Target 2018\_FINAL

**Relevant standard**

The Climate Registry's General Verification Protocol

**Proportion of reported emissions verified (%)**

100

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## C10.1b

---

**(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

**Scope**

Scope 3- at least one applicable category

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Attach the statement**

GHGVerificationStatement Target 2018\_Final.pdf

**Page/section reference**

Target's Scope 3 reporting only includes 2018 corporate air travel at this time. Target is currently evaluating additional Scope 3 categories to have verified in the near future. See our attached GHGVerificationStatement Target 2018\_FINAL

**Relevant standard**

The Climate Registry's General Verification Protocol

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## C10.2

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**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, but we are actively considering verifying within the next two years

## C11. Carbon pricing

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### C11.1

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**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, and we do not anticipate being regulated in the next three years

### C11.2

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**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

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## C11.3

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### (C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

## C12. Engagement

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### C12.1

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#### (C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

### C12.1a

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#### (C12.1a) Provide details of your climate-related supplier engagement strategy.

##### Type of engagement

Other, please specify (Active engagement)

##### Details of engagement

Please select

##### % of suppliers by number

##### % total procurement spend (direct and indirect)

##### % Scope 3 emissions as reported in C6.5

##### Rationale for the coverage of your engagement

Our Responsible Sourcing team vets and selects factories to participate in our Clean by Design program. We have started with a limited set of factories and plan to engage more factories over the coming years.

##### Impact of engagement, including measures of success

Target is a partner with the Apparel Impact Institute in its Clean by Design initiative, which identifies practical, cost-saving opportunities so our suppliers can increase operational efficiencies in their factories, while simultaneously reducing resource usage, waste and emissions. Together with our suppliers, we have engaged 30 Chinese mills in the Clean by Design program, which is one of the ways we partner with our supply chain to minimize the environmental impacts of manufacturing. The facility improvements adopted by our supplier's participating mills have yielded exciting and significant results. On average, water usage is down 17% within mills that conducted water savings projects.

##### Comment

We are awaiting figures on energy savings when the current round concludes in late 2019.

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##### Type of engagement

Other, please specify (Active engagement)

##### Details of engagement

Please select

##### % of suppliers by number

##### % total procurement spend (direct and indirect)

##### % Scope 3 emissions as reported in C6.5

##### Rationale for the coverage of your engagement

While in the process of setting our Scope 3 Science Based Target goal we knew we would need to engage a portion of our

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suppliers. As a starting point we found that the 350 suppliers that were chosen were a good representation of our overall supplier base.

**Impact of engagement, including measures of success**

In 2018, we had a 50% response rate among our 350 suppliers that were requested. Each year we will refine our data collection and feedback process to better partner with our suppliers and continue to increase our engagement and response rate.

**Comment**

In spring of 2018 Target became a Lead Member of the CDP Supply Chain program. Target selected a pilot group of 350 suppliers to participate in the CDP Supply Chain Climate survey. Target will utilize this data to inform Scope 3 targets and gain greater visibility into our supply chain emissions, as we work to reduce our GHG footprint and accelerate the transition to a low-carbon economy.

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**Type of engagement**

Other, please specify (Active engagement: Scope 3 Absolute Reduction goal of 30% & Supplier Goals for the top 80% of suppliers to set Scope 1 & 2 science based targets)

**Details of engagement**

Please select

**% of suppliers by number**

**% total procurement spend (direct and indirect)**

80

**% Scope 3 emissions as reported in C6.5**

**Rationale for the coverage of your engagement**

In order to cover two-thirds of our Scope 3 emissions, we set both an absolute reduction goal and a supplier engagement goal.

**Impact of engagement, including measures of success**

The percentage 80% by spend is within purchased goods and services. We will also work with our suppliers, where 96 percent of our GHG emissions occur, to transition to renewable energy sources and implement their own emissions reduction projects in order to reduce Scope 3 emissions. And we will expand our implementation of the Clean by Design program, which already helps us reduce the environmental impact of textile mills, by partnering with the Apparel Impact Institute to scale performance improvement in energy use and emissions in our suppliers' factories. In addition, we will leverage our work with the International Finance Corporation's Vietnam Improvement Program which improves factories' energy and water efficiency.

**Comment**

By unifying our suppliers around the same goals, whether they are working with the raw materials that create our products or manufacturing and transporting those products to our shelves, we know we can drive even greater change that will support improved environmental outcomes.

---

**C12.3**

**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

- Trade associations
- Other

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**C12.3b**

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

- Yes

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**C12.3c**

**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

**Trade association**

Retail Industry Leaders Association (RILA)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

RILA does not currently have a public position on climate change legislation because they have not been asked to develop one by their members. In their public resources and communities, they affirm climate change's existence and the role of greenhouse gas emissions from industry, and they develop tools, resources, guidance, industry coalitions, and member spotlights to help minimize retailers' carbon emissions. RILA also helped establish Employers for Renewable Energy (ERE), a cross-industry coalition of which Target is a member, that represents job creators nationwide who support state policies that enable greater customer choice of renewable energy and strong competition among producers.

**How have you influenced, or are you attempting to influence their position?**

Target has company representation on RILA's Sustainability, Responsible Sourcing, Energy Management and Environmental Compliance Committees.

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**C12.3e**

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**(C12.3e) Provide details of the other engagement activities that you undertake.**

U.S. EPA GreenChill Partnership

Renewable Energy Buyer's Alliance (REBA)

Advanced Energy Buyer's Group

**C12.3f**

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**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

While we don't have a formal process in place, we have close communication between our Energy and Sustainability, Government Affairs and Corporate Responsibility teams around key policy issues.

**C12.4**

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**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In voluntary communications

**Status**

Underway – previous year attached

**Attach the document**

2018\_corporate\_responsibility\_report.pdf

**Page/Section reference**

Please see our 2018 CR Report attached.

**Content elements**

Governance  
Strategy  
Emissions figures  
Emission targets

**Comment**

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

Target's Charging Up Its Electric Vehicle Program to Reach More Than 20 States.pdf  
sustainable operations.pdf  
planet.pdf  
My Local Target is Getting a Remodel. What Can I Expect\_.pdf  
Target's Gearing Up for Another Big Year of Store Remodels, Including a Major Investment in the Twin Cities.pdf  
Why This New Vermont Store is a Big Milestone in Target's History.pdf  
From San Pedro to West Hollywood, Here's How our L.A.-area Teams Welcome Guests.pdf

**Page/Section reference**

**Content elements**

Strategy

**Comment**

Attached are various webpages from Target's website which discuss in various levels of detail Target's strategy for combating climate change with energy efficiency measures and remodels, among other efforts.

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**C14. Signoff**

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**C-FI**

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**(C-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.**

**C14.1**

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**(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

	Job title	Corresponding job category
Row 1	Senior Director, Corporate Responsibility	Environment/Sustainability manager

**Submit your response**

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**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors

**Please confirm below**

I have read and accept the applicable Terms