

At Target, our determination to fulfill the needs and fuel the potential of our guests is leading us to solutions that drive both business and social value. From the way we build our stores to the products on our shelves, sustainability is integrated throughout our business. It's a principle that drives the decisions we make across our business. It's not about "going green." It's about making sure that the partnerships we take, the processes we follow and the products we sell are helping us create long-term value that goes beyond Target and into the communities we serve.

I'm proud of the results the Target team has achieved over the last year that are driving meaningful, positive and lasting impact. Some of these highlights include:

- ▶ Target's Made to Matter program, through which we've built successful partnerships with purpose-driven brands to bring meaningful product innovation to guests and make natural, organic and sustainable products more accessible. On average, brands included in last year's Made to Matter collection grew by about 30 percent, or approximately 1.5 times faster than these brands grew outside of Target.
- ▶ We cofounded a leadership group within the beauty and personal care sector — made up of members from across the value chain including retailers, product manufacturers and chemical companies — to steer the sector toward producing better and more sustainable products for consumers. We are working to connect industry sustainability and innovation efforts to accelerate the path to market for new product ingredients, beginning with new alternative preservatives.
- ▶ We've continued to make significant strides in sustainable building operations. We currently have solar panels installed at more than 200 locations and plan to increase the number of buildings with rooftop solar panels to 500 by 2020. These installations generate, on average, the equivalent of 15 to 30 percent of a store's energy use. In addition, Target has 1,409 ENERGY STAR®-certified locations — that's 76 percent of our chain and more than any other retailer. And we're thrilled that Target is being recognized for this achievement with one of the U.S. Environmental Protection Agency's highest honors: the 2016 ENERGY STAR Partner of the Year award.

We have challenged ourselves to achieve a lot because our stakeholders expect a lot from us. We've set ambitious sustainability goals and are proud that we have exceeded, achieved or are on track to achieve the majority of them. And we're equally proud that we are continuing to push for further progress in the years to come.

To track our progress and join in this journey, follow us on our corporate responsibility website: Target.com/corporateresponsibility.



Brian Cornell
Chairman & CEO



target.com/corporateresponsibility

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SOLUTIONS AT WORK

Apparel is one of Target's largest product categories, and textile production represents one of our most significant environmental impacts due to water, chemicals and energy use. We adopted Clean by Design, which uses the buying power of corporations and comprises simple steps a facility can take to improve process efficiency. Mills that piloted this program with us reported up to 36 percent savings in water use, energy use reduction by up to 22 percent and chemical use reduction by approximately 400 tons. After piloting Clean by Design, the significant savings we saw in water, energy and materials convinced us of the power of this framework.