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DELTA REPORT

10-K

TGT - TARGET CORP

10-K - FEBRUARY 03, 2024 COMPARED TO 10-K - JANUARY 28, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 3895

█ CHANGES 497

█ DELETIONS 2099

█ ADDITIONS 1299

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 28, 2023 February 3, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 1-6049



TARGET CORPORATION

(Exact name of registrant as specified in its charter)

Minnesota

(State or other jurisdiction of incorporation or organization)

1000 Nicollet Mall, Minneapolis, Minnesota

(Address of principal executive offices)

41-0215170

(I.R.S. Employer Identification No.)

55403

(Zip Code)

Registrant's telephone number, including area code: (612) 304-6073

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.0833 per share	TGT	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting stock held by non-affiliates of the registrant as of **July 29, 2022** **July 28, 2023**, was **\$75,322,105,637** **\$62,198,134,569** based on the closing price of **\$163.38** **\$135.00** per share of common stock as reported on the New York Stock Exchange.

Total shares of common stock, par value \$0.0833, outstanding as of **March 2, 2023** **March 6, 2024**, were **460,363,991** **461,690,206**.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Target's Proxy Statement for the Annual Meeting of Shareholders to be held on **June 14, 2023** **June 12, 2024**, are incorporated into Part III.

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PART I

Item 1. Business

General

Target Corporation (Target, the Corporation, or the Company) was incorporated in Minnesota in 1902. Our corporate purpose is to help all families discover the joy of everyday life. We offer to our customers, referred to as "guests," everyday essentials and fashionable, differentiated merchandise at discounted prices. We operate as a single segment designed to enable guests to purchase products seamlessly in stores or through our digital channels. Since 1946, we have given 5 percent of our profit to communities.

Strategy

Our team, technology, and operations enable us to serve guests, fulfill Target delivers on our purpose of helping all families discover the joy of everyday life through our curated, multi-category assortment, outstanding value, and drive business results through a durable, growth-focused enterprise strategy that differentiates team that's centered on care for each other, our guests, and communities. Our stores, digital experience, fulfillment services, and loyalty ecosystem also play a critical role in differentiating Target in the marketplace. The six pillars of and bringing our strategy are: purpose to life.

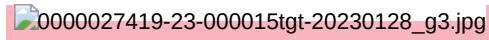
Our strategy aims to expand Target's relevancy in consumers' lives and drive traffic, sales Differentiating from our competition with our assortment of unique owned brands, and curated leading national brands; market share growth. Core elements include:

- Investing to create an engaging, convenient, safe, Delighting with newness, style, and differentiated shopping experience for value by strengthening our guests;
- Leveraging our stores as fulfillment hubs to efficiently meet our guests' needs, whether they purchase online or in-store;
- Engaging with our guests through programs like Target Circle owned brands portfolio, curating leading national brands, and RedCard to maintain expanding the breadth and enhance our relevancy; depth of signature partnerships.
- Delivering affordability to value by providing everyday low pricing and leveraging promotions and our guests; and loyalty ecosystem, Target Circle.
- Leveraging Opening new stores, updating existing stores, and enhancing our size digital experience to reach more consumers and scale provide a reliably convenient, easy, and inspiring shopping experience.
- Transforming our supply chain for increased efficiency, speed, capacity, and reliability across our network.
- Being a favorite discovery destination by making it easy for consumers to benefit people, discover Target's products and experiences across different channels and touchpoints, including our stores, our mobile app and website, and social platforms.
- Expanding our capabilities, such as our Roundel advertising business, to leverage our assets and enhance the planet, guest experience.

Our strategy defines how we'll continue to differentiate Target, and we'll seek to enable growth through:

- Our Team – A highly engaged, diverse, purpose-driven, and community-oriented team.
- Consumer-Centricity – A deep understanding of consumers.
- Technology – A connected ecosystem of data, insights, and technology, including artificial intelligence.
- Efficiency – Simplify work for our teams to make it easier to deliver a great guest experience.
- Sustainability – Resiliency in our business primarily model through our Target Forward our enterprise sustainability strategy.

Our recent growth in sales demonstrates the strength and relevance of Target's strategy. Our strategy places continues to leverage stores at the center of our flexible as fulfillment approach, hubs, with stores fulfilling more than 96 percent of total sales, which provides convenience for our guests at a reduced fulfillment cost.



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(a) 2023 consisted of 53 weeks. The extra week in 2023 contributed \$1.7 billion of sales.

Sales by Fulfillment Channel



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Financial Highlights

For information on key financial highlights, see [Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations \(MD&A\)](#).

Seasonality

A larger share of annual revenues traditionally occurs in the fourth quarter because it includes the November and December holiday sales period.

Merchandise

The majority of our stores offer a wide assortment of general merchandise and food. **Nearly all** **Most** of our stores larger than 170,000 square feet offer a variety of general merchandise and a full line of food items comparable to traditional supermarkets. Our digital channels include a wide merchandise and food assortment, including many items found in our stores, along with a complementary assortment sold by Target and third parties. We manage our business across the five core merchandise categories shown below. Within categories, gross margins vary depending on the type of merchandise.

Sales by Merchandise Category



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A significant portion of our sales is from national brand merchandise. Approximately one-third of our sales come from our owned and exclusive brands, including, but not limited to, the brands listed below.

Owned Brands

A New Day™	Future Collective™	Original Use™
All in Motion™	Gigglescape™	Pillowfort™
Art Class™	Good & Gather™	Project 62™
Auden™	Goodfellow & Co™	Room Essentials™
All in Motion™ Ava & Viv™	Hearth & Hand™ with Magnolia	Shade & Shore™
Art Class™ Boots & Barkley™	Heyday™	Smartly™
Auden™ Brightroom™	Hyde & EEK! Boutique™	Smith & Hawken™
Ava & Viv™ Bullseye's Playground™	JoyLab™	Sonia Kashuk™
Boots & Barkley™ Casaluna™	Kindfull™	Spritz™
Brightroom™ Cat & Jack™	Knox Rose™	Stars Above™
Bullseye's Playground™ Cloud Island™	Kona Sol™	Sun Squad™
Casaluna™ Colsie™	Made By Design™	Threshold™
Cat & Jack™ dealworthy™	Market Pantry™	Universal Thread™
Cloud Island™ Embark™	Mondo Llama™	up & up™
Colsie™ Everspring™	More Than Magic™	Wild Fable™
Embark™ Favorite Day™	Opalhouse™	Wondershop™
Everspring™ Figmint™	Open Story™	Xhilaration™
Favorite Day™	Original Use™	
Future Collective™	Pillowfort™	
Good & Gather™	Project 62™	

Exclusive Adult Beverage Brands

California Roots™	Jingle & Mingle™	SunPop™
Casa Cantina™	Photograph™	The Collection™
Headliner™	Rosé Bae™	Wine Cube™

We also sell merchandise through periodic exclusive design and creative partnerships, and shop-in-shop experiences, with partners such as Apple, Disney, Levi's, and Ulta Beauty, and generate revenue from in-store amenities such as Starbucks, Target Café, and Target Optical. CVS Pharmacy, Inc. (CVS) operates pharmacies and clinics in our stores under a perpetual operating agreement from which we generate annual occupancy income.

Customer Loyalty Programs

Our guests receive a 5 percent discount on nearly all purchases and receive free shipping at Target.com when they use their Target Debit Card, RedCard Reloadable Account, Target Credit Card, or Target MasterCard, or RedCard Reloadable Account (collectively, RedCards™). We also seek to drive customer loyalty and trip frequency through our Target Circle™ program which offers guests instant discounts and Target Circle program, where Rewards redeemable on future purchases. In March 2024, we announced changes to Target Circle, including the integration of Target Circle Card™ (formerly RedCard) and the addition of a Target Circle 360™ paid membership option. Among other benefits, Target Circle 360 members earn 1 percent rewards on nearly all non-RedCard purchases, among other benefits, receive access to same-day delivery and our fastest available shipping option with no additional markup or fees.

Distribution

The vast majority of Most merchandise is distributed to our stores through our network of distribution centers. Common carriers ship merchandise to and from our distribution centers. Vendors or third-party distributors ship certain food items and other merchandise directly to our stores. Merchandise sold through our digital channels is distributed to our guests through guest pick-up at our stores, via common carriers (from stores, distribution centers, supply chain facilities, vendors, and third-party distributors), and same-day delivery via our wholly owned subsidiary, Shipt, Inc. (Shipt). Our stores fulfill the majority of the digitally originated sales, which allows improved product availability, faster fulfillment times, reduced shipping costs, and allows us to offer guests a suite of same-day fulfillment options such as Order Pickup, Drive Up, and Shipt.

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Human Capital Management

In support of our purpose—to help all families discover the joy of everyday life—we invest in our team, our most important asset, by giving them opportunities to grow professionally, take care of themselves, each other, and their families, and to make a difference for our guests and our communities. We are among the largest private employers in the United States (U.S.), and our workforce has varying goals and expectations of their employment relationship, from team members looking to build a career to students, retirees, and others who are seeking to supplement their income in an enjoyable atmosphere. We seek to be an employer of choice to attract and retain top talent no matter their objectives in seeking employment. To that end, we strive to foster an engaged, diverse, inclusive, safe, purpose-driven culture where employees, referred to as "team members," have equitable opportunities for success.

As of January 28, 2023 February 3, 2024, we employed approximately 440,000 415,000 full-time, part-time, and seasonal team members. Because of the seasonal nature of the retail business, employment levels peak in the holiday season. We also engage independent contractors, most notably in our Shipt subsidiary.

Our Board of Directors, through the Compensation and Human Capital Management Committee, oversees human capital management matters.

Talent Development and Engagement

We offer a compelling work environment with meaningful experiences and abundant growth and career-development opportunities. This starts with the opportunity to do challenging work and learn on the job and is supplemented by programs and continuous learning that help our team build skills at all levels, including programs focused on specialized skill development, leadership opportunities, coaching, and mentoring. Our talent and succession planning process supports the development of a diverse talent pipeline for leadership and other critical roles. We monitor our team members' perceptions of these commitments through a number of surveys and take steps to address areas needing improvement.

Diversity, Equity, and Inclusion (DE&I)

We embrace diversity and strive to give our team members equitable access to opportunities. We champion workplace diversity inclusion, belonging and an inclusive work environment diversity with a focus on attracting, engaging, developing, advancing and advancing attracting team members equitably in order to reflect the guests and communities we serve. support of our business. We monitor the representation of women and racially or ethnically diverse team

members at different levels throughout the company and disclose the composition of our team in our annual Workforce Diversity Report and EEO-1 report. We set company-wide DE&I goals to drive progress in these areas. Developing environments where all team members feel seen, heard, our business, and welcome to belong is part of Target's core value of inclusivity learn and is fundamental to creating grow as an inclusive guest experience organization.

Compensation and Benefits

Our compensation and benefits are designed to support the financial, mental, and physical well-being of our team members and their families. We believe in paying team members equitably, regardless of gender, race, or ethnicity, and we regularly review the pay data of U.S. team members to confirm that we are doing so. Our compensation packages include a starting wage range of \$15 to \$24 per hour for U.S. hourly team members in our stores and supply chain facilities (who comprise the vast majority of our team), a 401(k) plan with dollar-for-dollar matching contributions up to five percent of eligible earnings, paid vacation and holidays, family leave, sick pay, merchandise and other discounts, disability insurance, life insurance, healthcare and dependent care flexible spending accounts, debt-free tuition-free education assistance and tuition reimbursement, free mental health services, an annual short-term incentive program, long-term equity awards, and health insurance benefits, including free virtual health care visits. Eligibility for, and the level of, benefits vary depending on team members' full-time or part-time status, work location, compensation level, and tenure.

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Workplace Health and Safety

We strive to maintain a safe and secure work environment and have specific safety programs. This includes administering a comprehensive occupational injury- and illness-prevention program and training for team members.

Throughout the COVID-19 pandemic, we continued to invest in the well-being, health, and safety of our team members with a variety of mental, emotional, and physical wellness resources. We also enacted dozens of safety, social distancing, and cleaning measures designed to protect our team and guests during the COVID-19 pandemic.

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Working Capital

Effective inventory management is key to our ongoing success, and we use various techniques including demand forecasting and planning and various forms of replenishment management. We achieve effective inventory management by staying in-stock in core product offerings, maintaining positive vendor relationships, and carefully planning inventory levels for seasonal and apparel items to minimize markdowns. During 2022, rapid changes in consumer preferences and supply chain volatility resulted in increased working capital needs.

The [Business Environment](#) and [Liquidity and Capital Resources](#) sections in MD&A provide additional details.

Competition

We compete with traditional and internet retailers, including department stores, off-price general merchandise retailers, wholesale clubs, category-specific retailers, drug stores, supermarkets, direct-to-consumer brands, and other forms of retail commerce. Our ability to positively differentiate ourselves from other retailers and provide compelling value to our guests largely determines our competitive position within the retail industry.

Intellectual Property

Our brand image is a critical element of our business strategy. Our principal trademarks, including Target, our "Expect More. Pay Less." brand promise, and our "Bullseye Design," have been registered with the U.S. Patent and Trademark Office. We also seek to obtain and preserve intellectual property protection for our brands.

Geographic Information

Nearly all of our revenues are generated within the U.S. The vast majority of our property and equipment is located within the U.S.

Available Information

Our internet website is corporate.target.com. Our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, and amendments to those documents filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (Exchange Act), are available free of charge on the Investors section of our website (corporate.target.com/investors) as soon as reasonably practicable after we file such material with, or furnish it to, the U.S. Securities and Exchange Commission (SEC). In addition, the SEC maintains a website (<http://www.sec.gov>) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Investors should note that we currently announce material information to our investors and others using filings with the SEC, press releases, public conference calls, webcasts, or our corporate website (corporate.target.com). Information that we post on our corporate website could be deemed material to investors. We encourage investors, the media, and others interested in us to review the information we post on these channels. The information on our website is not, and shall not be deemed to be, a part hereof or incorporated into this or any of our other filings with the SEC.

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Information About Our Executive Officers

Executive officers are elected by, and serve at the pleasure of, the Board of Directors. There are no family relationships between any of the officers named and any other executive officer or member of the Board of Directors, or any arrangement or understanding pursuant to which any person was selected as an officer.

Name	Title and Recent Business Experience	Age
Katie M. Boylan	Executive Vice President and Chief Communications Officer since February 2021. Senior Vice President and Chief Communications Officer from January 2019 to February 2021. Senior Vice President, Communications from June 2017 to January 2019.	46
Brian C. Cornell	Chair of the Board and Chief Executive Officer since August 2014.	64 65
Michael J. Fiddelke	Executive Vice President and Chief Operating Officer since February 2024 and Chief Financial Officer since November 2019. Senior Vice President, Operations from August 2018 to October 2019. Senior Vice President, Merchandising Capabilities from March 2017 to August 2018.	47 46
A. Christina Hennington	Executive Vice President and Chief Growth Officer since February 2021. Executive Vice President and Chief Merchandising Officer, Hardlines, Essentials and Capabilities from January 2020 to February 2021. Senior Vice President, Group Merchandise Manager, Essentials, Beauty, Hardlines and Services from January 2019 to January 2020. Senior Vice President, Merchandising Essentials, Beauty and Wellness from April 2017 to January 2019.	49 48
Melissa K. Kremer	Executive Vice President and Chief Human Resources Officer since January 2019. Senior Vice President, Talent and Organizational Effectiveness from October 2017 to January 2019.	46 45
Don H. Liu	Executive Vice President, Chief Legal & Compliance Officer and Corporate Secretary since October 2023. Executive Vice President, Chief Legal & Risk Officer and Corporate Secretary since from October 2017. 2017 to October 2023.	62 61
John J. Mulligan	Executive Vice President and Chief Operating Officer since September 2015.	57
Cara A. Sylvester	Executive Vice President and Chief Guest Experience Officer since May 2022. Executive Vice President and Chief Marketing & Digital Officer from February 2021 to May 2022. Senior Vice President, Home from March 2019 to February 2021. Vice President, Beauty & Dermstore from June 2017 to March 2019.	45 46
Laysha Matthew L. WardZabel	Executive Vice President and Chief External Engagement Corporate Affairs Officer since January 2017. October 2023. Executive Vice President and General Counsel from May 2022 to October 2023. Senior Vice President, Risk and Employee & Labor Relations from August 2020 to May 2022. Senior Vice President, Enterprise Risk from September 2017 to August 2020.	55

Note: As previously disclosed, Mr. Liu intends to retire as Target's Chief Legal & Compliance Officer and Corporate Secretary in 2024. Mr. Liu intends to remain in his current role until a successor is appointed, and is expected to serve as a strategic advisor for a transition period following such appointment. In addition, as previously disclosed, in connection with the appointment of Mr. Fiddelke to the position of Executive Vice President and Chief Operating Officer, Mr. Fiddelke will remain Chief Financial Officer until a successor is appointed to that role.

Item 1A. Risk Factors

Our business is subject to many risks. Set forth below are the material risks we face. Risks are listed in the categories where they primarily apply, but other categories may also apply.

Competitive and Reputational Risks

If we are unable to positively differentiate ourselves from other retailers, our results of operations and financial condition could be adversely affected.

We attempt to differentiate our guest experience through a careful combination of price, merchandise assortment, store environment, convenience, guest service, loyalty programs, and marketing. Our ability to successfully differentiate ourselves depends on many competitive factors, including guest perceptions regarding the safety and cleanliness of our stores, the value and exclusivity of our offerings, our in-stock levels, the effectiveness of our digital channels and fulfillment options, our ability to responsibly source merchandise, and our ability to create a personalized guest experience. If we fail to differentiate our guest experience from our competitors, our results of operations and financial condition could be adversely affected.

The retail industry's continuing migration to digital channels and multiple fulfillment options for consumers has affected the ways we differentiate from other retailers. Since consumers can quickly comparison shop using digital tools, they may make decisions based solely on price or convenience, which could limit our ability to differentiate from our competitors. In addition, providing multiple fulfillment options and implementing new technology is complex, costly, and may not meet our guests' expectations. If we are unable to offset the increased costs of new technology and expanded fulfillment options with improved performance or efficiencies, our results of operations could be adversely affected. To remain competitive, we must anticipate and adapt to developments and offerings by other retailers. Consumers may also use third-party channels, or devices, technologies, and capabilities (including artificial intelligence) to initiate shopping searches and place orders, which could make us dependent on the capabilities and search algorithms of those third parties to reach those consumers. Any failures or difficulties in executing our differentiation efforts could adversely affect our results of operations and financial condition.

If we do not anticipate and respond quickly to changing consumer preferences, our results of operations and financial condition could suffer.

A large part of our business is dependent on our ability to make trend-right decisions in a broad range of merchandise categories. If we do not predict and quickly respond to changing consumer preferences and spending patterns, we may experience lower sales, spoilage, and increased inventory markdowns, which could adversely affect our results of operations. Our ability to predict and adapt to changing consumer preferences depends on many factors, including obtaining accurate and relevant data on guest preferences, successfully implementing new technologies and capabilities emphasizing relevant merchandise categories, effectively managing our inventory levels, and implementing competitive and effective pricing and promotion strategies. We have not always been able to predict rapid changes in consumer preferences and spending patterns, including those that were impacted by the COVID-19 pandemic, which has previously resulted in insufficient or excess inventory, increased costs, and adverse impacts on our results of operations. If we are unable to effectively adapt to future changes in consumer preferences and spending patterns, our results of operations and financial condition could be adversely affected.

Our continued success is dependent on positive perceptions of Target which, if eroded, could adversely affect our business and our relationships with our guests and team members.

We believe that one of the reasons our shareholders, guests, team members, and vendors choose Target is the positive reputation we have built over many years for serving those constituencies and the communities in which we operate. To be successful in the future, we must continue to preserve Target's reputation. Our reputation is largely based on perceptions. It may be difficult to address negative publicity across media channels, regardless of whether it is accurate, its accuracy or the reputability of its source, including as a result of fictitious media content (such as content produced by generative artificial intelligence or bad actors). Negative incidents involving us, our workforce, or others with whom we do business could quickly erode trust and confidence and result in changes in consumer boycotts, behavior (including consumer boycotts), workforce unrest or walkouts, government investigations, and litigation. Negative reputational incidents or negative perceptions of us could adversely affect our business and results of operations, including through lower sales, the termination of business relationships, loss of new store and development opportunities, and team member retention and recruiting difficulties. We have recently experienced negative perceptions of our business, which have adversely affected consumer behavior, and we could experience similar occurrences in the future.

In addition, stakeholder expectations regarding environmental, social, and governance matters continue to evolve and are not uniform. We have established, and may continue to establish, various goals and initiatives on these matters, including with respect to sustainability and diversity, equity, and inclusion topics. We cannot guarantee that we will achieve these goals and initiatives. Any failure, or perceived failure, by us to achieve these goals and initiatives or to otherwise meet evolving and varied stakeholder expectations could adversely affect our reputation and results of operations.

Furthermore, our shareholders, guests, team members, and other stakeholders have evolving, varied, and sometimes conflicting expectations regarding many aspects of our business, including our operations, product and service offerings, and environmental, social, and governance matters. Recently, our inability to meet some of those expectations has adversely affected our reputation, and the inability to meet all of those expectations in the future could adversely affect our reputation with some or all of our stakeholders. Any adverse perception of Target could negatively impact our results of operations and financial condition and result in legal and regulatory proceedings against us. Any of these outcomes could negatively impact our results of operations and financial condition.

Reputational harm can also occur indirectly through companies and others with whom we do business. We have consumer-facing relationships with a variety of other companies, including Apple, CVS, Disney, Levi's, Starbucks, and Ulta Beauty. In addition, we have relationships with third-party companies that sell and ship items directly to guests through our digital channels. We also have relationships with designers, celebrities, influencers, and other individuals, including for advertising campaigns and marketing programs. If our guests have negative experiences with, or view unfavorably, any of the companies or individuals with whom we have relationships, it could cause them to stop shopping with us, us and negatively impact our results of operations.

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If we are unable to successfully develop, source, and market our owned and exclusive brand products, our results of operations could be adversely affected.

Our owned and exclusive brand products represent approximately one third of our overall sales and generally carry higher margins than equivalent national brand products. If we are unable to successfully develop, source, and market our owned and exclusive brands, or if we are unable to successfully protect our related intellectual property rights, our results of operations could be adversely affected. In addition, our reliance on owned and exclusive brand products may also amplify other risks discussed in this Item 1A, Risk Factors, because many of these products are imported and we are more involved in the development and sourcing of those products. For example, owned brand products involve greater responsible sourcing risk in the selection of vendors, which can exacerbate reputational risk. In addition, owned brand products generally require need longer lead times between order placement and product delivery and require us to take ownership of those products earlier in the supply chain. This requires longer-term forecasting of consumer demand, including for categories where consumer preferences may change rapidly, and exposes us to enhanced risks of supply chain disruptions, and changing consumer preferences, which could adversely affect our results of operations.

If we are unable to protect against inventory shrink, our results of operations and financial condition could be adversely affected.

Our business depends on our ability to effectively manage our inventory. We have historically experienced loss of inventory (also called shrink) due to damage, theft (including from organized retail crime), and other causes. We continue to experience elevated levels of inventory shrink relative to historical levels, which have adversely affected, and could continue to adversely affect, our results of operations and financial condition. To protect against rising inventory shrink, we have taken, and may continue to take, certain operational and strategic actions that could adversely affect our reputation, guest experience, and results of operations. In addition, sustained high rates of inventory shrink at certain stores could impact have contributed, and may continue to contribute, to the profitability closure of those certain stores and result in the impairment of long-term assets.

Investments Investment and Infrastructure Risks

If our capital investments do not achieve appropriate returns or our efficiency efforts are not successful, our competitive position, results of operations, and financial condition could be adversely affected.

Our business depends, in part, on our ability to remodel existing stores and build new stores in a manner that achieves appropriate returns on our capital investment. When building new stores, we compete with other retailers and businesses for suitable locations for our stores. Pursuing the wrong remodel or new store opportunities and any delays, cost increases, or other difficulties related to those projects could adversely affect our results of operations and financial condition. Furthermore, remodels and new store projects have previously been, and may in the future be, delayed or cancelled based on changes in macroeconomic conditions, changes in expected project benefits, and other factors, which could result in the inefficient deployment of our capital and adversely affect our results of operations and financial condition.

We are making, have made, and expect to continue to make, significant investments in technology and supply chain infrastructure. The effectiveness of these investments can be less predictable than remodeling or building new stores, and might not provide the anticipated benefits, which could adversely affect our results of operations and financial condition. For example, our stores-as-hubs strategy depends on adequate replenishment facilities to receive, store, and move inventory to stores on a timely basis. Underestimating our replenishment capacity needs could result in lower in-stock levels or increased costs for temporary storage. Conversely, overestimating replenishment capacity needs, changes in macroeconomic conditions, changes in expected project benefits, and other factors have resulted, and could in the future result, in delays or cancellations of supply chain infrastructure

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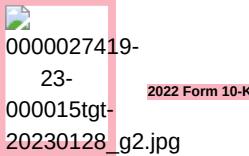
RISK FACTORS

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projects and the inefficient deployment of our capital. Any of these outcomes could adversely affect our results of operations and financial condition.

In addition, we have undertaken an enterprise-wide initiative to simplify and gain efficiencies across our business, with a focus on reducing complexities and lowering costs. We cannot guarantee that we will realize all of the potential cost savings from this initiative and we may experience difficulties and delays in identifying and achieving such cost savings, which could adversely affect our results of operations and financial condition.

TARGET CORPORATION



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A significant disruption into our computing and information technology systems and our inability to adequately maintain and update those systems could adversely affect our operations and negatively affect our guests.

We rely extensively on computing and information technology systems throughout our business. We also rely on continued and unimpeded access to the Internet to use our technology systems. Our These systems are subject to possible damage or interruption from many events, including power outages, telecommunications failures, third-party failures, malicious attacks, security breaches, and implementation errors. If Any damage or disruption to our technology systems are damaged or disrupted, we may incur substantial costs, experience data loss or theft, and be unable could severely interrupt our business operations, including our ability to manage inventories or process guest transactions and manage inventories, which could adversely affect our reputation, results of operations, and financial condition. For example, in the past, we have experienced disruptions in our point-of-sale system that prevented our ability to process debit or credit transactions, which negatively impacted some guests' experiences and generated negative publicity. We continually invest to maintain and update our technology systems, but implementing significant changes increases the risk of system disruption. Problems and interruptions associated with implementing technology initiatives could adversely affect our operational efficiency and negatively impact our guests and their confidence in us.

Information Security, Cybersecurity, and Data Privacy Risks

If our efforts to maintain information security, cybersecurity, and data privacy are unsuccessful or if we are unable to meet increasingly demanding regulatory requirements, our reputation, results of operations, and financial condition could be adversely affected.

We regularly receive and store information about our guests, team members, vendors, and other third parties. We also rely extensively on information systems throughout our business. We have programs in place to detect, contain, and respond to information security, cybersecurity, and data security privacy incidents.

However, we may be unable to anticipate security incidents or implement adequate preventive measures. measures as cyber threats continue to evolve and cyberattacks become more sophisticated and frequent, including through the introduction of viruses and malware (such as ransomware) and the use of artificial intelligence by threat actors. In addition, hardware or software that we develop or obtain from third parties may contain defects that could compromise information security, cybersecurity, or data privacy. Unauthorized parties may also attempt to gain access to our information systems or facilities, or those of third parties with whom we do business, through fraud, deception, social engineering, or other bad acts. Although Errors or malicious actions by our team members or contractors, faulty password management, and other vulnerabilities or irregularities could also overcome our security measures or those of third parties with whom we do business and result in a compromise or breach of our or their information systems. Furthermore, the training we conduct regular training as part of our information security, cybersecurity, and data privacy efforts that training may not be completely effective in preventing or limiting successful attacks.

Our only significant information security, cybersecurity, or data security privacy incident was a data breach that occurred in 2013, and went undetected for several weeks. The 2013 data breach which adversely affected our reputation and results of operations. Both we and our vendors have experienced additional information security, cybersecurity, and data security incidents since that data breach; privacy incidents; however, to date, these other incidents have not been material to our business strategy, results of operations, or financial condition. Based on the prominence and notoriety of our prior significant data breach, additional information security, cybersecurity, or data security privacy incidents could draw greater scrutiny. If we, our vendors, or other third parties with whom we do business experience additional significant information security, cybersecurity, or data security privacy incidents or fail to detect and appropriately respond to significant incidents, our business operations could be severely disrupted and we could be exposed to costly government enforcement actions and private litigation. In addition, our guests could lose confidence in our ability to protect their information, stop using our RedCards Target-branded payment cards or loyalty programs, or stop shopping with us altogether, which altogether. Any of these outcomes could adversely affect our reputation, results of operations, and financial condition.

TARGET CORPORATION



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RISK FACTORS

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The legal and regulatory environment regarding information security, cybersecurity, and data privacy is dynamic and has strict requirements, including for using the use and treating treatment of personal data. Complying with current or contemplated information security, cybersecurity, data protection, and data processing laws and regulations (including reporting and disclosure regimes), or any failure to comply, could cause us to incur substantial costs, require changes to our business practices, and expose us to litigation and regulatory risks, each of which could adversely affect our reputation, results of operations, and financial condition.

Supply Chain and Third-Party Risks

Changes in our relationships with our vendors or other companies, changes in tax or trade policy, interruptions in our operations or supply chain, and increased commodity or supply chain costs could adversely affect our reputation and results of operations.

We are dependent on our vendors, including independent contractors, and other third parties (including common carriers, carriers) to supply merchandise to our distribution centers, stores, and guests. If our replenishment and fulfillment network does not operate properly, if a vendor fails to deliver on its commitments, or if common carriers have difficulty providing capacity to meet demands for their services like they experienced in recent years, during the COVID-19 pandemic, we could experience merchandise out-of-stocks, delays in shipping and receiving merchandise, and increased costs, which could adversely affect our reputation and results of operations.

RISK FACTORS

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In addition, we have consumer-facing relationships with a variety of other companies, including Apple, CVS, Disney, Levi's, Starbucks, and Ulta Beauty. Any termination of, or adverse change in, our relationship with any of these companies could decrease our sales, increase our costs, and negatively impact our reputation and results of operations.

A large portion of the merchandise that we offer is sourced, directly or indirectly, from outside the U.S., with China as our single largest **source**. **source** of **merchandise we import**. Any major changes in tax or trade policy between the U.S. and countries from which we source merchandise, such as the imposition of additional tariffs or duties on imported products, could require us to take certain actions, including raising prices on products we sell and seeking alternative sources of supply from vendors in other countries. Any of these actions could adversely affect our reputation and results of operations.

Political or financial instability, currency fluctuations, the outbreak of pandemics or other illnesses, labor shortages, labor unrest or strikes, transport capacity and costs, inflation, port security, weather conditions, natural disasters, **geopolitical conflicts**, **terrorist attacks**, **armed conflicts**, or other events that could affect foreign trade are beyond our control and could disrupt our supply of merchandise, increase our costs, and adversely affect our results of operations. For example, there have been periodic closings and ship diversions, **conflicts**, labor disputes, and congestion disrupting **U.S.** **railways**, **truck**ing, **waterways**, and **ports around the world**, including **in** **at** **California** **ports** where we receive a significant portion of the products we source from outside the U.S. We have from time to time made alternative arrangements to continue the flow of inventory as a result of supply chain disruptions in the U.S. and other countries. If these types of events recur and impact any of the locations or modes of transportation that we depend on, it could increase our costs and adversely affect our supply of inventory. In addition, prices of fuel and other commodities **that** **on which** our supply chain depends **on** are historically volatile and subject to fluctuations based on a variety of international and domestic factors. Rapid and significant changes in commodity prices, as **has** **have** occurred in recent years, could further increase our costs and adversely affect our results of operations.

If services we obtain from third parties are unavailable or fail to meet our standards, our reputation and results of operations could be adversely affected.

We rely on third parties to support our business operations, including portions of our technology infrastructure, digital platforms, replenishment and fulfillment operations, store and supply chain infrastructure, delivery services (**including** by **independent contractors** via our **Shipt** subsidiary), guest contact centers, payment processing, and extensions of credit for our **RedCard** Target-branded payment card program. If we are unable to contract with third parties having the specialized skills needed to support our operations, if any third-party services are interrupted, or if they fail to meet our performance standards, then our reputation and results of operations could be adversely affected.

RISK FACTORS

[Index to Financial Statements](#)**Legal, Regulatory, Global, and Other External Risks**

The long-term effects of the COVID-19 pandemic, or the effects of other similar public health crises, may continue to amplify the risks and uncertainties facing our business.

The long-term impacts of the social, economic, and financial disruptions caused by the COVID-19 pandemic and the government responses to such disruptions are unknown. In addition, the impact on our business of the long-term effects of the COVID-19 pandemic, or other similar public health crises, will depend on numerous factors that we cannot accurately predict.

The long-term the effects of the COVID-19 pandemic, or other similar public health crises, may also continue to amplify other risks discussed in this Item 1A, Risk Factors, including risks related to macroeconomic conditions and consumer confidence and spending, supply chain, information security, cybersecurity, and data privacy, and our workforce, any of which could have a material effect on us. For example, the rise in continued utilization of remote working arrangements by our team members, vendors, and other third parties that began during the COVID-19 pandemic increases the risk of a data security compromise and has amplified our already extensive reliance on computing and information systems and unimpeded Internet access.

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RISK FACTORS

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Our earnings depend on the state of macroeconomic conditions and consumer confidence and spending in the U.S.

Nearly all of our sales are in the U.S., making our results highly dependent on the health of the U.S. economy and U.S. consumer confidence and spending, which can be affected by a variety of factors, including inflation, interest rates, housing prices, unemployment rates, household debt and wage levels, and credit usage. In addition, the interconnected nature of the global economy means that international events such as armed geopolitical conflicts, geopolitical terrorist attacks, armed conflicts, public health crises, energy availability, trade disputes, and market volatility can all affect macroeconomic conditions in the U.S. A deterioration in U.S. macroeconomic conditions or consumer confidence or spending could adversely affect our business in many ways, including slowing sales growth, reducing overall sales, reducing gross margins, and lowering our credit card profit-sharing revenue, each of which could adversely affect our results of operations and financial condition.

Uncharacteristic or significant weather conditions or natural disasters and the impacts of climate change could adversely affect our results of operations.

Uncharacteristic or significant weather conditions, including the physical impacts of climate change, can affect consumer shopping patterns, particularly in apparel and seasonal items, which could lead to lower sales or greater than expected markdowns and adversely affect our results of operations. In addition, we have significant operations in certain states where natural disasters are more prevalent. Natural disasters in those states or in other areas where we operate could result in significant physical damage to, or closure of, one or more of our stores, distribution centers, facilities, or key vendors. In addition, weather conditions, natural disasters, and other catastrophic events in areas where we or our vendors operate, or depend upon for continued operations, could adversely affect the availability and cost of certain products within our supply chain, affect consumer purchasing power, and reduce consumer demand. Any of these events could adversely affect our results of operations.

The long-term effects of global climate change are expected to be widespread and unpredictable. The potential impacts of climate change present a variety of risks. The physical effects of climate change, such as extreme weather conditions, drought, and rising sea levels, could adversely affect our results of operations, including by increasing our energy costs, disrupting our supply chain, negatively impacting our workforce, damaging our stores, distribution centers, and inventory, and threatening the habitability of the locations in which we operate. In addition to physical risks, the potential impacts of climate change also present transition risks, including regulatory and reputational risks. For example, we use commodities and energy inputs in our operations that may face increased regulation due to climate change or other environmental concerns, which could increase our costs. Furthermore, any failure, or perceived failure, by us to achieve our sustainability goals with respect or to reducing our impact on the environment, or perception of a failure to act responsibly with respect

to otherwise meet evolving, varied, and sometimes conflicting stakeholder expectations regarding the environment, could adversely affect our reputation and results of operations.

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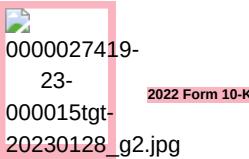
RISK FACTORS

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We rely on a large, global, and changing workforce of team members, contractors, and temporary staffing. If we do not effectively manage our workforce, our labor costs and results of operations could be adversely affected.

With over 400,000 team members, our workforce costs represent our largest operating expense, and our business is dependent on our ability to attract, train, and retain the appropriate mix of qualified team members, contractors, and temporary staffing. Many team members are in entry-level or part-time positions with high turnover rates historically. Our ability to meet our changing labor needs while controlling our costs is subject to external factors such as labor laws and regulations, unemployment levels, prevailing wage rates, benefit costs, changing demographics, and our reputation within the labor market. If we are unable to attract and retain a workforce meeting our needs, our operations, guest service levels, support functions, and competitiveness could suffer and our results of operations could be adversely affected. We are periodically subject to labor organizing efforts and activism, which could negatively impact how we are perceived by team members and our overall reputation. If we become subject to one or more collective bargaining agreements in the future, it could adversely affect our labor costs, how we operate our business, and our results of operations. In addition to our United States U.S. operations, we have support offices and sourcing operations in India, China, and China, other countries, and any extended disruption of our operations in our different locations, whether due to labor difficulties or otherwise, could adversely affect our results of operations.

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RISK FACTORS

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Failure to address product safety and sourcing concerns could adversely affect our results of operations.

If any of our merchandise offerings do not meet applicable safety standards or Target's or our guests' expectations regarding safety, supply chain transparency, and responsible sourcing, we could be exposed to legal and reputational risks and our results of operations could be adversely affected. Our vendors must comply with applicable product safety laws, and we are dependent on them to ensure that the products we buy comply with all safety standards. Events that give rise to actual or perceived product safety concerns, including food or drug contamination and product defects, could expose us to government enforcement actions and private litigation and result in costly product recalls and other liabilities. Our sourcing vendors, including any third parties selling through our digital channels, must also meet our expectations and comply with applicable laws and regulations across multiple areas of social compliance, including supply chain transparency and responsible sourcing. We have a social compliance audit process that performs audits regularly, but we cannot continuously monitor every vendor, so we are also dependent on our vendors to ensure that the products we buy comply with applicable standards. If we need to seek alternative sources of supply from vendors with whom we have less familiarity, the risk of our these standards not being met may increase. Negative guest perceptions regarding the safety and sourcing of the products we sell could harm our reputation and adversely affect our results of operations.

Our failure to comply with applicable laws, or changes in these laws, could adversely affect our results of operations and financial condition.

Our business is subject to a wide variety of complex laws and regulations.

Our expenses could increase and our operations could be adversely affected by changes in law or adverse judicial developments involving our workforce, including an employer's obligation to recognize collective bargaining units, minimum wage requirements, advance scheduling notice requirements, health care or other mandates, the classification of exempt and non-exempt employees, and the classification of workers as either employees or independent contractors. Our Shipt subsidiary is a technology company that connects Shipt members through its online marketplace with a network of independent contractors who select, purchase, and deliver groceries and household essentials ordered from Target and other retailers. The classification of workers as employees or independent contractors, in particular, is an area that is experiencing legal challenges and legislative changes. Our Shipt subsidiary has faced, and continues to face, legal challenges to its worker classification. If, as a result of judicial decisions or legislation, Shipt is required to treat its network of independent contractors as employees, we may experience higher digital fulfillment costs, which could adversely affect our results of operations and financial condition.

Changes in the legal or regulatory environment affecting any other area related to our business, including information security, cybersecurity, and data privacy, product safety, or payment methods, or climate and emissions disclosure could cause our expenses to increase and adversely affect our results of operations. In addition, if we fail to comply with other applicable laws and regulations, including the Foreign Corrupt Practices Act and other anti-bribery laws, anti-money laundering laws, import restrictions, responsible sourcing laws, and sanctions programs, we could be subject to legal and reputational risks, including government enforcement actions and class action civil litigation, which could adversely affect our results of operations and financial condition.

TARGET CORPORATION



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RISK FACTORS, UNRESOLVED STAFF COMMENTS, & CYBERSECURITY

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Financial Risks

Increases in our effective income tax rate could adversely affect our results of operations.

Several factors influence our effective income tax rate, including tax laws and regulations, the related interpretations, and our ability to sustain our reporting positions on examination. Changes in any of those factors could change our effective tax rate, which could adversely affect our net income. In addition, changes in our operations both in and outside of the U.S. may cause greater volatility in our effective tax rate.

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RISK FACTORS & UNRESOLVED STAFF COMMENTS

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If we are unable to access the capital markets or obtain bank credit, our financial condition and results of operations could suffer.

We are dependent on a stable, liquid, and well-functioning financial system to fund our operations and capital investments. Our continued access to financial markets depends on multiple factors including the condition of debt capital markets, the condition of the banking sector, our operating performance, and our

credit ratings. If rating agencies lower our credit ratings, it could adversely affect our ability to access the debt markets, our cost of funds, and other terms for new debt issuances. **issuances and borrowings.** Each of the credit rating agencies reviews its rating periodically, and there is no guarantee that our current credit ratings will remain the same. In addition, we use a variety of derivative products to manage our exposure to market risk, principally interest rate fluctuations. Disruptions or turmoil in the financial markets could reduce our ability to fund our operations and capital investments and lead to losses on derivative positions from counterparty failures, which could adversely affect our financial condition and results of operations.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 1C. Cybersecurity.

Set forth below is information regarding our cybersecurity risk management, strategy, and governance, along with a related description of our information security and data privacy practices.

Securing company systems, business information, and personal information of our guests, team members, vendors, and other third parties is important to us. We have systems in place to:

- safely receive, protect, and store that information;
- collect, use, and share that information appropriately; and
- detect, contain, and respond to information security, cybersecurity, and data privacy incidents.

While everyone at Target plays a part in information security, cybersecurity, and data privacy, oversight responsibility is shared by our Board of Directors, its committees, and management.

Responsible party	Oversight of information security, cybersecurity, and data privacy
Board of Directors	Oversight of these topics within Target's overall risks
Audit & Risk Committee	Primary oversight responsibility for information security, cybersecurity, and data privacy, including internal controls designed to identify, assess, and manage risks related to these topics
Management	Our Chief Information Officer, Chief Information Security Officer, Chief Legal & Compliance Officer, Chief Corporate Affairs Officer, and other senior members of our cybersecurity, risk, and compliance and ethics teams are responsible for identifying, assessing, and managing risks related to these topics, and reporting to the Audit & Risk Committee and/or the full Board of Directors

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CYBERSECURITY

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Our program and practices regarding information security, cybersecurity, and data privacy include the following:

- **Audit & Risk Committee and Board of Directors updates.** To inform and educate the Audit & Risk Committee in its primary oversight responsibility for information security, cybersecurity, and data privacy, management provides updates on these topics. For example, the Chief Information Security Officer addresses information security risks and controls, cyber threats, and other program updates, and senior members of the risk team provide enterprise risk management program updates. In addition, the Board of Directors receives updates from management regarding Target's overall risks, which include risks related to these topics.

- **Integration into enterprise risk management program.** By aligning the identification, assessment, and management of risks related to information security, cybersecurity, and data privacy with our overall approach to risk oversight by the Board of Directors, its committees, and management, we have integrated these practices into our enterprise risk management program.
- **Management expertise.** Our Chief Information Officer leads the strategic direction and management of Target's enterprise technology systems. He is responsible for Target's technology roadmap and oversees Target's global product engineering, infrastructure, cybersecurity, data sciences, and architecture teams. He has held a variety of leadership roles across the company and has developed significant knowledge and skills regarding enterprise technology systems, including cybersecurity. Our Chief Information Security Officer has a strong background in technology, information security, cybersecurity, risk management, audit, and compliance and held executive roles in information security prior to joining Target. He continues to develop his expertise in these areas and contributes to the broader cybersecurity community by serving in several board and advisory roles and promoting collaboration, best practice sharing, and talent development. Our Chief Legal & Compliance Officer and Chief Corporate Affairs Officer have extensive experience, and have developed critical knowledge and skills, in the areas of risk oversight and compliance, including as such areas relate to cybersecurity.
- **Systems and processes.** We use a combination of industry-leading tools and in-house technologies to protect Target and our guests, operate a proactive threat intelligence program to identify and assess risks, including from threats associated with our use of third-party service providers, and we run a cyber fusion center to investigate and respond to threats. Our program is based on recognized industry security standards and control frameworks, which we seek to validate through internal and independent assessments. Our cybersecurity team regularly tests our controls through penetration testing, vulnerability scanning, and attack simulation. In addition, we have an incident response program to address potential security and privacy incidents. As part of this incident response program, members of management are informed about and monitor the prevention, detection, mitigation, and remediation of potential security and privacy incidents. The program uses a coordinated escalation model to provide information to, and engage with, relevant members of management and the Board of Directors, as needed, throughout the incident response process.
- **Understanding evolving threats in the industry and with our suppliers.** Our cybersecurity and data privacy teams work to understand evolving threats, developing issues, and industry trends, and our vendor teams monitor and assess risks with our suppliers.
- **Collaboration with organizations across different industries.** We share threat intelligence and collaborate with organizations across different industries to share best practices, fight cybercrime, enhance privacy, discuss new technologies, better understand the evolving regulatory environment, and advance capabilities in these areas.
- **Investment, training, and development of our cybersecurity and data privacy teams.** We invest in building and developing cybersecurity talent and engineering expertise in-house rather than relying solely on third-party providers. We also offer in-house training and educational courses through our Cyber Plus Institute, which is a security training curriculum leveraging internal subject matter expertise along with curated resources. Our data privacy team has industry certifications, works to understand changing technologies that impact consumer privacy, and regularly participates in training and conferences.

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CYBERSECURITY

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- **Regular training and compliance activities for our team members.** Our team members receive annual training on information security, cybersecurity, and data privacy topics to understand the behaviors and technical requirements necessary to protect company and guest information, and appropriately collect, use, and share personal information. We also offer ongoing practice and education for team members to recognize and report suspicious activity.

- **Use of third parties.** Beyond our in-house capabilities we engage with leading security and technology vendors to assess our information security and cybersecurity program and test our technical capabilities.
- **Insurance coverage.** We maintain insurance coverage intended to limit our exposure to certain network security and privacy matters.

See "Information Security, Cybersecurity, and Data Privacy Risks" in [Part I, Item 1A](#), Risk Factors for additional information regarding risks from cybersecurity threats.

TARGET CORPORATION



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PROPERTIES

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Item 2. Properties

Stores as of January 28, 2023	Retail		Retail		Stores as of January 28, 2023	Stores as of February 3, 2024	Retail		Retail	
	Square Feet	Stores as of (in thousands)	Square Feet	Stores as of (in thousands)			Square Feet	Stores as of (in thousands)	Square Feet	Stores as of (in thousands)
Alabama	Alabama	22	3,132	Montana	7	777				
Alaska	Alaska	3	504	Nebraska	14	2,005				
Arizona	Arizona	46	6,081	Nevada	18	2,262				
				New						
Arkansas	Arkansas	9	1,165	Hampshire	10	1,236				
California	California	314	37,304	New Jersey	49	6,189				
Colorado	Colorado	45	6,361	New Mexico	10	1,185				
Connecticut	Connecticut	21	2,732	New York	100	10,820				
				North						
Delaware	Delaware	4	551	Carolina	52	6,653				
District of Columbia	District of Columbia	5	342	North Dakota	4	554				
Florida	Florida	127	17,225	Ohio	65	7,863				
Georgia	Georgia	51	6,826	Oklahoma	15	2,167				
Hawaii	Hawaii	8	1,234	Oregon	22	2,353				
Idaho	Idaho	7	725	Pennsylvania	78	9,260				
Illinois	Illinois	100	12,171	Rhode Island	4	517				
				South						
Indiana	Indiana	32	4,186	Carolina	20	2,389				

South						
Iowa	Iowa	21	2,859	Dakota	5	580
Kansas	Kansas	17	2,385	Tennessee	30	3,815
Kentucky	Kentucky	14	1,575	Texas	154	21,176
Louisiana	Louisiana	16	2,195	Utah	15	1,981
Maine	Maine	6	741	Vermont	1	60
Maryland	Maryland	41	5,070	Virginia	61	7,789
Massachusetts	Massachusetts	50	5,546	Washington	40	4,424
Michigan	Michigan	54	6,300	West Virginia	6	755
Minnesota	Minnesota	73	10,332	Wisconsin	38	4,614
Mississippi	Mississippi	6	743	Wyoming	3	257
Missouri	Missouri	35	4,618			
				Missouri	35	4,618
				Total	1,948	244,584

Stores and Supply Chain Facilities as of January 28, 2023

Stores	Supply Chain Facilities
Stores (a)	

Stores and Supply Chain Facilities as of February 3, 2024

		Stores	Supply Chain Facilities (a)
Owned	Owned	1,530	37
Leased	Leased	261	18
Owned buildings on leased land	Owned buildings on leased land	157	—
Total	Total	1,948	55

(a) Supply Chain Facilities includes distribution centers, and sortation centers, and other facilities with a total of 59.2 61.5 million square feet.

We own our corporate headquarters buildings located in and around Minneapolis, Minnesota, and we lease and own additional office space elsewhere in Minneapolis and the U.S. We also lease office space in other countries. Our properties are in good condition, well maintained, and suitable to carry on our business.

For additional information on our properties, see the [Capital Expenditures](#) section in MD&A and [Notes 11](#) and [17.18](#) to the Consolidated Financial Statements.

Item 3. Legal Proceedings

No response is required under Item 103. As previously disclosed in Target's Quarterly Report on Form 10-Q for the quarter ended April 29, 2023, on March 29, 2023, Target Corporation and certain of Regulation S-K. its officers were named as defendants in a purported federal securities law class action filed in the United States District Court for the District of Minnesota. The plaintiff filed an amended complaint on December 15, 2023, which alleges violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 relating to certain prior disclosures of Target about its business model, strategy, and inventory. The plaintiff seeks to represent a class of shareholders who purchased or otherwise acquired Target common stock between November 17, 2021 and May 17, 2022. The plaintiff seeks damages and other relief, including attorneys' fees, based on allegations that the defendants misled investors about Target's business model, strategy, and inventory and that such conduct affected the value of Target common stock. Target intends to vigorously defend this lawsuit.

Item 4. Mine Safety Disclosures

Not applicable.

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OTHER INFORMATION

PART II**Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

Our common stock is listed on the New York Stock Exchange under the symbol "TGT." We are authorized to issue up to 6,000,000,000 shares of common stock, par value \$0.0833, and up to 5,000,000 shares of preferred stock, par value \$0.01. As of March 2, 2023 March 6, 2024, there were 13,187 12,716 shareholders of record. Dividends declared per share for 2023, 2022, 2021, and 2020, 2021, are disclosed in our [Consolidated Statements of Shareholders' Investment](#).

On August 11, 2021, our Board of Directors authorized a \$15 billion share repurchase program with no stated expiration. Under the program, we have repurchased 23.8 million shares of common stock at an average price of \$223.52, for a total investment of \$5.3 billion. As of January 28, 2023 February 3, 2024, the dollar value of shares that may yet be purchased under the program is \$9.7 billion. There were no Target common stock purchases made during the three months ended January 28, 2023 February 3, 2024 by Target or any "affiliated purchaser" of Target, as defined in Rule 10b-18(a)(3) under the Exchange Act.

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The graph above compares the cumulative total shareholder return on our common stock for the last five fiscal years with (i) the cumulative total return on the S&P 500 Index and (ii) the **previous** peer group consisting of 19 online, general merchandise, department stores, food, and specialty retailers (Albertsons Companies, Inc., Amazon.com, Inc., Best Buy Co., Inc., Costco Wholesale Corporation, CVS Health Corporation, Dollar General Corporation, Dollar Tree, Inc., The Gap, Inc., The Home Depot, Inc., Kohl's Corporation, The Kroger Co., Lowe's Companies, Inc., Macy's, Inc., Nordstrom, Inc., Rite Aid Corporation, Ross Stores, Inc., The TJX Companies, Inc., Walgreens Boots Alliance, Inc., and Walmart Inc.) (**Peer (Previous Peer Group)**), and (iii) the **new peer group** consisting of the companies in the **Previous Peer Group**, plus BJ's Wholesale Club Holdings, Inc. (**Current Peer Group**). The **Current Peer Group** is consistent with the retail peer group described in our definitive Proxy Statement for the Annual Meeting of Shareholders to be held on **June 14, 2023** **June 12, 2024**, excluding Publix Super Markets, Inc., which is not quoted on a public stock exchange.

The peer group is weighted by the market capitalization of each component company. The graph assumes the investment of \$100 in Target common stock, the S&P 500 Index, and the Peer Group on **February 3, 2018** **February 2, 2019**, and reinvestment of all dividends.

Item 6. [Reserved]



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MANAGEMENT'S DISCUSSION AND ANALYSIS

EXECUTIVE OVERVIEW & FINANCIAL SUMMARY

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Executive Overview

We continue to make strategic investments to support our durable operating and financial model that further differentiates Target and is designed to drive sustainable sales and profit growth. growth over the long term. During 2022, 2023, in support of our enterprise strategy described in [Item 1 on page 2](#) of this Form 10-K, we

- Expanded our supply chain capacity and digital fulfillment capabilities, including adding one three new distribution center and six new sortation centers supply chain facilities to support our growth and commitment to fast delivery times, while helping our teams work more efficiently and managing our shipping costs;
- Fulfilled over 50 60 percent of our digital sales through our same-day fulfillment options: Order Pickup, Drive Up, and delivery via Shipt;
- Rolled out Drive Up with Starbucks and Returns with Drive Up nationwide;
- Continued the steady stream of to emphasize newness across our assortment and continued to introduce new owned and exclusive brands and designer collaborations, including fashion forward brands Future Collective™ our first kitchen owned brand Figmint, collections from Kendra Scott, a collaboration with Rowing Blazers, and Houston White x Target; Stanley drinkware in exclusive colors;
- Completed 140 65 full store remodels and invested continued to invest in hundreds of other stores, through including projects to increase efficiency of our Same-Day Services, build-out and open Ulta Beauty shop-in-shops, and expand Apple and Disney experiences;
- Opened 23 21 new stores including in a new larger-footprint store variety of sizes with reimaged new design elements and additional stores in key urban markets and on college campuses; that reflect the local community;
- Invested in our team through our updated starting wage range, expanded access to health care benefits, member wages and our debt-free education assistance program; benefits; and
- Offered compelling promotions, attractive every day price points on key items, and free and easy payment and fulfillment options, including our new RedCard Reloadable Account, which provides all the benefits of our RedCard program without the need for a credit check or an existing bank account; and
- Launched Target Zero, a collection of products designed to reduce waste and make it easier to shop sustainably, and completed retrofitting our first store designed to be net zero energy, located in Vista, California. options.

Financial Summary

2022 Fiscal 2023 (a 53-week year) included the following notable items:

- GAAP diluted earnings per share were \$5.98.
- and Adjusted diluted earnings per share were \$6.02 \$8.94.
- Total revenue increased 2.9 decreased 1.6 percent, reflecting a total sales growth decline of 2.8 1.7 percent and a 9.8 5.1 percent increase in other revenue.
- Comparable sales increased 2.2 decreased 3.7 percent, driven by a 2.1 2.4 percent increase decrease in traffic traffic and a 1.4 percent decrease in average transaction amount.
 - Comparable store originated sales grew 2.4 declined 3.5 percent.
 - Comparable digitally originated sales increased 1.5 decreased 4.8 percent.
- Operating income of \$3.8 billion \$5.7 billion was 57.0 48.3 percent lower higher than the comparable prior-year period. See [Business Environment](#) below for additional information.

Sales were \$107.6 billion \$105.8 billion for 2022, an increase 2023, a decrease of \$3.0 billion \$1.8 billion, or 2.8 1.7 percent, from the prior year. Operating cash flow was \$8.6 billion for 2023, an increase of \$4.6 billion, or 114.6 percent, from \$4.0 billion for 2022, a decrease of \$(4.6) billion, or (53.4) percent, from \$8.6 billion for 2021. The drivers of the operating cash flow decrease increase are described on [page 27](#) [30](#).

Earnings Per Share	Earnings Per Share	Percent Change		Earnings Per Share				Percent Change	
				2023					
		2022	2021	2020	2022/2021	2021/2020	(a)	2022	2021
GAAP diluted earnings per share	GAAP diluted earnings per share	\$5.98	\$14.10	\$8.64	(57.6) %	63.1 %	GAAP diluted earnings per share	\$8.94	\$5.98 \$14.10 49.4 49.4 % (57.6) %
Adjustments	Adjustments	0.03	(0.53)	0.78			Adjustments	—	0.03 (0.53) (0.53)
Adjusted diluted earnings per share	Adjusted diluted earnings per share	\$6.02	\$13.56	\$9.42	(55.7) %	44.0 %	Adjusted diluted earnings per share	\$8.94	\$6.02 \$13.56 48.6 48.6 % (55.7) %

Note: Amounts may not foot due to rounding. Adjusted diluted earnings per share (Adjusted EPS), a non-GAAP metric, excludes the impact of certain items. Management believes that Adjusted EPS is useful in providing period-to-period comparisons of the results of our operations. A reconciliation of non-GAAP financial measures to GAAP measures is provided on [page 24](#) [page 28](#).

(a) 2023 consisted of 53 weeks compared with 52 weeks in 2022 and 2021.

We report after-tax return on invested capital (ROIC) because we believe ROIC provides a meaningful measure of our capital-allocation effectiveness over time. For the trailing twelve months ended [January 28, 2023](#) [February 3, 2024](#), after-tax ROIC was [12.6](#) [16.1](#) percent, compared with [33.1](#) [12.6](#) percent for the trailing twelve months ended [January 29, 2022](#) [January 28, 2023](#). The calculation of ROIC is provided on [page 26](#) [page 29](#).

Business Environment

Following the onset of the COVID-19 pandemic in 2020, in 2023, we experienced strong comparable sales growth and significant volatility declines across our business, primarily in our category and channel mix, which continued through 2021, along with increasing supply chain disruptions. In addition to country each of origin production delays, trucker and dockworker shortages, a broad-based surge in consumer demand, and other factors led to industry-wide U.S. port and ground transportation delays. In response to the rising guest demand and supply chain constraints, we took various actions, including ordering merchandise earlier, securing ocean freight routes, adding incremental holding capacity near U.S. ports, and increasing use of air transport for certain merchandise. Some of these supply chain disruptions and resulting actions resulted in increased costs.

In 2022, our comparable sales growth slowed significantly, reflecting sales decreases in our Discretionary categories (Apparel & Accessories, Hardlines, and Home Furnishings & Decor) that substantially partially offset by growth in our Frequency categories (Beauty & Household Essentials and Food & Beverage). This trend of decreased Discretionary category sales began in 2022. In response, to this shift in demand, during 2022, we took several actions and employed strategies to address our inventory position and create additional flexibility align inventories with sales trends. These actions, as well as improvements in a rapidly changing environment, including increasing promotional and clearance markdowns, removing excess inventory, and cancelling purchase orders. In addition, during the second half of 2022, port congestion, shipping container availability, and other supply chain, pressures improved. This have resulted in some decreased inventory arriving earlier than anticipated, which resulted in increased 2023 compared with 2022, as well as a reduction in costs of related to managing elevated inventory levels levels.

In 2023, we experienced a significant decrease in freight costs due to a decline in freight rates compared to 2022. We have also experienced lower digital fulfillment costs due to a decrease in digital sales and an increased working capital investment. These factors, net mix of digital sales fulfilled through lower-cost same-day services.

We continue to experience higher inventory shrink, as a percentage of sales, relative to historical levels — including significantly higher shrink rates at certain stores. We believe that this trend is pervasive across the retail industry. Increased shrink has had, and if current trends persist will continue to have, an adverse impact on our results of retail price increases taken to address merchandise and freight cost inflation, resulted in decreased profitability compared operations, including impairment of our long-lived assets. [Note 11](#) to the prior year. Financial Statements provides more information on impairment charges, including those related to store closures.

The Gross Margin Rate analysis on [page 23](#) [page 26](#) and Inventory section on [page 27](#) [page 30](#) provide additional information.

Sale of Dermstore

In February 2021, we sold Dermstore LLC (Dermstore) for \$356 million in cash and recognized a \$335 million pretax gain, which is included in Net Other (Income) / Expense. Dermstore represented less than 1 percent of our consolidated revenues, operating income and net assets.

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Analysis of Results of Operations

Summary of Operating Income (dollars in millions)	Summary of Operating Income						Summary of Operating Income					
				Percent Change						Percent Change		
	2022	2021	2020	2022/2021	2021/2020	(dollars in millions)	2023 (a)	2022	2021	2023/2022	2022/2021	
Sales	Sales	\$107,588	\$104,611	\$92,400	2.8 %	13.2 %	Sales	\$105,803	\$107,588	\$104,611	(1.7) %	2.8 %
Other revenue	Other revenue	1,532	1,394	1,161	9.8	20.2						
Total revenue	Total revenue	109,120	106,005	93,561	2.9	13.3						
Cost of sales	Cost of sales	82,229	74,963	66,177	9.7	13.3						
SG&A expenses	SG&A expenses	20,658	19,752	18,615	4.6	6.1						
Depreciation and amortization (exclusive of depreciation included in cost of sales)	Depreciation and amortization (exclusive of depreciation included in cost of sales)	2,385	2,344	2,230	1.8	5.1						
Operating income	Operating income	\$ 3,848	\$ 8,946	\$ 6,539	(57.0) %	36.8 %	Operating income	\$ 5,707	\$ 3,848	\$ 8,946	48.3 %	48.3 % (57.0) %

(a) 2023 consisted of 53 weeks compared with 52 weeks in 2022 and 2021.

Rate Analysis	Rate Analysis	Rate Analysis						2023	2022	2021
		2022	2021	2020						
Gross margin rate	Gross margin rate	23.6 %	28.3 %	28.4 %	Gross margin rate			26.5 %	23.6 %	28.3 %
SG&A expense rate	SG&A expense rate	18.9	18.6	19.9						

Depreciation and amortization (exclusive of depreciation included in cost of sales) expense rate	Depreciation and amortization (exclusive of depreciation included in cost of sales) expense rate	2.2	2.2	2.4
Operating income margin rate	Operating income margin rate	3.5	8.4	7.0

Note: Gross margin rate is calculated as gross margin (sales less cost of sales) divided by sales. All other rates are calculated by dividing the applicable amount by total revenue.

A discussion regarding Analysis of Results of Operations and Analysis of Financial Condition for 2021, 2022, as compared to 2020, 2021, is included in [Part II, Item 7, MD&A](#) to our Annual Report on Form 10-K for the year ended [January 29, 2022](#) [January 28, 2023](#).



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Sales

Sales include all merchandise sales, net of expected returns, and our estimate of gift card breakage. [Note 3](#) to the Financial Statements defines gift card "breakage." We use comparable sales to evaluate the performance of our stores and digital channel sales by measuring the change in sales for a period over the comparable, prior-year period of equivalent length. Comparable sales include all sales, except sales from stores open less than 13 months, digital acquisitions we have owned less than 13 months, stores that have been closed, and digital acquisitions that we no longer operate. Comparable sales measures vary across the retail industry. As a result, our comparable sales calculation is not necessarily comparable to similarly titled measures reported by other companies. Digitally originated sales include all sales initiated through mobile applications and our websites. Our stores fulfill the majority of digitally originated sales, including shipment from stores to guests, store Order Pickup or Drive Up, and delivery via Shipt. Digitally originated sales may also be fulfilled through our distribution centers, our vendors, or other third parties.

Sales growth – from both comparable sales and new stores – represents an important driver of our long-term profitability. We expect that comparable sales growth will drive the majority of our total sales growth. We believe that our ability to successfully differentiate our guests' shopping experience through a careful combination of merchandise assortment, price, convenience, guest experience, and other factors will over the long-term drive both increasing shopping frequency (number of transactions, or "traffic") and the amount spent each visit (average transaction amount).

Comparable Sales	2022	2021	2020
Comparable sales change	2.2 %	12.7 %	19.3 %
Drivers of change in comparable sales			
Number of transactions (traffic)	2.1	12.3	3.7
Average transaction amount	0.1	0.4	15.0

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The extra week in 2023 contributed \$1,715 million to total sales.

Comparable Sales by Channel	2022	2021	2020
Stores originated comparable sales change	2.4 %	11.0 %	7.2 %
Digitally originated comparable sales change	1.5	20.8	144.7

Comparable Sales	2023	2022	2021
Comparable sales change	(3.7)%	2.2 %	12.7 %
Drivers of change in comparable sales			
Number of transactions (traffic)	(2.4)	2.1	12.3
Average transaction amount	(1.4)	0.1	0.4

Sales by Channel	2022	2021	2020
Stores originated	81.4 %	81.1 %	82.1 %
Digitally originated	18.6	18.9	17.9
Total	100 %	100 %	100 %

Comparable Sales by Channel	2023	2022	2021
Stores originated comparable sales change	(3.5)%	2.4 %	11.0 %
Digitally originated comparable sales change	(4.8)	1.5	20.8

Sales by Fulfillment Channel	2022	2021	2020
Stores	96.7 %	96.4 %	96.0 %
Other	3.3	3.6	4.0
Total	100 %	100 %	100 %

Sales by Channel	2023	2022	2021
Stores originated	81.7 %	81.4 %	81.1 %
Digitally originated	18.3	18.6	18.9
Total	100 %	100 %	100 %

Sales by Fulfillment Channel	2023	2022	2021
Stores	97.4 %	96.7 %	96.4 %
Other	2.6	3.3	3.6
Total	100 %	100 %	100 %

Note: Sales fulfilled by stores include in-store purchases and digitally originated sales fulfilled by shipping merchandise from stores to guests, Order Pickup, Drive Up, and Shipt.

[Part I, Item 1, Business of this Form 10-K](#) and [Note 3](#) to the Financial Statements provides additional product category sales information. The collective interaction of a broad array of macroeconomic, competitive, and consumer behavioral factors, as well as sales mix, and transfer of sales to new stores makes further analysis of sales metrics infeasible.

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TD Bank Group offers credit to qualified guests through Target-branded credit cards: the Target Credit Card and the Target MasterCard Credit Card (Target Credit Cards). Additionally, we offer a branded proprietary Target Debit Card and RedCard Reloadable Account. Collectively, we refer to these products as RedCards™. Guests receive a 5 percent discount on virtually all purchases when they use a RedCard at Target. We monitor the percentage of purchases that are paid for using RedCards (RedCard Penetration) because our internal analysis has indicated that a meaningful portion of incremental purchases on our RedCards are also incremental sales for Target. For the years ended [January 28, 2023](#) [February 3, 2024](#), [January 29, 2022](#) [January 28, 2023](#), and [January 30, 2021](#) [January 29, 2022](#), total RedCard Penetration was [18.6 percent](#), [19.8 percent](#), and [20.5 percent](#), and [21.5 percent](#), respectively. See the Customer Loyalty Programs section within Item 1, Business on [page 5](#) for information about the rebranding of RedCards.

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2022 Form 10-K

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Gross Margin Rate

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Our gross margin rate was [26.5 percent](#) in [2023](#) and [23.6 percent](#) in [2022](#) and [28.3 percent](#) in [2021](#). This decrease [2022](#). The increase reflected the net impact of

- merchandising pressure, benefit, including
 - higher lower freight costs; and
 - lower clearance and promotional markdown rates including and other costs compared with the prior-year, which included the impact of inventory impairments and other actions taken;
- lower digital fulfillment and supply chain costs due to
 - a decrease in our Discretionary categories; digital volume;
 - an increased mix of digital sales fulfilled through lower-cost same-day services; and
 - higher merchandise lower inventory levels; and freight costs, partially offset by the benefit of retail price increases;
- supply chain pressure related to increased compensation and headcount in our distribution centers, investments in new facilities, and costs of managing excess inventory;
- higher inventory shrink; and
- favorable mix in the relative growth rates of higher and lower margin categories. shrink.

Selling, General and Administrative (SG&A) Expense Rate

Our SG&A expense rate was 20.1 percent in 2023, compared with 18.9 percent in 2022, compared with 18.6 percent in 2021, reflecting the net impact of cost increases across our business, including investments in hourly team member wages, partially offset by pay and benefits, and the deleveraging impact of lower incentive compensation sales in 2022 2023 compared to the prior year.

TARGET CORPORATION  Bullseye 2023 Form 10-K

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Store Data

Change in Number of Stores	Change in Number of Stores	2023	2022
Beginning store count	Beginning store count	1,926	1,897
Opened	Opened	23	32
Closed	Closed	(1)	(3)
Ending store count	Ending store count	1,948	1,926
Ending store count	Ending store count		

Number of Stores and	Number of Stores and	Number of Stores	Retail Square Feet (a)

Retail Square Feet	Retail Square Feet	January 28, 2023	January 29, 2022	January 28, 2023	January 29, 2022	February 3, 2024	January 28, 2023	February 3, 2024	January 28, 2023
170,000 or more	170,000 or more								
sq. ft.	sq. ft.	274	274	48,985	49,071				
50,000 to	50,000 to								
169,999 sq. ft.	169,999 sq. ft.	1,527	1,516	191,241	190,205				
49,999 or less	49,999 or less								
sq. ft.	sq. ft.	147	136	4,358	4,008				
Total	Total	1,948	1,926	244,584	243,284				

(a) In thousands; reflects total square feet less office, distribution center, and vacant space.

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Other Performance Factors

Net Interest Expense

Net interest expense was \$502 million for 2023, compared with \$478 million for 2022, compared with \$421 million for 2021. The increase in net interest expense was primarily due to higher average debt levels and commercial paper levels the impact of higher floating interest rates on our interest rate swaps in 2022 2023 compared with 2021.

Net Other (Income) / Expense

Net Other (Income) / Expense was \$(48) million and \$(382) million for 2022, and 2021, respectively. 2021 included the \$335 million gain on the February 2021 sale of Dermstore, partially offset by an increase in interest income.

Provision for Income Taxes

Our 2022 2023 effective income tax rate was 18.7 21.9 percent compared with 22.0 18.7 percent in 2021, 2022. The decrease increase primarily reflects lower higher pretax earnings in the current year, and the impacts of as well as lower discrete tax benefits. Our effective tax rate is generally more volatile at lower amounts of pretax income because benefits related to share-based compensation compared to the impact of discrete, deductible and nondeductible tax items and credits is greater, prior year.

[Note 18](#) [19](#) to the Financial Statements provides additional information.

MANAGEMENT'S DISCUSSION AND ANALYSIS

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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Reconciliation of Non-GAAP Financial Measures to GAAP Measures

To provide additional transparency, we have disclosed non-GAAP adjusted diluted earnings per share (Adjusted EPS). This metric excludes certain items presented below. We believe this information is useful in providing period-to-period comparisons of the results of our operations. This measure is not in accordance with, or an alternative to, generally accepted accounting principles in the U.S. (GAAP). The most comparable GAAP measure is diluted earnings per share. Adjusted EPS should not be considered in isolation or as a substitution for analysis of our results as reported in accordance with GAAP. Other companies may calculate Adjusted EPS differently than we do, limiting the usefulness of the measure for comparisons with other companies.

Reconciliation of Non-GAAP	Reconciliation of Non-GAAP	Reconciliation of Non-GAAP													
		2022					2021					2020			
Adjusted EPS	Adjusted EPS	Net	Per	Net	Per	Net	Per	Net	Per	Net	Per	Net	Per	Net	Per
(millions, except per share data)	(millions, except per share data)	Pretax	Tax	Amounts	Pretax	Tax	Amounts	Pretax	Tax	Amounts	Pretax	(millions, except per share data)	Pretax	Tax	Amounts
GAAP diluted earnings per share	GAAP diluted earnings per share			\$ 5.98			\$ 14.10			\$ 8.64					
Adjustments	Adjustments														
Gain on Dermstore Sale	Gain on Dermstore Sale	\$ —	\$ —	\$ —	\$ (335)	\$ (269)	\$ (0.55)	\$ —	\$ —	\$ —	\$ —				
Loss on debt extinguishment		—	—	—	—	—	—	512	379	0.75					
Loss on investment ^(a)		—	—	—	—	—	—	19	14	0.03					
Gain on Dermstore Sale															
Gain on Dermstore Sale															
Other ^(b)	Other ^(b)	20	15	0.03	9	7	0.01	28	20	0.04					
Income tax matters ^(c)		—	—	—	—	—	—	—	(21)	(0.04)					
Other ^(b)															
Other ^(b)															
Adjusted diluted earnings per share	Adjusted diluted earnings per share			\$ 6.02			\$ 13.56			\$ 9.42					
Adjusted diluted earnings per share															
Adjusted diluted earnings per share															

Note: Amounts may not foot due to rounding.

(a) Represents a loss on our investment 2023 consisted of 53 weeks compared with 52 weeks in Casper Sleep Inc., which is not core to our operations. 2022 and 2021.

(b) Other items unrelated to current period operations, none of which were individually significant.

Represents benefits from the resolution of certain income tax matters unrelated to current period operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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Earnings before interest expense and income taxes (EBIT) and earnings before interest expense, income taxes, depreciation, and amortization (EBITDA) are non-GAAP financial measures. We believe these measures provide meaningful information about our operational efficiency compared with our competitors by excluding the impact of differences in tax jurisdictions and structures, debt levels, and for EBITDA, capital investment. These measures are not in accordance with, or an alternative to, GAAP. The most comparable GAAP measure is net earnings. EBIT and EBITDA should not be considered in isolation or as a substitution for analysis of our results as reported in accordance with GAAP. Other companies may calculate EBIT and EBITDA differently, limiting the usefulness of the measures for comparisons with other companies.

EBIT and EBITDA (dollars in millions)	EBIT and EBITDA (dollars in millions)		Percent Change		EBIT and EBITDA (dollars in millions)		Percent Change	
	2022	2021	2020	2022/2021 2021/2020	2023 (a)	2022	2021	2023/2022 2022/2021
Net earnings	Net earnings	\$ 2,780	\$ 6,946	\$ 4,368 (60.0) % 59.0 %	Net earnings	\$ 4,138	\$ 2,780	\$ 6,946 48.8 % 48.8 % (60.0) %
+ Provision for income taxes	+ Provision for income taxes	638	1,961	1,178 (67.5) 66.5				
+ Net interest expense	+ Net interest expense	478	421	977 13.4 (56.9)				
EBIT	EBIT	\$ 3,896	\$ 9,328	\$ 6,523 (58.2) % 43.0 %	EBIT	\$ 5,799	\$ 3,896	\$ 9,328 48.8 % 48.8 % (58.2) %
+ Total depreciation and amortization (a)	2,700	2,642	2,485	2.2 6.3				
+ Total depreciation and amortization (b)								
EBITDA	EBITDA	\$ 6,596	\$ 11,970	\$ 9,008 (44.9) % 32.9 %	EBITDA	\$ 8,600	\$ 6,596	\$ 11,970 30.4 % 30.4 % (44.9) %

(a) 2023 consisted of 53 weeks compared with 52 weeks in 2022 and 2021.

(b) Represents total depreciation and amortization, including amounts classified within Depreciation and Amortization and within Cost of Sales.

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RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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We have also disclosed after-tax ROIC, which is a ratio based on GAAP information, with the exception of the add-back of operating lease interest to operating income. We believe this metric is useful in assessing the effectiveness of our capital allocation over time. Other companies may calculate ROIC differently, limiting the usefulness of the measure for comparisons with other companies.

After-Tax Return on Invested Capital (dollars in millions)	After-Tax Return on Invested Capital (dollars in millions)	Trailing Twelve Months		
(dollars in millions)		Trailing Twelve Months		
(dollars in millions)		Trailing Twelve Months		
		Trailing Twelve Months		
		Trailing Twelve Months		
Numerator				
Numerator				
Numerator	Numerator	January 28, 2023	January 29, 2022	
Operating income	Operating income	\$ 3,848	\$ 8,946	
+ Net other income / (expense)		48	382	
Operating income				
Operating income				
+ Net other income				
+ Net other income				
+ Net other income				
EBIT	EBIT	3,896	9,328	
+ Operating lease interest ^(a)		93	87	
- Income taxes ^(b)		744	2,073	
EBIT				
EBIT				
+ Operating lease interest ^(b)				
+ Operating lease interest ^(b)				
+ Operating lease interest ^(b)				
- Income taxes ^(c)				
- Income taxes ^(c)				
- Income taxes ^(c)				
Net operating profit after taxes	Net operating profit after taxes	\$ 3,245	\$ 7,342	
Net operating profit after taxes				
Net operating profit after taxes				
Denominator	Denominator	January 28, 2023	January 29, 2022	January 30, 2021
Denominator	Denominator	January 28, 2023	January 29, 2022	January 30, 2021
Denominator	Denominator			
			Denominator	
			February 3, 2024	
				January 28, 2023
				January 29, 2022

Current portion of long-term debt and other borrowings	Current portion of long-term debt and other borrowings	\$ 130	\$ 171	\$ 1,144
+ Noncurrent portion of long-term debt	+ Noncurrent portion of long-term debt	16,009	13,549	11,536
+ Shareholders' investment	+ Shareholders' investment	11,232	12,827	14,440
+ Operating lease liabilities (c)		2,934	2,747	2,429
+ Operating lease liabilities (d)				
- Cash and cash equivalents	- Cash and cash equivalents	2,229	5,911	8,511
Invested capital	Invested capital	\$28,076	\$23,383	\$21,038
Average invested capital		\$25,729	\$22,210	
Average invested capital (e)				
After-tax return on invested capital				12.6 % 33.1 %
After-tax return on invested capital				16.1 % 12.6 %

(a) 2023 consisted of 53 weeks compared with 52 weeks in the prior-year period.

(b) Represents the add-back to operating income driven by the hypothetical interest expense we would incur if the property under our operating leases were owned or accounted for as finance leases. Calculated using the discount rate for each lease and recorded as a component of rent expense within SG&A Expenses. Operating lease interest is added back to operating income in the ROIC calculation to control for differences in capital structure between us and our competitors.

(b) (c) Calculated using the effective tax rates, which were 18.7 21.9 percent and 22.0 18.7 percent for the trailing twelve months ended January 28, 2023 February 3, 2024, and January 29, 2022 January 28, 2023, respectively. For the trailing twelve months ended January 28, 2023 February 3, 2024, and January 29, 2022 January 28, 2023, includes tax effect of \$0.7 billion \$1.3 billion and \$2.1 billion \$0.7 billion, respectively, related to EBIT, and \$17 million \$26 million and \$19 million \$17 million, respectively, related to operating lease interest.

(c) (d) Total short-term and long-term operating lease liabilities included within Accrued and Other Current Liabilities and Noncurrent Operating Lease Liabilities, respectively.

(d) (e) Average based on the invested capital at the end of the current period and the invested capital at the end of the comparable prior period.

Analysis of Financial Condition

Liquidity and Capital Resources

Capital Allocation

We follow a disciplined and balanced approach to capital allocation based on the following priorities, ranked in order of importance: first, we fully invest in opportunities to profitably grow our business, create sustainable long-term value, and maintain our current operations and assets; second, we maintain a competitive quarterly dividend and seek to grow it annually; and finally, we return any excess cash to shareholders by repurchasing shares within the limits of our credit rating goals.

Our year-end cash and cash equivalents balance decreased increased to \$3.8 billion from \$2.2 billion from \$5.9 billion in 2021. 2022. Our cash and cash equivalents balance includes short-term investments of \$1.3 billion \$2.9 billion and \$5.0 billion \$1.3 billion as of January 28, 2023 February 3, 2024, and January 29, 2022 January 28, 2023, respectively. Our investment policy is designed to preserve principal and liquidity of our short-term investments. This policy allows investments in large money market funds or in highly rated direct short-term instruments that mature in 60 days or less. We also place dollar limits on our investments in individual funds or instruments.

Operating Cash Flows

Cash flows provided by operating activities were \$8.6 billion in 2023 compared with \$4.0 billion in 2022 compared with \$8.6 billion in 2021. 2022. For 2022. 2023, operating cash flows decreased increased as a result of lower higher net earnings and an improvement in working capital, including lower accounts payable leverage, partially offset by decreased inventory investment, levels, compared with 2021. 2022.

Inventory

Year-end inventory was \$13.5 billion \$11.9 billion, compared with \$13.9 billion \$13.5 billion in 2021. 2022. The decrease in inventory levels primarily reflects the following:

- decreased improvements in the supply chain, including on-time arrivals and reduced in-transit and late-arriving inventory, as lead times improved,
- investments in our alignment of inventory position in our Frequency categories, offsetting reductions in our Discretionary categories, levels with sales trends, and
- increases cost decreases, primarily due to lower freight rates in unit costs across all of our categories. 2023 compared to 2022.

The Business Environment section on [page 20](#) 23 provides additional information.

Capital Expenditures

Note: Amounts may not foot due to rounding.

Capital expenditures increased in 2022 from the prior year as we invested 2023 reflect investments in our strategic initiatives, including an increase in investments in both stores and in our supply chain. The increase also reflects the impact of inflation on these projects. Beyond We completed 65 full-store remodels we invested in optimizing front-end space in high-volume locations to increase the efficiency of our Same-Day Services, and built-out during 2023 and opened approximately 250 140 Ulta Beauty shop-in-shops. We have completed over 1,000 1,100 full-store remodels since the launch of the current program in 2017, including 140 in 2022. 2017.

In addition to these cash investments, we entered into leases related to new stores in 2023, 2022, 2021, and 2020 2021 with total future minimum lease payments of \$319 million \$122 million, \$401 million \$319 million, and \$764 million \$401 million, respectively, and new leases related to our supply chain with total future minimum lease payments of \$1.6 billion \$21 million, \$226 million \$1.6 billion, and \$442 million \$226 million, respectively.

We expect capital expenditures in 2023 2024 of approximately \$3.0 billion to \$4.0 billion to \$5.0 billion to support full-store new stores, remodels and other existing store investments, new stores, and supply chain projects. Supply chain projects will add replenishment capacity and modernize our network, including the use of sortation centers to enhance our last-mile delivery capabilities. We expect to complete approximately 70 full-store remodels, open about 20 new stores and add additional Ulta Beauty shop-in-shops during 2023. Additionally, we will continue to invest in optimizing front-end space. 2024. We also expect to continue to invest in new store and supply chain leases.

Dividends

We paid dividends totaling \$2.0 billion (\$4.36 per share) in 2023 and \$1.8 billion (\$3.96 per share) in 2022, and \$1.5 billion (\$3.16 per share) in 2021, a per share increase of 25.3 10.1 percent. We declared dividends totaling \$2.1 billion (\$4.38 per share) in 2023 and \$1.9 billion (\$4.14 per share) in 2022, and \$1.7 billion (\$3.38 per share) in 2021, a per share increase of 22.5 5.8 percent. We have paid dividends every quarter since our 1967 initial public offering and it is our intent to continue to do so in the future.

Share Repurchases

We did not repurchase any shares during 2023. During 2022 and 2021 we returned \$2.6 billion and \$7.2 billion, respectively, to shareholders through share repurchase. See [Part II, Item 5, Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities](#) of this Annual Report on Form 10-K and [Note 20 21](#) to the Financial Statements for more information.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Financing

Our financing strategy is to ensure liquidity and access to capital markets, to maintain a balanced spectrum of debt maturities, and to manage our net exposure to floating interest rate volatility. Within these parameters, we seek to minimize our borrowing costs. Our ability to access the long-term debt and commercial paper markets has provided us with ample sources of liquidity. Our continued access to these markets depends on multiple factors, including the condition of debt capital markets, our operating performance, and maintaining strong credit ratings. As of [January 28, 2023](#) [February 3, 2024](#), our credit ratings were as follows:

Credit Ratings	Moody's	Standard and Poor's	Fitch
Long-term debt	A2	A	A
Commercial paper	P-1	A-1	F1

If our credit ratings were lowered, our ability to access the debt markets, our cost of funds, and other terms for new debt issuances could be adversely impacted. Each of the credit rating agencies reviews its rating periodically and there is no guarantee our current credit ratings will remain the same as described above.

We have the ability to obtain short-term financing from time to time under our commercial paper program and credit facilities. In 2022, we issued \$2.7 billion of debt, and we repaid \$62 million of debt at maturity.

In 2022, October 2023, we obtained a new committed \$1.0 billion \$1.0 billion 364-day unsecured revolving credit facility that will expire in October 2023, 2024 and terminated our prior 364-day credit facility. We also extended exercised our option to extend our existing committed \$3.0 billion five-year unsecured revolving credit facility, which has a maximum committed capacity of \$3.0 billion and now expires in October 2027, 2028. Both credit facilities backstop our commercial paper program. No balances were outstanding under either credit facility at any time during 2022, 2023 or 2021, 2022. We did not have any balances outstanding under our commercial paper program as of February 3, 2024 or January 28, 2023.

Most of our long-term debt obligations contain covenants related to secured debt levels. In addition to a secured debt level covenant, our credit facilities also contain a debt leverage covenant. We are, and expect to remain, in compliance with these covenants. Additionally, as of January 28, 2023 February 3, 2024, no notes or debentures contained provisions requiring acceleration of payment upon a credit rating downgrade, except that certain outstanding notes allow the note holders to put the notes to us if within a matter of months of each other we experience both (i) a change in control and (ii) our long-term credit ratings are either reduced and the resulting rating is non-investment grade, or our long-term credit ratings are placed on watch for possible reduction and those ratings are subsequently reduced and the resulting rating is non-investment grade.

[Note 15, 16](#) to the Financial Statements provides additional information.

Future Cash Requirements

We enter into contractual obligations in the ordinary course of business that may require future cash payments. Such obligations include, but are not limited to, purchase commitments, debt service, leasing arrangements, and liabilities related to deferred compensation and pensions. The [Notes to the Consolidated Financial Statements](#) provide additional information.

We believe our sources of liquidity, namely operating cash flows, credit facility capacity, and access to capital markets, will continue to be adequate to meet our contractual obligations, working capital and capital expenditure requirements, finance anticipated expansion and strategic initiatives, fund debt maturities, pay dividends, and execute purchases under our share repurchase program for the foreseeable future.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with GAAP, which requires us to make estimates and apply judgments that affect the reported amounts. In the [Notes to the Consolidated Financial Statements](#), we describe the significant accounting policies used in preparing the consolidated financial statements. Our management has discussed the development, selection, and disclosure of our critical accounting estimates with the Audit & Risk Committee of our Board of Directors. The following items require significant estimation or judgment:

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Inventory and cost of sales: The vast majority of our inventory is accounted for under the retail inventory accounting method using the last-in, first-out method (LIFO). Our inventory is valued at the lower of LIFO cost or market. We reduce inventory for estimated losses related to shrink and markdowns. Our shrink estimate is based on historical losses verified by and is adjusted to reflect results of actual physical inventory counts. We generally perform counts at each location annually, with counts taking place throughout the year. A 10% increase in our year-end inventory shrink reserve would increase cost of sales by approximately \$150 million. Historically, our actual physical inventory count results have shown our estimates to be reliable, reasonably accurate. Market

adjustments for markdowns are recorded when the salability of the merchandise has diminished. Salability can be impacted by consumer preferences and seasonality, among other factors. We believe the risk of inventory obsolescence is largely mitigated because our inventory typically turns in less than three months. Inventory was **\$13.5 billion** **\$11.9 billion** and **\$13.9 billion** **\$13.5 billion** as of **January 28, 2023** **February 3, 2024**, and **January 29, 2022** **January 28, 2023**, respectively, and is further described in [Note 9](#) to the Financial Statements.

Vendor income: We receive various forms of consideration from our vendors (vendor income), principally earned as a result of volume rebates, markdown allowances, promotions, and advertising allowances. Substantially all vendor income is recorded as a reduction of cost of sales. Vendor income earned can vary based on a number of factors, including purchase volumes, sales volumes, and our pricing and promotion strategies.

We establish a receivable for vendor income that is earned but not yet received. Based on historical trending and data, this receivable is computed by forecasting vendor income collections and estimating the amount earned. The majority of the year-end vendor income receivables are collected within the following fiscal quarter, and we do not believe there is a reasonable likelihood that the assumptions used in our estimate will change significantly. Historically, adjustments to our vendor income receivable have not been material. Vendor income receivable was **\$526 million** **\$513 million** and **\$518 million** **\$526 million** as of **January 28, 2023** **February 3, 2024**, and **January 29, 2022** **January 28, 2023**, respectively. Vendor income is described further in [Note 5](#) to the Financial Statements.

Long-lived assets: Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The evaluation is performed primarily at the store level. An impairment loss is recognized when estimated undiscounted future cash flows from the operation and/or eventual disposition of the asset or asset group is less than its carrying amount, and is measured as the excess of its carrying amount over fair value. We estimate fair value by obtaining market appraisals, obtaining valuations from third-party brokers, or using other valuation techniques. We recorded impairments of **\$66 million** **\$102 million**, **\$87 million** **\$66 million**, and **\$62 million** **\$87 million** in **2023**, **2022**, **2021**, and **2020**, **2021**, respectively, which are described further in [Note 11](#) to the Financial Statements.

Insurance/self-insurance: We retain a substantial portion of the risk related to certain general liability, workers' compensation, property loss, and team member medical and dental claims. However, we maintain stop-loss coverage to limit the exposure related to certain risks. Liabilities associated with these losses include estimates of both claims filed and losses incurred but not yet reported. We use actuarial methods which consider a number of factors to estimate our ultimate cost of losses. General liability and workers' compensation liabilities are recorded based on our estimate of their net present value; other liabilities referred to above are not discounted. Our workers' compensation and general liability accrual was **\$560 million** **\$650 million** and **\$519 million** **\$560 million** as of **January 28, 2023** **February 3, 2024**, and **January 29, 2022** **January 28, 2023**, respectively. We believe that the amounts accrued are appropriate; however, our liabilities could be significantly affected if future occurrences or loss developments differ from our assumptions. For example, a 5 percent increase or decrease in average claim costs would have impacted our self-insurance expense by **\$28** **\$33 million** in **2022**, **2023**. Historically, adjustments to our estimates have not been material. Refer to [Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk](#), for further disclosure of the market risks associated with these exposures. We maintain insurance coverage to limit our exposure to certain events, including network security matters.

TARGET CORPORATION



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ANALYSIS OF FINANCIAL CONDITION & NEW ACCOUNTING PRONOUNCEMENTS

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Income taxes: We pay income taxes based on the tax statutes, regulations, and case law of the various jurisdictions in which we operate. Significant judgment is required in determining the timing and amounts of deductible and taxable items, and in evaluating the ultimate resolution of tax matters in dispute with tax authorities. The benefits of uncertain tax positions are recorded in our financial statements only after determining it is likely the uncertain tax positions would withstand challenge by taxing authorities. We periodically reassess these probabilities and record any changes in the financial statements as appropriate. Gross uncertain tax positions, including interest and penalties, were **\$241 million** **\$366 million** and **\$138 million** **\$241 million** as of **January 28, 2023** **February 3, 2024**, and **January 29, 2022** **January 28, 2023**, respectively. We believe the resolution of these matters will not materially affect our consolidated financial statements. Income taxes are described further in [Note 18](#) [19](#) to the Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS**ANALYSIS OF FINANCIAL CONDITION & NEW ACCOUNTING PRONOUNCEMENTS****Index to Financial Statements**

Pension accounting: We maintain a funded qualified defined benefit pension plan, as well as nonqualified and international pension plans that are generally unfunded, for certain current and **retired former** team members. The costs for these plans are determined based on actuarial calculations using the assumptions described in the following paragraphs. Eligibility and the level of benefits vary depending on each team member's full-time or part-time status, date of hire, age, length of service, and/or compensation. The benefit obligation and related expense for these plans are determined based on actuarial calculations using assumptions about the expected long-term rate of return, the discount rate, compensation growth rates, mortality, and retirement age. These assumptions, with adjustments made for any significant plan or participant changes, are used to determine the period-end benefit obligation and establish expense for the next year.

Our **2022** **2023** expected long-term rate of return on plan assets of **5.60** **6.50** percent was determined by the portfolio composition, historical long-term investment performance, and current market conditions. A 1 percentage point decrease in our expected long-term rate of return would increase annual expense by **\$42** **\$41** million.

The discount rate used to determine benefit obligations is adjusted annually based on the interest rate for long-term high-quality corporate bonds, using yields for maturities that are in line with the duration of our pension liabilities. Our benefit obligation and related expense will fluctuate with changes in interest rates. A 1 percentage point decrease in the weighted average discount rate would increase annual expense by **\$59** **\$36** million.

Based on our experience, we use a graduated compensation growth schedule that assumes higher compensation growth for younger, shorter-service pension-eligible team members than it does for older, longer-service pension-eligible team members.

Pension benefits are further described in [Note 23](#) [24](#) to the Financial Statements.

Legal and other contingencies: We believe the accruals recorded in our consolidated financial statements properly reflect loss exposures that are both probable and reasonably estimable. We do not believe any of the currently identified claims or litigation will materially affect our results of operations, cash flows, or financial condition. However, litigation is subject to inherent uncertainties, and unfavorable rulings could occur. If an unfavorable ruling were to occur, it may cause a material adverse impact on the results of operations, cash flows, or financial condition for the period in which the ruling occurs, or future periods. Refer to [Note 14](#) [15](#) to the Financial Statements for further information on contingencies.

New Accounting Pronouncements

We do not expect that any recently issued accounting pronouncements will have a material effect on our financial statements.

Forward-Looking Statements

This report contains forward-looking statements, which are based on our current assumptions and expectations. These statements are typically accompanied by the words "aim," "anticipate," "believe," "could," "expect," "may," "could," "might," "believe," "seek," "will," "would," "might," "anticipates," or similar words. The principal forward-looking statements in this report include statements regarding our future financial and operational performance, statements regarding our strategy for growth, the adequacy of and costs associated with our sources of liquidity, the funding of debt maturities, the execution of our share repurchase program, our expected capital expenditures and new lease commitments, the expected compliance with debt covenants, the expected impact of new accounting pronouncements, our intentions regarding future dividends, the expected contributions and payments related to our pension plan, the expected return on plan assets, the expected timing and recognition of compensation expenses, the adequacy of our reserves for general liability, workers' compensation, and property loss, the expected outcome of, and adequacy of our reserves for, claims, litigation, and the resolution of tax matters, our expectations regarding our contractual obligations, liabilities, and vendor income, the expected ability to recognize deferred tax assets and liabilities and the timing of such recognition, our expectations regarding arrangements with our partners, and changes in our assumptions and expectations.

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 included in [Part I, Item 1A, Risk Factors](#) to this Form 10-K, 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.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

As of [January 28, 2023](#) [February 3, 2024](#), our exposure to market risk was primarily from interest rate changes on our debt obligations and short-term investments, some of which are at a [London Interbank Offered Secured Overnight Financing Rate \(LIBOR\) \(SOFR\)](#). Our interest rate exposure is primarily due to differences between our floating rate debt obligations compared to our floating rate short-term investments. As of [January 28, 2023](#) [February 3, 2024](#), our floating rate debt exceeded our floating rate short-term investments exceeded our floating rate debt by approximately [\\$1.2 billion](#), [\\$450 million](#). Based on our balance sheet position as of [January 28, 2023](#) [February 3, 2024](#), the annualized effect of a [0.11](#) percentage point increase in floating interest rates on our floating rate debt obligations, short-term investments, net of our floating rate short-term investments, debt obligations, would decrease increase our earnings before income taxes by [\\$1](#) [\\$5](#) million. In general, we expect our floating rate debt to exceed our floating rate short-term investments over time, but that may vary in different interest rate and economic environments. See further description of our debt and derivative instruments in [Notes 15](#) [16](#) and [16](#) [17](#) to the Financial Statements.

[The United Kingdom's Financial Conduct Authority has announced the intent to phase out LIBOR by June 2023. We do not expect the phase out to materially impact our financial statements, liquidity, or access to capital markets.](#)

We record our general liability and workers' compensation liabilities at net present value; therefore, these liabilities fluctuate with changes in interest rates. Based on our balance sheet position as of [January 28, 2023](#) [February 3, 2024](#), the annualized effect of a 0.5 percentage point increase/(decrease) in interest rates would increase/(decrease) earnings before income taxes by \$7 million.

In addition, we are exposed to market return fluctuations on our qualified defined benefit pension plan. The value of our pension liabilities is inversely related to changes in interest rates. A 1 percentage point decrease in the weighted average discount rate would increase annual expense by [\\$59 million](#) [\\$36 million](#). To protect against declines in interest rates, we hold high-quality, long-duration bonds and derivative instruments in our pension plan trust. As of [January 28, 2023](#) [February 3, 2024](#), we had hedged 70 percent of the interest rate exposure of our plan liabilities.

As more fully described in [Note 22](#) [23](#) to the Financial Statements, we are exposed to market returns on accumulated team member balances in our nonqualified, unfunded deferred compensation plans. We control the risk of offering the nonqualified plans by making investments in life insurance contracts and prepaid forward contracts on our own common stock that substantially offset our economic exposure to the returns on these plans.

There have been no other material changes in our primary risk exposures or management of market risks since the prior year.

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Management is responsible for the consistency, integrity, and presentation of the information in the Annual Report. The consolidated financial statements and other information presented in this Annual Report have been prepared in accordance with accounting principles generally accepted in the United States and include necessary judgments and estimates by management.

To fulfill our responsibility, we maintain comprehensive systems of internal control designed to provide reasonable assurance that assets are safeguarded and transactions are executed in accordance with established procedures. The concept of reasonable assurance is based upon recognition that the cost of the controls should not exceed the benefit derived. We believe our systems of internal control provide this reasonable assurance.

The Board of Directors exercised its oversight role with respect to the Corporation's systems of internal control primarily through its Audit & Risk Committee, which is comprised of independent directors. The Committee oversees the Corporation's systems of internal control, accounting practices, financial reporting and audits to assess whether their quality, integrity, and objectivity are sufficient to protect shareholders' investments.

In addition, our consolidated financial statements have been audited by Ernst & Young LLP, independent registered public accounting firm, whose report also appears on this page.

/s/ Brian C. Cornell

Brian C. Cornell
Chair of the Board and Chief Executive Officer

/s/ Michael J. Fiddelke

Michael J. Fiddelke
Executive Vice President and
and Chief Operating Officer and Chief Financial Officer

March 8, 2023 March 13, 2024

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Target Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Target Corporation (the Corporation) as of **January 28, 2023** **February 3, 2024** and **January 29, 2022** **January 28, 2023**, the related consolidated statements of operations, comprehensive income, **shareholders' investment and cash flows** and **shareholders' investment** for each of the three years in the period ended **January 28, 2023** **February 3, 2024**, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation at **January 28, 2023** **February 3, 2024** and **January 29, 2022** **January 28, 2023**, and the results of its operations and its cash flows for each of the three years in the period ended **January 28, 2023** **February 3, 2024**, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Corporation's internal control over financial reporting as of **January 28, 2023** **February 3, 2024**, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated **March 8, 2023** **March 13, 2024** expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on the Corporation's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Corporation in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters Matter

The critical audit **matters** **matter** communicated below **are** **matters** **is** **a** **matter** arising from the current period audit of the financial statements that **were** **was** communicated or required to be communicated to the audit committee and that: (1) **relate** **relates** to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of **the** **critical audit** **matters** **matter** does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit **matters** **matter** below, providing a separate **opinions** **opinion** on the critical audit **matters** **matter** or on the accounts or disclosures to which **they** **relate**, **it** **relates**.

Valuation of Inventory and related Cost of Sales**Description of the Matter**

At January 28, 2023, the Corporation's inventory was \$13,499 million. As described in Note 9 to the consolidated financial statements, the Corporation accounts for the vast majority of its inventory under the retail inventory accounting method (RIM) using the last-in, first-out (LIFO) method. RIM is an averaging method that has been widely used in the retail industry due to its practicality. Under RIM, inventory cost and the resulting gross margins are calculated by applying a cost-to-retail ratio to the inventory retail value.

Auditing inventory requires extensive audit effort including significant involvement of more experienced audit team members, including the involvement of our information technology (IT) professionals, given the relatively higher level of automation impacting the inventory process including the involvement of multiple information systems used to capture the high volume of transactions processed by the Corporation. Further, the inventory process is supported by a number of automated and IT dependent controls that elevate the importance of the IT general controls that support the underlying information systems utilized to process transactions.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Corporation's inventory process, including the underlying IT general controls. For example, we tested automated controls performed by the Corporation's information systems and controls over the completeness of data transfers between information systems used in performing the Corporation's RIM calculation. Our audit procedures included, among others, testing the processing scenarios of the automated controls by evaluating configuration settings and performing a transaction walkthrough for each scenario.

Our audit procedures also included, among others, testing the key inputs into the RIM calculation, including purchases, sales, shortage, and price changes (markdowns) by comparing the key inputs back to source information such as third-party vendor invoices, third-party inventory count information and cash receipts. We also performed analytical procedures. For example, we performed predictive markdown analytics based on inquiries held with members of the merchant organization to assess the level of price changes within each category. In addition, we tested the existence of inventories by observing physical inventory counts for a sample of stores and distribution centers.

Valuation of Vendor Income Receivable**Description of the Matter**

At **January 28, 2023** **February 3, 2024**, the Corporation's vendor income receivable totaled **\$526 million** **\$513 million**. As discussed in Note 5 of the consolidated financial statements, the Corporation receives consideration for a variety of vendor-sponsored programs, which are primarily recorded as a reduction of cost of sales when earned. The Corporation records a receivable for amounts earned but not yet received.

Auditing the Corporation's calculation of vendor income receivable was complex especially challenging due to the estimation inputs required in measuring the receivable. The estimate was sensitive to significant assumptions, such as vendor receivable model, which include, among others, forecasted vendor income collections and estimating the time period over which the collections have been earned, which is primarily based on historical trending earned. As a result of the high volume of transactions processed by the Corporation and data used in estimating these inputs, auditing the vendor income receivable requires extensive audit effort to address the completeness and accuracy of the information used in the receivable model.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Corporation's vendor income receivable process, including controls over management's review of the significant assumptions inputs described above.

To test the estimated vendor income receivable, we performed audit procedures that included, among others, assessing testing the estimation methodology used by management completeness and evaluating the forecasted vendor income collections and the time period over which collections have been earned as accuracy of inputs used in the receivable estimation model. For model by verifying for a sample of the vendor rebates and concessions, we evaluated vendor-sponsored programs, the nature and source of the inputs used and the terms of the contractual agreements. We recalculated the amount of the vendor income earned based on the inputs and the terms of the contractual agreements. In addition, we recalculated the time period over which the vendor income collection collections had been earned to assess the accuracy of management's estimates. inputs used in the model. We also performed sensitivity analyses of significant assumptions inputs to evaluate the significance of changes in the receivable that would result from changes in assumptions. to the inputs. Finally, we performed audit procedures over the vendor income collections subsequent to the balance sheet date to support the vendor income receivable at year end.

/s/ Ernst & Young LLP

We have served as the Corporation's auditor since 1931.

Minneapolis, Minnesota
March 8, 2023 13, 2024

Report of Management on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we assessed the effectiveness of our internal control over financial reporting as of **January 28, 2023** **February 3, 2024**, based on the framework in *Internal Control—Integrated Framework* (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on our assessment, we conclude that the Corporation's internal control over financial reporting is effective based on those criteria.

Our internal control over financial reporting as of **January 28, 2023** **February 3, 2024**, has been audited by Ernst & Young LLP, the independent registered public accounting firm who has also audited our consolidated financial statements, as stated in their report which appears on this page.

/s/ Brian C. Cornell

Brian C. Cornell
Chair of the Board and Chief Executive Officer

/s/ Michael J. Fiddelke

Michael J. Fiddelke
Executive Vice President and
Chief Operating Officer and Chief Financial Officer

March 8, 2023 13, 2024

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Target Corporation

Opinion on Internal Control Over Financial Reporting

We have audited Target Corporation's internal control over financial reporting as of **January 28, 2023** **February 3, 2024**, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Target Corporation (the Corporation) maintained, in all material respects, effective internal control over financial reporting as of **January 28, 2023** **February 3, 2024**, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Corporation as of **January 28, 2023** **February 3, 2024** and **January 29, 2022** **January 28, 2023**, the related consolidated statements of operations, comprehensive income, **shareholders' investment and cash flows and shareholders' investment** for each of the three years in the period ended **January 28, 2023** **February 3, 2024**, and the related notes and our report dated **March 8, 2023** **March 13, 2024** expressed an unqualified opinion thereon.

Basis for Opinion

The Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the **Corporation's** **Corporation's** internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Corporation in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Minneapolis, Minnesota
March 8, 2023 13, 2024

Consolidated Statements of Operations

(millions, except per share data)	(millions, except per share data)	2022	2021	2020	(millions, except per share data)	2023	2022	2021
Sales	Sales	\$107,588	\$104,611	\$92,400				
Other revenue	Other revenue	1,532	1,394	1,161				
Total revenue	Total revenue	109,120	106,005	93,561				
Cost of sales	Cost of sales	82,229	74,963	66,177				
Selling, general and administrative expenses	Selling, general and administrative expenses	20,658	19,752	18,615				
Depreciation and amortization (exclusive of depreciation included in cost of sales)	Depreciation and amortization (exclusive of depreciation included in cost of sales)	2,385	2,344	2,230				
Operating income	Operating income	3,848	8,946	6,539				
Net interest expense	Net interest expense	478	421	977				
Net other (income) / expense		(48)	(382)	16				
Net other income								
Earnings before income taxes	Earnings before income taxes	3,418	8,907	5,546				
Provision for income taxes	Provision for income taxes	638	1,961	1,178				
Net earnings	Net earnings	\$ 2,780	\$ 6,946	\$ 4,368				
Basic earnings per share	Basic earnings per share	\$ 6.02	\$ 14.23	\$ 8.72				
Diluted earnings per share	Diluted earnings per share	\$ 5.98	\$ 14.10	\$ 8.64				
Weighted average common shares outstanding	Weighted average common shares outstanding				Weighted average common shares outstanding			
Basic	Basic	462.1	488.1	500.6				
Diluted	Diluted	464.7	492.7	505.4				

Antidilutive shares	Antidilutive shares	1.1	—	—
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Note: Per share amounts may not foot due to rounding. 2023 consisted of 53 weeks compared with 52 weeks in 2022 and 2021.

See accompanying [Notes to Consolidated Financial Statements](#).

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Consolidated Statements of Comprehensive Income

(millions)	(millions)	2022	2021	2020	(millions)	2023	2022	2021
Net earnings	Net earnings	\$2,780	\$6,946	\$4,368				
Other comprehensive income / (loss), net of tax								
Other comprehensive (loss) / income, net of tax								
Pension benefit liabilities	Pension benefit liabilities	(113)	152	102				
Currency translation adjustment and cash flow hedges	Currency translation adjustment and cash flow hedges	247	51	10				
Other comprehensive income		134	203	112				
Other comprehensive (loss) / income								
Comprehensive income	Comprehensive income	\$2,914	\$7,149	\$4,480				

Note: 2023 consisted of 53 weeks compared with 52 weeks in 2022 and 2021.

See accompanying [Notes to Consolidated Financial Statements](#).

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Consolidated Statements of Financial Position

(millions, except footnotes)	(millions, except footnotes)	January 28, 2023	January 29, 2022	(millions, except footnotes)	February 3, 2024	January 28, 2023
Assets						
Cash and cash equivalents	Cash and cash equivalents	\$ 2,229	\$ 5,911			
Inventory	Inventory	13,499	13,902			
Other current assets	Other current assets	2,118	1,760			
Total current assets	Total current assets	17,846	21,573			
Property and equipment	Property and equipment			Property and equipment		
Land	Land	6,231	6,164			
Buildings and improvements	Buildings and improvements	34,746	32,985			
Fixtures and equipment	Fixtures and equipment	7,439	6,407			
Computer hardware and software	Computer hardware and software	3,039	2,505			
Construction- in-progress	Construction- in-progress	2,688	1,257			
Accumulated depreciation	Accumulated depreciation	(22,631)	(21,137)			
Property and equipment, net	Property and equipment, net	31,512	28,181			
Operating lease assets	Operating lease assets	2,657	2,556			
Other noncurrent assets	Other noncurrent assets	1,320	1,501			
Total assets	Total assets	\$53,335	\$53,811			
Liabilities and shareholders' investment						
Accounts payable	Accounts payable	\$13,487	\$15,478			
Accrued and other current liabilities	Accrued and other current liabilities	5,883	6,098			
Current portion of long-term debt and other borrowings	Current portion of long-term debt and other borrowings	130	171			

Total current liabilities	Total current liabilities	19,500	21,747
Long-term debt and other borrowings	Long-term debt and other borrowings	16,009	13,549
Noncurrent operating lease liabilities	Noncurrent operating lease liabilities	2,638	2,493
Deferred income taxes	Deferred income taxes	2,196	1,566
Other noncurrent liabilities	Other noncurrent liabilities	1,760	1,629
Total noncurrent liabilities	Total noncurrent liabilities	22,603	19,237
Shareholders' investment	Shareholders' investment		Shareholders' investment
Common stock	Common stock	38	39
Additional paid-in capital	Additional paid-in capital	6,608	6,421
Retained earnings	Retained earnings	5,005	6,920
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(419)	(553)
Total shareholders' investment	Total shareholders' investment	11,232	12,827
Total liabilities and shareholders' investment	Total liabilities and shareholders' investment	\$53,335	\$53,811

Common Stock Authorized 6,000,000,000 shares, \$0.0833 par value; 461,675,441 shares issued and outstanding as of February 3, 2024; 460,346,947 shares issued and outstanding as of January 28, 2023; 471,274,073 shares issued and outstanding as of January 29, 2022.

Preferred Stock Authorized 5,000,000 shares, \$0.01 par value; no shares were issued or outstanding during any period presented.

See accompanying [Notes to Consolidated Financial Statements](#).

Consolidated Statements of Cash Flows

(millions)	(millions)	2022	2021	2020	(millions)	2023	2022	2021
Operating activities								
Operating activities								
Net earnings	Net earnings	\$2,780	\$6,946	\$4,368				
Adjustments to reconcile net earnings to cash provided by operations:								
Depreciation and amortization								
Share-based compensation expense	Share-based compensation expense	2,700	2,642	2,485				
Deferred income taxes	Deferred income taxes	582	522	(184)				
Gain on Dermstore sale	Gain on Dermstore sale	—	(335)	—				
Loss on debt extinguishment	Loss on debt extinguishment	—	—	512				
Gain on Dermstore sale								
Gain on Dermstore sale								
Noncash losses / (gains) and other, net								
Noncash losses / (gains) and other, net								
Noncash losses / (gains) and other, net	Noncash losses / (gains) and other, net	172	67	86				
Changes in operating accounts:								
Inventory								
Inventory								
Inventory	Inventory	403	(3,249)	(1,661)				
Other assets	Other assets	22	(78)	(137)				
Accounts payable	Accounts payable	(2,237)	2,628	2,925				
Accrued and other liabilities	Accrued and other liabilities	(624)	(746)	1,931				

Cash provided by operating activities					
Cash provided by operating activities					
Cash provided by operating activities	Cash provided by operating activities	4,018	8,625	10,525	
Investing activities					
	Investing activities	Investing activities			
Expenditures for property and equipment	Expenditures for property and equipment	(5,528)	(3,544)	(2,649)	
Proceeds from disposal of property and equipment	Proceeds from disposal of property and equipment	8	27	42	
Proceeds from Dermstore sale	Proceeds from Dermstore sale	—	356	—	
Other investments	Other investments	16	7	16	
Other investments					
Other investments					
Cash required for investing activities					
Cash required for investing activities					
Cash required for investing activities	Cash required for investing activities	(5,504)	(3,154)	(2,591)	
Financing activities					
	Financing activities	Financing activities			
Additions to long-term debt	Additions to long-term debt	2,625	1,972	2,480	
Additions to long-term debt					
Additions to long-term debt					
Reductions of long-term debt	Reductions of long-term debt	(163)	(1,147)	(2,415)	
Dividends paid	Dividends paid	(1,836)	(1,548)	(1,343)	
Repurchase of stock	Repurchase of stock	(2,826)	(7,356)	(745)	

Shares withheld for taxes on share-based compensation						
Stock option exercises						
Stock option exercises						
Stock option exercises	Stock option exercises	4	8	23		
Cash required for financing activities	Cash required for financing activities	(2,196)	(8,071)	(2,000)		
Cash required for financing activities						
Cash required for financing activities						
Net (decrease) / increase in cash and cash equivalents		(3,682)	(2,600)	5,934		
Net increase / (decrease) in cash and cash equivalents						
Net increase / (decrease) in cash and cash equivalents						
Net increase / (decrease) in cash and cash equivalents						
Cash and cash equivalents at beginning of period	Cash and cash equivalents at beginning of period	5,911	8,511	2,577		
Cash and cash equivalents at end of period	Cash and cash equivalents at end of period	\$2,229	\$5,911	\$8,511		
Supplemental information	Supplemental information				Supplemental information	
Interest paid, net of capitalized interest	Interest paid, net of capitalized interest	\$ 449	\$ 414	\$ 939		
Income taxes paid	Income taxes paid	213	2,063	1,031		
Leased assets	Leased assets					
Leased assets obtained in exchange for new finance lease	obtained in exchange for new finance lease					
Lease liabilities	liabilities	224	288	428		

	Leased assets	
	obtained in exchange for new operating lease	
Leased assets obtained in exchange for new operating lease	liabilities	329
	liabilities	580
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Note: 2023 consisted of 53 weeks compared with 52 weeks in 2022 and 2021.

See accompanying [Notes to Consolidated Financial Statements](#).

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Consolidated Statements of Shareholders' Investment

(millions)	(millions)	Accumulated						Accumulated					
		Common Stock			Additional			Other			Common Stock		
		Stock Shares	Par Value	Paid-in Capital	Retained Earnings	Comprehensive (Loss)/Income	Total	Stock Shares	Par Value	Paid-in Capital	Retained Earnings (Loss)/Income	Comprehensive Total	
February 1, 2020		504.2	\$ 42	\$ 6,226	\$ 6,433	\$ (868)	\$ 11,833						
Net earnings		—	—	—	4,368	—	4,368						
Other comprehensive income		—	—	—	—	112	112						
Dividends declared		—	—	—	(1,367)	—	(1,367)						
Repurchase of stock		(5.7)	—	—	(609)	—	(609)						
Stock options and awards		2.4	—	103	—	—	103						
January 30, 2021	January 30, 2021	500.9	\$ 42	\$ 6,329	\$ 8,825	\$ (756)	\$ 14,440						
Net earnings	Net earnings	—	—	—	6,946	—	6,946						
Other comprehensive income	Other comprehensive income	—	—	—	—	203	203						
Dividends declared	Dividends declared	—	—	—	(1,655)	—	(1,655)						
Repurchase of stock	Repurchase of stock	(31.3)	(3)	—	(7,196)	—	(7,199)						
Stock options and awards	Stock options and awards	1.7	—	92	—	—	92						
January 29, 2022	January 29, 2022	471.3	\$ 39	\$ 6,421	\$ 6,920	\$ (553)	\$ 12,827						
Net earnings	Net earnings	—	—	—	2,780	—	2,780						

Other income	Other income	—	—	—	—	134	134
Dividends declared	Dividends declared	—	—	—	(1,931)	—	(1,931)
Repurchase of stock	Repurchase of stock	(12.5)	(1)	119	(2,764)	—	(2,646)
Stock options and awards	Stock options and awards	1.5	—	68	—	—	68
January 28, 2023	January 28, 2023	460.3	\$ 38	\$ 6,608	\$ 5,005	\$ (419)	\$ 11,232
Net earnings							
Other comprehensive loss							
Dividends declared							
Stock options and awards							
Stock options and awards							
Stock options and awards							
February 3, 2024							

We declared \$4.38, \$4.14, \$3.38, and \$2.70 \$3.38 dividends per share for the twelve months ended January 28, 2023 February 3, 2024, January 29, 2022 January 28, 2023, and January 30, 2021 January 29, 2022, respectively.

See accompanying [Notes to Consolidated Financial Statements](#).

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Notes to Consolidated Financial Statements

1. Summary of Accounting Policies

Organization - We are a general merchandise retailer selling products to our guests through our stores and digital channels.

We operate as a single segment that includes all of our operations, which are designed to enable guests to purchase products seamlessly in stores or through our digital channels. Nearly all of our revenues are generated in the United States (U.S.). The vast majority of our long-lived assets are located within the U.S.

Consolidation - The consolidated financial statements include the balances of Target and its subsidiaries after elimination of intercompany balances and transactions. All subsidiaries are wholly owned.

Use of estimates - The preparation of our consolidated financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions affecting reported amounts in the consolidated financial statements and accompanying notes. Actual results

may differ significantly from those estimates.

Fiscal year - Our fiscal year ends on the Saturday nearest January 31. Unless otherwise stated, references to years in this report relate to fiscal years, rather than to calendar years. Fiscal 2023 ended February 3, 2024, and consisted of 53 weeks. Fiscal 2022 2021, and 2020 2021 ended January 28, 2023, January 29, 2022, and January 30, 2021 January 29, 2022, respectively, and consisted of 52 weeks. Fiscal 2023 2024 will end February 3, 2024 February 1, 2025, and will consist of 53 52 weeks.

Accounting policies - Our accounting policies are disclosed in the applicable Notes to the Consolidated Financial Statements. Certain prior-year amounts have been reclassified to conform to the current-year presentation.

2. Dermstore Sale

In February 2021, we sold our wholly owned subsidiary Dermstore LLC (Dermstore) for \$356 million in cash and recognized a \$335 million pretax gain, which is included in Net Other (Income) / Expense. Dermstore represented less than 1 percent of our consolidated revenues, operating income and net assets.

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3. Revenues

Merchandise sales represent the vast majority of our revenues. We also earn revenues from a variety of other sources, most notably credit card profit-sharing income from our arrangement with TD Bank Group (TD).

Revenues (millions)	Revenues (millions)	2022	2021	2020	Revenues (millions)	2023	2022	2021
Apparel and accessories	Apparel and accessories							
(a)	(a)	\$ 17,646	\$ 17,931	\$ 14,772				
Beauty and household essentials	Beauty and household essentials							
(b)	(b)	29,575	27,268	24,461				
Food and beverage	Food and beverage	(c)	22,918	20,306	18,135			
Hardlines	Hardlines	(d)	17,739	18,614	16,626			
Home furnishings and décor	Home furnishings and décor							
(e)	(e)	19,463	20,255	18,231				
Other	Other		247	237	175			
Sales	Sales	107,588	104,611	92,400				

Credit card profit sharing	Credit card profit sharing	734	710	666
Other	Other	798	684	495
Other revenue	Other revenue	1,532	1,394	1,161
Total revenue	Total revenue	\$109,120	\$106,005	\$93,561

- (a) Includes apparel for women, men, boys, girls, toddlers, infants and newborns, as well as jewelry, accessories, and shoes.
- (b) Includes beauty and personal care, baby gear, cleaning, paper products, and pet supplies.
- (c) Includes dry grocery, dairy, frozen food, beverages, candy, snacks, deli, bakery, meat, produce, and food service in our stores.
- (d) Includes electronics (including video game hardware and software), toys, entertainment, sporting goods, and luggage.
- (e) Includes furniture, lighting, storage, kitchenware, small appliances, home décor, bed and bath, home improvement, school/office supplies, greeting cards and party supplies, and other seasonal merchandise.

Merchandise sales – We record almost all retail store revenues at the point of sale. Digitally originated sales may include shipping revenue and are recorded upon delivery to the guest or upon guest pickup at the store. Total revenues do not include sales tax because we are a pass-through conduit for collecting and remitting sales taxes. Generally, guests may return national brand merchandise within 90 days of purchase and owned and exclusive brands within one year of purchase. Sales are recognized net of expected returns, which we estimate using historical return patterns and our expectation of future returns. As of **January 28, 2023** **February 3, 2024**, and **January 29, 2022** **January 28, 2023**, the liability for estimated returns was **\$174 million** **\$170 million** and **\$165 million** **\$174 million**, respectively.

We routinely enter into arrangements with vendors whereby we do not purchase or pay for merchandise until the merchandise is ultimately sold to a guest. Under the vast majority of these arrangements, which represent less than 5 percent of consolidated sales, we record revenue and related costs gross. We concluded that we are the principal in these transactions for a number of reasons, most notably because we 1) control the overall economics of the transactions, including setting the sales price and realizing the majority of cash flows from the sale, 2) control the relationship with the customer, and 3) are responsible for fulfilling the promise to provide goods to the customer. Merchandise received under these arrangements is not included in Inventory because the purchase and sale of this inventory are virtually simultaneous.

Revenue from Target gift card sales is recognized upon gift card redemption, which is typically within one year of issuance. Our gift cards do not expire. Based on historical redemption rates, a small and relatively stable percentage of gift cards will never be redeemed, referred to as "breakage." Estimated breakage revenue is recognized over time in proportion to actual gift card redemptions.

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Gift Card Liability Activity	January 29, 2022	Gift Cards Issued During		Revenue Recognized From Beginning Liability	January 28, 2023 February 3, 2024
		Gift Card Liability Activity (millions)	Gift Cards Issued During Current Period But Not Redeemed (b)		
			January 28, 2023	\$ 927 829	\$ (889) (907) \$ 1,240 1,162
		Gift card liability ^(a)	\$ 1,202 1,240	\$ 927 829	\$ (889) (907) \$ 1,240 1,162

(a) Included in Accrued and Other Current Liabilities.
 (b) Net of estimated breakage.

Guests receive a 5 percent discount on nearly all purchases and receive free shipping at Target.com when they use their Target Debit Card, RedCard Reloadable Account, Target Credit Card, or Target MasterCard (collectively, RedCards).

Target Circle program members earn 1 percent rewards Target Circle Rewards on nearly all non-RedCard purchases and rewards on various other transactions. As of January 28, 2023 February 3, 2024, and January 29, 2022 January 28, 2023, deferred revenue of \$112 \$117 million and \$89 \$112 million, respectively, related to this loyalty our Target Circle program was included in Accrued and Other Current Liabilities.

Credit card profit sharing – We receive payments under a credit card program agreement with TD. Under the agreement, we receive a percentage of the profits generated by the Target Credit Card and Target MasterCard receivables in exchange for performing account servicing and primary marketing functions. TD underwrites, funds, and owns Target Credit Card and Target MasterCard receivables, controls risk management policies, and oversees regulatory compliance.

Other – Includes advertising revenue, Shipt membership and service revenues, commissions earned on third-party sales through Target.com, rental income, and other miscellaneous revenues.

4. Cost of Sales and Selling, General and Administrative Expenses

The following table illustrates the primary items classified in each major expense category:

Cost of Sales	Selling, General and Administrative Expenses
Total cost of products sold including	Compensation and benefit costs for stores and headquarters, except ship from store costs classified as cost of sales
• Freight expenses associated with moving merchandise from our vendors to and between our distribution centers and our retail stores	Occupancy and operating costs of retail and headquarters facilities
• Vendor income that is not reimbursement of specific, incremental, and identifiable costs	Advertising, offset by vendor income that is a reimbursement of specific, incremental, and identifiable costs
Inventory shrink	Pre-opening and exit costs of stores and other facilities
Markdowns	Credit cards servicing expenses
Outbound shipping and handling expenses associated with sales to our guests	Costs associated with accepting third-party bank issued payment cards
Payment term cash discounts	Litigation and defense costs and related insurance recoveries
Distribution center costs, including compensation and benefits costs and depreciation	Other administrative costs
Compensation and benefit costs associated with shipment of merchandise from stores	
Import costs	

Note: The classification of these expenses varies across the retail industry.

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5. Consideration Received from Vendors

We receive consideration for a variety of vendor-sponsored programs—such as volume rebates, markdown allowances, promotions, certain advertising activities, and for our compliance programs—referred to as "vendor income." Additionally, under our compliance programs, vendors are charged for merchandise shipments that do not meet our requirements (violations), such as late or incomplete shipments. Substantially all vendor income is recorded as a reduction of Cost of Sales.

We establish a receivable for vendor income that is earned but not yet received. Based on historical trending and data, this receivable is computed by forecasting vendor income collections and estimating the amount earned. The majority of the year-end vendor income receivables are collected within the following fiscal quarter, and we do not believe there is a reasonable likelihood that the assumptions used in our estimate will change significantly. [Note 10](#) provides additional information.

6. Advertising Costs

Advertising costs which consist primarily consist of digital advertisements and media broadcast. Digital advertising costs are generally expensed as incurred when the consumer engages with the advertisement through clicks or views, while media broadcast costs are generally expensed at first showing or distribution of the advertisement. Reimbursements from vendors that are for specific, incremental, and identifiable advertising costs are recognized as offsets of these advertising costs within Selling, General and Administrative Expenses (SG&A Expenses). Net advertising costs were \$1.4 billion in 2023 and \$1.5 billion in 2022 2021, and [2020](#).

7. Fair Value Measurements

Fair value measurements are reported in one of three levels based on the lowest level of significant input used: Level 1 (unadjusted quoted prices in active markets); Level 2 (observable market inputs, other than quoted prices included in Level 1); and Level 3 (unobservable inputs that cannot be corroborated by observable market data).

Fair Value Measurements -													
Recurring Basis				Fair Value as of									
Financial Instruments Measured on a Recurring Basis				Financial Instruments Measured on a Recurring Basis				Fair Value as of					
				January Measurement		January 28, 2023	January 29, 2022	Measurement					
(millions)		(millions)		Classification		Level	2023	(millions)					
Assets		Assets		Assets				Measurement					
								February 3, 2024					
								January 28, 2023					
Assets													
Short-term investments				Cash and investments									
(a)		(a)		Equivalents		Level 1		\$1,343					
Prepaid forward contracts		Prepaid forward contracts		Other Current Assets		Level 1		\$4,985					
(b)		(b)											
Interest rate swaps		Interest rate swaps		Other Current Assets		Level 1		27					
(c)		(c)		Assets		Level 2		35					
Interest rate swaps				(c)									
(c)		Assets		Level 2		—		17					
Liabilities				Liabilities									
Liabilities													

Liabilities

Interest rate swaps	Interest rate swaps	Other Noncurrent Liabilities	Level 2	81	—
(c)	(c)				

Interest rate swaps	(c)
------------------------	-----

(a) Carrying value approximates fair value because maturities are less than three months.
 (b) Initially valued at transaction price. Subsequently valued by reference to the market price of Target common stock.
 (c) Valuations are based on observable inputs to the valuation model (e.g., interest rates and credit spreads). See [Note 16](#) for additional information on interest rate swaps.

Significant Financial Instruments Not Measured at Fair Value (a)

(millions)	TARGET CORPORATION	Bullseye,2023 Form 10-K	As of January 28, 2023		As of January 29, 2022	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt, including current portion (b)			\$ 14,141	\$ 13,688	\$ 11,568	\$ 12,808

FINANCIAL STATEMENTS**NOTES****[Index to Financial Statements](#)****Significant Financial Instruments Not Measured at Fair Value (a)**

(millions)	TARGET CORPORATION	Bullseye,2022 Form 10-K	As of February 3, 2024		As of January 28, 2023	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt, including current portion (b)			\$ 14,151	\$ 13,467	\$ 14,141	\$ 13,688

(a) The carrying amounts of certain other current assets, commercial paper, accounts payable, and certain accrued and other current liabilities approximate fair value due to their short-term nature.
 (b) The fair value of debt is generally measured using a discounted cash flow analysis based on current market interest rates for the same or similar types of financial instruments and would be classified as Level 2. These amounts exclude commercial paper, unamortized swap valuation adjustments, and lease liabilities.

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Cash equivalents include highly liquid investments with an original maturity of three months or less from the time of purchase. Cash equivalents also include amounts due from third-party financial institutions for credit and debit card transactions. These receivables typically settle in five days or less.

Cash and Cash Equivalents (millions)	Cash and Cash Equivalents (millions)	January 28, 2023	January 29, 2022	Cash and Cash Equivalents (millions)	February 3, 2024	January 28, 2023
Cash						
Cash						
Cash	Cash	\$ 286	\$ 349			
Receivables from third- party financial institutions for credit and debit card transactions	Receivables from third- party financial institutions for credit and debit card transactions	600	577			
Short-term investments	Short-term investments	1,343	4,985			
Cash and Cash Equivalents (a)	Cash and Cash Equivalents (a)	\$ 2,229	\$ 5,911			

(a) We have access to these funds without any significant restrictions, taxes or penalties.

As of January 28, 2023 February 3, 2024, and January 29, 2022 January 28, 2023, we reclassified book overdrafts of \$248 million \$173 million and \$366 million \$248 million, respectively, to Accounts Payable and \$14 million \$10 million and \$19 million \$14 million, respectively, to Accrued and Other Current Liabilities.

9. Inventory

The vast majority of our inventory is accounted for under the retail inventory accounting method (RIM) using the last-in, first-out (LIFO) method. Inventory is stated at the lower of LIFO cost or market. Inventory cost includes the amount we pay to our suppliers to acquire inventory, freight costs incurred to deliver product to our distribution centers and stores, and import costs, reduced by vendor income and cash discounts. Distribution center operating costs, including compensation and benefits, are expensed in the period incurred. Inventory is also reduced for estimated losses related to shrink and markdowns. The LIFO provision is calculated based on inventory levels, markup rates, and internally measured retail price indices, and was \$132 \$153 million and \$33 \$132 million as of January 28, 2023 February 3, 2024, and January 29, 2022 January 28, 2023, respectively.

Under RIM, inventory cost and the resulting gross margins are calculated by applying a cost-to-retail ratio to the inventory retail value. RIM is an averaging method that has been widely used in the retail industry due to its practicality. The use of RIM will result in inventory being valued at the lower of cost or market because permanent markdowns are taken as a reduction of the retail value of inventory.

10. Other Current Assets

Other Current Assets (millions)	January 28, 2023	January 29, 2022
Accounts and other receivables	\$ 1,169	\$ 835
Vendor income receivable	526	518
Prepaid expenses	188	170
Other	235	237
Other Current Assets	\$ 2,118	\$ 1,760

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[Index to Financial Statements](#)**10. Other Current Assets**

Other Current Assets (millions)	February 3, 2024	January 28, 2023
Accounts and other receivables	\$ 891	\$ 1,169
Vendor income receivable	513	526
Prepaid expenses	201	188
Other	202	235
Other Current Assets	\$ 1,807	\$ 2,118

11. Property and Equipment

Property and equipment, including assets acquired under finance leases, is depreciated using the straight-line method over estimated useful lives or lease terms if shorter. We amortize leasehold improvements purchased after the beginning of the initial lease term over the shorter of the assets' useful lives or a term that includes the remaining initial lease term, plus any renewals that are reasonably certain at the date the leasehold improvements are acquired. Total depreciation expense, including depreciation expense included in Cost of Sales, was \$2.7 billion \$2.8 billion, \$2.6 billion \$2.7 billion, and \$2.5 billion \$2.6 billion for 2023, 2022, 2021, and 2020, 2021, respectively. For income tax purposes, accelerated depreciation methods are generally used. Repair and maintenance costs are expensed as incurred. Facility pre-opening costs, including supplies and payroll, are expensed as incurred.

Estimated Useful Lives	Life (Years)
Buildings and improvements	8-39
Fixtures and equipment	2-15
Computer hardware and software	2-7

We review long-lived assets for impairment when performance expectations, events, or changes in circumstances—such as a decision to relocate or close a store, office, or distribution center, discontinue a project, or make significant software changes—indicate that the asset's carrying value may not be recoverable. We recognized impairment losses of \$66 million \$102 million, \$87 million \$66 million, and \$62 million \$87 million during 2023, 2022, 2021, and 2020, 2021, respectively. For asset groups classified as held for sale, measurement of an impairment loss is based on the excess of the carrying amount of the asset group over its fair value. We estimate fair value by obtaining market appraisals, obtaining valuations from third-party brokers, or using other valuation techniques. Impairments are recorded in SG&A Expenses.

12. Other Noncurrent Assets

Other Noncurrent Assets (millions)	Other Noncurrent Assets (millions)	January 28, 2023	January 29, 2022	Other Noncurrent Assets (millions)	February 3, 2024	January 28, 2023

Goodwill	Goodwill		
and	and		
intangible	intangible		
assets (a)	assets (a)		
	\$ 645	\$ 656	
Company-	Company-		
owned life	owned life		
insurance	insurance		
investments, investments,			
net of loans	net of loans		
(b)	(b)	440	470
Pension			
asset			
Other	Other		
	235	375	
Other	Other		
Noncurrent	Noncurrent		
Assets	Assets		
	\$ 1,320	\$ 1,501	

(a) Goodwill totaled \$631 million as of both January 28, 2023, February 3, 2024, and January 29, 2022, January 28, 2023. No impairments were recorded in 2023, 2022, 2021, or 2020 as a result of the annual goodwill impairment tests performed.

(b) [Note 22](#) provides more information on company-owned life insurance investments.

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13. Supplier Finance Programs

We have arrangements with several financial institutions to act as our paying agents to certain vendors. The arrangements also permit the financial institutions to provide vendors with an option, at our vendors' sole discretion, to sell their receivables from Target to the financial institutions. A vendor's election to receive early payment at a discounted amount from the financial institutions does not change the amount that we must remit to the financial institutions or our payment date, which is up to 120 days from the invoice date.

We do not pay any fees or pledge any security to these financial institutions under these arrangements. The arrangements can be terminated by either party with notice ranging up to 120 days.

Our outstanding vendor obligations eligible for early payment under these arrangements totaled \$3.4 billion as of February 3, 2024, and January 28, 2023, and are included within Accounts Payable on our Consolidated Statements of Financial Position. Our outstanding vendor obligations do not represent actual receivables sold by our vendors to the financial institutions, which may be lower.

14. Accrued and Other Current Liabilities

Accrued and Other Current Liabilities	Accrued and Other Current Liabilities	Accrued and Other Current Liabilities	Accrued and Other Current Liabilities
Other	Other	January	January
Current	Current	28,	29,
Liabilities	Liabilities	(millions)	(millions)
		2023	2022

Wages and benefits	Wages and benefits	\$ 1,319	\$ 1,620
Gift card liability, net of estimated breakage	Gift card liability, net of estimated breakage	1,240	1,202
Real estate, sales, and other taxes payable	Real estate, sales, and other taxes payable	772	1,042
Dividends payable	Dividends payable	497	424
Dividends payable			
Dividends payable			
Current portion of operating lease liabilities	Current portion of operating lease liabilities	296	254
Workers' compensation and general liability (a)	Workers' compensation and general liability (a)	173	169
Interest payable	Interest payable	94	77
Other	Other	1,492	1,310
Accrued and Other Current Liabilities	Accrued and Other Current Liabilities	\$ 5,883	\$ 6,098

(a) We retain a substantial portion of the risk related to general liability and workers' compensation claims. We estimate our ultimate cost based on analysis of historical data and actuarial estimates. General liability and workers' compensation liabilities are recorded at our estimate of their net present value. [Note 19.20](#) provides the noncurrent balance of these liabilities.

14.15. Commitments and Contingencies

Contingencies

We are exposed to claims and litigation arising in the ordinary course of business and use various methods to resolve these matters in a manner that we believe serves the best interest of our shareholders and other constituents. When a loss is probable, we record an accrual based on the reasonably estimable loss or range of loss. When no point of loss is more likely than another, we record the lowest amount in the estimated range of loss and, if material, disclose the estimated range of loss. We do not record liabilities for reasonably possible loss contingencies, but do disclose a range of reasonably possible losses if they are material and we are able to estimate such a range. If we cannot provide a range of reasonably possible losses, we explain the factors that prevent us from determining such a range. Historically, adjustments to our estimates have not been material. We believe the recorded reserves in our consolidated financial statements are adequate in light of the probable and estimable liabilities. We do not believe that any of these identified claims or litigation will be material to our results of operations, cash flows, or financial condition.

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Purchase obligations, which include all legally binding contracts such as merchandise royalties, equipment purchases, marketing-related contracts, software acquisition/license commitments, firm minimum commitments for inventory purchases, and service contracts, were **\$1.0 billion** **\$0.9 billion** and **\$944 million** **\$1.0 billion** as of **January 28, 2023** **February 3, 2024**, and **January 29, 2022** **January 28, 2023**, respectively. These purchase obligations are primarily due within three years and recorded as liabilities when goods are received or services are rendered. Real estate obligations, which include legally binding minimum lease payments for leases signed but not yet commenced, and commitments for the purchase, construction, or remodeling of real estate and facilities, were **\$5.3 billion** and **\$2.5 billion** as of **January 28, 2023** **February 3, 2024**, and **January 29, 2022** **January 28, 2023**, respectively. Approximately half of these real estate obligations are due within one year, a portion of which are recorded as liabilities.

We issue inventory purchase orders in the ordinary course of business, which represent authorizations to purchase that are cancellable by their terms. We do not consider purchase orders to be firm inventory commitments. If we choose to cancel a purchase order, we may be obligated to reimburse the vendor for unrecoverable outlays incurred prior to cancellation.



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We also issue letters of credit and surety bonds in the ordinary course of business. Trade letters of credit totaled \$1.6 billion and \$2.6 billion as of **January 28, 2023** **February 3, 2024**, and **January 29, 2022** **January 28, 2023**, respectively, a portion of which are reflected in Accounts Payable. Standby letters of credit and surety bonds, primarily related to insurance and regulatory requirements, totaled **\$519 million** **\$529 million** and **\$517 million** **\$519 million** as of **January 28, 2023** **February 3, 2024**, and **January 29, 2022** **January 28, 2023**, respectively.

15, 16. Commercial Paper and Long-Term Debt

Debt Maturities	Debt Maturities	Weighted- Average Interest Rate at	January 28, 2023	January 28, 2023	January 29, 2022
(dollars in millions)	(dollars in millions)				
Due 2022	—	% \$	—	\$ 63	
Due 2023-2027	2.6		4,582	4,578	
Due 2028-2032	4.6		4,297	2,807	
Due 2033-2037	6.8		937	937	
Due 2038-2042	4.0		1,087	1,085	

Due 2043-2047	3.8	1,119	1,118					
Due 2048-2052	3.9	2,119	980					
(dollars in millions)								
				Weighted-Average Interest Rate at February	February 3,	January 28,		
				3, 2024	2024	2023		
Due 2024-2028								
Due 2024-2028								
Due 2024-2028								
Due 2029- 2033								
Due 2034- 2038								
Due 2039- 2043								
Due 2044- 2048								
Due 2049- 2053								
Total notes	Total notes							
and	and							
debentures	debentures			14,141	11,568			
Swap	Swap							
valuation	valuation							
adjustments	adjustments			(74)	77			
Finance	Finance							
lease	lease							
liabilities	liabilities			2,072	2,075			
Less:	Less:							
Amounts	Amounts							
due within	due within							
one year	one year			(130)	(171)			
Long-term	Long-term							
debt and	debt and							
other	other							
borrowings	borrowings			\$16,009	\$13,549			
Required	Required							
Principal	Principal							
Payments	Payments							
(millions)	(millions)	2023	2024	2025	2026	2027	Thereafter	(millions)
Total	Total							
required	required							
principal	principal							
payments	payments	\$ —	\$1,000	\$1,500	\$2,000	\$ 97	\$ 9,655	
Total required								
principal payments								
Total required								
principal payments								

In January 2023, we issued unsecured fixed rate debt of \$1.15 billion at 4.8 percent that matures in January 2053 and \$500 million at 4.4 percent that matures in January 2033. In connection with this issuance, we terminated our remaining forward-starting interest rate swaps. [Note 16](#) [17](#) provides additional information.

In September 2022, we issued unsecured fixed rate debt of \$1.0 billion at 4.5 percent that matures in September 2032. In connection with this issuance, we terminated certain of our forward-starting interest rate swaps. [Note 16](#) [17](#) provides additional information.

In January 2022, we issued unsecured fixed rate debt of \$1.0 billion at 1.95 percent that matures in January 2027 and \$1.0 billion at 2.95 percent that matures in January 2052. Furthermore, we repaid \$1.0 billion of 2.9 percent unsecured fixed rate debt at maturity.

In October 2020, we repurchased \$1.77 billion of unsecured fixed rate debt before its maturity at a market value of \$2.25 billion. We recognized a loss on early retirement of \$512 million, which was recorded in Net Interest Expense.

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In March 2020, we issued unsecured fixed rate debt of \$1.5 billion at 2.25 percent that matures in April 2025 and \$1.0 billion at 2.65 percent that matures in September 2030.

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We obtain short-term financing from time to time under our commercial paper program. For the year ~~years~~ ended ~~February 3, 2024, and January 28, 2023~~, the maximum amount ~~amounts~~ outstanding was ~~were~~ \$90 million and \$2.3 billion, respectively, and the average daily amount ~~amounts~~ outstanding was ~~were~~ \$1 million and \$709 million, respectively, at a weighted average annual interest rate of 4.8 percent and 2.4 percent, respectively. As of ~~February 3, 2024, and January 28, 2023~~, there was no commercial paper outstanding. No balances were outstanding under our commercial paper program at any time during 2021 or 2020.

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In October ~~2022, 2023~~, we obtained a new committed \$1.0 billion 364-day unsecured revolving credit facility that will expire in October 2023. ~~2024~~ and terminated our prior 364-day credit facility. We also extended ~~exercised~~ our option to extend our existing committed \$3.0 billion five-year unsecured revolving credit facility, which has a maximum committed capacity of \$3.0 billion and now expires in October ~~2027, 2028~~. No balances were outstanding under either facility at any time during 2022, 2021, 2023 or ~~2020, 2022~~.

Substantially all of our outstanding borrowings are senior, unsecured obligations. Most of our long-term debt obligations contain covenants related to secured debt levels. In addition to a secured debt level covenant, our credit facilities also contain a debt leverage

covenant. We are, and expect to remain, in compliance with these covenants, which have no practical effect on our ability to pay dividends.

16.17. Derivative Financial Instruments

Our derivative instruments consist of interest rate swaps used to mitigate interest rate risk. As a result, we have counterparty credit exposure to large global financial institutions, which we monitor on an ongoing basis. [Note 7](#) provides the fair value and classification of these instruments.

During [2022](#), [2023](#), we entered into [amended](#) interest rate swaps with a total notional amount [amounts totaling \\$1.5 billion to replace the London Interbank Offered Rate \(LIBOR\) with the daily Secured Overnight Financing Rate \(SOFR\) as part of \\$950 million](#). [our planned reference rate reform activities](#). These amendments did not result in any change to our application of hedge accounting or any impact to our consolidated financial statements.

Under the [our](#) swap agreements, we pay a floating rate equal to the daily Secured Overnight Financing Rate (SOFR) [SOFR compounded over six months and receive a weighted average fixed rate of 3.1 percent. The agreements have a weighted average remaining maturity of 7.6 years. For other existing swap agreements, with a total notional amount of \\$1.5 billion, we pay a floating rate equal to 1-month LIBOR and receive a weighted average fixed rate of 2.6 2.8 percent. The agreements have a weighted average remaining maturity of 4.9 years. As of \[January 28, 2023\]\(#\) \[February 3, 2024\]\(#\), and \[January 29, 2022\]\(#\) \[January 28, 2023\]\(#\), interest rate swaps with notional amounts totaling \\$2.45 billion and \\$1.5 billion were designated as fair value hedges, and all were considered to be perfectly effective under the shortcut method during \[2022\]\(#\) \[2023\]\(#\) and \[2021\]\(#\) \[2022\]\(#\)](#).

During 2022, we were party to forward-starting interest rate swaps to hedge the interest rate exposure of anticipated future debt issuances. We designated these derivative financial instruments as cash flow hedges. In January 2023, we terminated forward-starting interest rate swap agreements that hedged \$1.45 billion of the \$1.65 billion debt issuance described in [Note 15](#). In September 2022, we terminated forward-starting interest rate swap agreements designated as cash flow hedges that hedged [\\$700 million](#) [\\$2.15 billion](#) of the [\\$1.265 billion 2022 debt issuance](#) [issuances](#) described in [Note 15](#) [16](#). The resulting gains upon termination of these swap agreements in January 2023 and September 2022 were \$310 totaling \$419 million and \$109 million, respectively, which were recorded in Accumulated Comprehensive Loss (AOCI) and will be [are](#) recognized as a reduction to Net Interest Expense over the respective term of the debt. The cash flows related to forward-starting interest rate swaps are included within operating activities in the Consolidated Statements of Cash Flows.

Effect of Hedges on Debt (millions)	Effect of Hedges on Debt (millions)	January		Effect of Hedges on Debt (millions)	February 3, 2024	January 28, 2023
		28, 2023	29, 2022			
Long-term debt and other borrowings	Long-term debt and other borrowings					
Long-term debt and other borrowings	Carrying amount of hedged debt					
Carrying amount of hedged debt	Carrying amount of hedged debt					
Carrying amount of hedged debt	Carrying amount of hedged debt	\$2,366	\$1,572			

Cumulative hedging adjustments, included in carrying amount	Cumulative hedging adjustments, included in carrying amount	(74)	77
---	---	------	----

Effect of Hedges on Net Interest Expense		Effect of Hedges on Net Interest Expense		Effect of Hedges on Net Interest Expense		Effect of Hedges on Net Interest Expense		
(millions)	(millions)	2022	2021	2020	(millions)	2023	2022	2021
Gain (loss) on fair value hedges	Gain (loss) on fair value hedges							
recognized in Net Interest Expense	recognized in Net Interest Expense							
Interest rate swap designated as fair value hedges		\$ (151)	\$ (106)	\$ 46				
Interest rate swaps designated as fair value hedges								
Interest rate swaps designated as fair value hedges								
Hedged debt	Hedged debt	151	106	(46)				
Gain on cash flow hedges	Gain on cash flow hedges							
recognized in Net Interest Expense	recognized in Net Interest Expense							
Total	Total	\$ 4	\$ —	\$ —				

17, 18. Leases

We lease certain retail stores, warehouses, distribution centers, supply chain facilities, office space, land, and equipment. Leases with an initial term of 12 months or less are not recorded on the balance sheet; we recognize lease expense for these leases on a straight-line basis over the lease term. We combine lease and nonlease components for new and reassessed leases.

Most leases include one or more options to renew, with renewal terms that can extend the lease term from one to 50 years or more. The exercise of lease renewal options is at our sole discretion. Certain leases also include options to purchase the leased property. The depreciable life of leased assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. We use our incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments.

Certain of our lease agreements require reimbursement of real estate taxes, common area maintenance, and insurance, as well as rental payments based on a percentage of retail sales over contractual levels, and others include rental payments adjusted periodically for inflation. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

We rent or sublease certain real estate to third parties. Our lease and sublease portfolio consists mainly of operating leases with CVS Pharmacy Inc. (CVS) for space within our stores.

				January		January			
Leases	Leases			28,	29,	Leases			
(millions)	(millions)	Classification		2023	2022	(millions)	Classification		
Assets	Assets							February 3, 2024	January 28, 2023
Operating									
Operating									
		Operating Lease							
Operating	Operating	Assets		\$ 2,657	\$ 2,556				
Finance	Finance	Buildings and		1,673	1,652				
		Improvements, net of							
		Accumulated							
		Depreciation							
		(a)							
Total leased assets	Total leased assets								
				\$ 4,330	\$ 4,208				
Liabilities	Liabilities								
Current	Current								
Current									
Current									
Operating									
Operating									
		Accrued and							
		Other Current							
Operating	Operating	Liabilities		\$ 296	\$ 254				
Finance	Finance	Current Portion		129	108				
		of Long-term							
		Debt and							
		Other							
		Borrowings							

Noncurrent Noncurrent

			Noncurrent			
			Operating Lease			
Operating	Operating	Liabilities		2,638	2,493	
Operating						
Operating						
			Long-term Debt			
			and Other			
Finance	Finance	Borrowings		1,943	1,967	
Total lease liabilities	Total lease liabilities					
				\$5,006	\$4,822	

(a) Finance lease assets are recorded net of accumulated amortization of \$623 million \$743 million and \$670 million \$623 million as of January 28, 2023 February 3, 2024, and January 29, 2022 January 28, 2023, respectively.

Lease Cost (millions)	Lease Cost (millions)	Classification	2022	2021	2020	Lease Cost (millions)	Classification	2023	2022	2021
Operating lease cost ^(a)	Operating lease cost ^(a)	SG&A Expenses	\$467	\$387	\$332					
Finance lease cost	Finance lease cost	Depreciation								
Amortization of leased assets	Amortization of leased assets	and Amortization								
		^(b)	133	127	105					
Amortization of leased assets										
Amortization of leased assets										
Interest on lease liabilities	Interest on lease liabilities	Net Interest Expense	68	68	62					
Sublease income ^(c)	Sublease income ^(c)	Other Revenue	(19)	(18)	(15)					
Net lease cost	Net lease cost		\$649	\$564	\$484					

(a) 2023, 2022, and 2021 and 2020 include \$115 million, \$101 million, \$64 million, and \$44 \$64 million, respectively, of short-term and variable lease costs.

(b) Supply chain-related amounts are included in Cost of Sales.

(c) Sublease income excludes rental income from owned properties of \$49 million for each of 2023 and 2022, and \$48 million for each of in 2021, and 2020, which is included in Other Revenue.

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Maturity of Lease	Maturity of Lease	Leases (a)	Leases (b)	Total
(millions)	(millions)			
2023		\$ 386	\$ 194	\$ 580
(millions)	(millions)			
2024	2024	379	175	554
2025	2025	362	174	536
2026	2026	345	175	520
2027	2027	331	175	506
2028				
Thereafter	Thereafter	1,826	1,847	3,673
Total	Total			
lease	lease			
payments	payments	\$ 3,629	\$ 2,740	\$ 6,369
Less:	Less:			
Interest	Interest	695	668	Less: Interest
Present	Present			
value of	value of			
lease	lease			
liabilities	liabilities	\$ 2,934	\$ 2,072	Present value of lease liabilities
				\$ 3,608
				\$ 2,013

(a) Operating lease payments include \$878 million \$782 million related to options to extend lease terms that are reasonably certain of being exercised and exclude \$1.8 billion \$879 million of legally binding minimum lease payments for leases signed but not yet commenced.

(b) Finance lease payments include \$195 million \$226 million related to options to extend lease terms that are reasonably certain of being exercised and exclude \$813 million \$449 million of legally binding minimum lease payments for leases signed but not yet commenced.

Lease	Lease	Lease Term and Discount Rate		
Term and	Term and	January	January	
Discount	Discount	28,	29,	
Rate	Rate	2023	2022	February 3, 2024
Weighted	Weighted			January 28, 2023
average	average			
remaining	remaining			
lease term	lease term			
(years)	(years)			
Operating	Operating			
leases	leases	11.4	12.2	
Operating leases				
Operating leases				12.0
				11.4
Finance	Finance			
leases	leases	15.4	15.2	Finance leases
Weighted	Weighted			
average	average			
discount	discount			
rate	rate			
Operating	Operating			
leases	leases	3.52 %	3.28 %	

Operating leases					4.22	%	3.52	%	
Operating leases									
Finance leases	Finance leases	3.56 %	3.49 %	Finance leases			3.69	%	
							3.56	%	
Other Information	Other Information			Other Information					
(millions)	(millions)	2022	2021	2020	(millions)		2023	2022	2021
Cash paid for amounts included in the measurement of lease liabilities	Cash paid for amounts included in the measurement of lease liabilities								
Operating cash flows from operating leases									
Operating cash flows from operating leases									
Operating cash flows from operating leases	Operating cash flows from operating leases	\$364	\$316	\$284					
Operating cash flows from finance leases	Operating cash flows from finance leases	63	64	59					
Financing cash flows from finance leases	Financing cash flows from finance leases	100	91	70					

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18.19. Income Taxes

Earnings before income taxes were \$3.4 billion \$5.3 billion, \$8.9 billion \$3.4 billion, and \$5.5 billion \$8.9 billion during 2023, 2022, 2021, and 2020, respectively, including \$1.3 billion \$1.2 billion, \$896 million \$1.3 billion, and \$764 million \$896 million earned by our foreign entities subject to tax outside of the U.S.

Tax Rate	Tax Rate
Reconciliation	Reconciliation

Federal statutory rate	Federal statutory rate	21.0 %	21.0 %	21.0 %	Federal statutory rate	21.0 %	21.0 %	21.0 %
State income taxes, net of the federal tax benefit	State income taxes, net of the federal tax benefit	3.0	3.9	3.3				
International	International	(2.1)	(1.3)	(1.2)				
Excess tax benefit related to share-based payments	Excess tax benefit related to share-based payments	(1.6)	(0.8)	(1.0)				
Excess tax benefit related to share-based payments								
Excess tax benefit related to share-based payments								
Federal tax credits								
Federal tax credits								
Federal tax credits	Federal tax credits	(1.5)	(0.5)	(0.6)				
Other	Other	(0.1)	(0.3)	(0.3)				
Effective tax rate	Effective tax rate	18.7 %	22.0 %	21.2 %	Effective tax rate	21.9 %	18.7 %	22.0 %

Income Taxes (millions)	Income Taxes (millions)	2022	2021	2020	Provision for Income Taxes (millions)	2023	2022	2021
Current:	Current:				Current:			
Federal	Federal	\$ (84)	\$1,111	\$1,013				
State	State	33	325	281				
International	International	107	3	68				
Total current	Total current	56	1,439	1,362				
Deferred:	Deferred:				Deferred:			
Federal	Federal	501	423	(118)				
State	State	82	98	(64)				
International	International	(1)	1	(2)				
Total deferred	Total deferred	582	522	(184)				
Total provision	Total provision	\$638	\$1,961	\$1,178				

Net Deferred Tax Asset / (Liability) (millions)	Net Deferred Tax Asset / (Liability) (millions)	January 28, 2023	January 29, 2022	Net Deferred Tax Asset / (Liability) (millions)	February 3, 2024	January 28, 2023
Gross deferred tax assets:						
tax assets:						
Accrued and deferred compensation	Accrued and deferred compensation	\$ 365	\$ 441			
Accruals and reserves not currently deductible	Accruals and reserves not currently deductible	233	211			
Self-insured benefits	Self-insured benefits	156	141			
Deferred occupancy income	Deferred occupancy income	125	133			
Lease liabilities	Lease liabilities	1,316	1,245			
Other	Other	142	18			
Total gross deferred tax assets	Total gross deferred tax assets	2,337	2,189			
Gross deferred tax liabilities:						
tax liabilities:						
Property and equipment	Property and equipment	(2,613)	(2,265)			
Leased assets	Leased assets	(1,115)	(1,089)			
Inventory	Inventory	(594)	(266)			
Other	Other	(205)	(130)			
Total gross deferred tax liabilities	Total gross deferred tax liabilities	(4,527)	(3,750)			
Total net deferred tax liability ^(a)	Total net deferred tax liability ^(a)			\$(2,190)	\$(1,561)	

^(a) \$6.8 million and \$6 million of the balance balances as of January 28, 2023 February 3, 2024, and January 29, 2022 January 28, 2023, respectively, is included in Other Noncurrent Assets.

We file a U.S. federal income tax return and income tax returns in various states and foreign jurisdictions. The U.S. Internal Revenue Service (IRS) has completed exams on the U.S. federal income tax returns for years 2020 and prior. With few exceptions, we are no longer subject to state and local or non-U.S. income tax examinations by tax authorities for years before 2015, 2016.

Reconciliation of Gross Unrecognized Tax Benefits		Reconciliation of Gross Unrecognized Tax Benefits						
Tax Benefits	Tax Benefits	2022	2021	2020	(millions)	2023	2022	2021
Balance at beginning of period	Balance at beginning of period	\$125	\$181	\$160				
Additions based on tax positions related to the current year	Additions based on tax positions related to the current year	115	32	35				
Additions for tax positions of prior years	Additions for tax positions of prior years	21	11	32				
Reductions for tax positions of prior years	Reductions for tax positions of prior years	(23)	(95)	(36)				
Settlements	Settlements	(5)	(4)	(10)				
Balance at end of period	Balance at end of period	\$233	\$125	\$181				

If we were to prevail on all unrecognized tax benefits recorded, the amount that would benefit the effective tax rate was \$107 million \$161 million, \$67 \$107 million, and \$99 \$67 million as of January 28, 2023 February 3, 2024, January 29, 2022 January 28, 2023, and January 30, 2021 January 29, 2022, respectively. In addition, the reversal of accrued interest and penalties would also benefit the effective tax rate. Interest and penalties associated with unrecognized tax benefits are recorded within income tax expense. During 2023, 2022, 2021, and 2020, 2021, we recorded an expense / (benefit) from accrued interest and penalties of \$6 million, \$(4) million, and \$1 million, and \$(12) million, respectively. As of January 28, 2023 February 3, 2024, January 29, 2022 January 28, 2023, and January 30, 2021 January 29, 2022, total accrued interest and penalties were \$7 million \$14 million, \$13 million \$7 million, and \$12 million \$13 million, respectively.

It is reasonably possible that the amount of the unrecognized tax benefits with respect to our other unrecognized tax positions will increase or decrease during the next twelve months; however, an estimate of the amount or range of the change cannot be made at this time.

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19. 20. Other Noncurrent Liabilities

Other Noncurrent Liabilities (millions)	Other Noncurrent Liabilities (millions)	January 28, 2023	January 29, 2022	Other Noncurrent Liabilities (millions)	February 3, 2024	January 28, 2023
Deferred compensation	Deferred compensation	\$ 550	\$ 572			
Workers' compensation and general liability						
Deferred occupancy income ^(a)	Deferred occupancy income ^(a)	449	479			
Workers' compensation and general liability		387	350			
Income and other taxes payable	Income and other taxes payable	168	139			
Pension benefits	Pension benefits	37	45			
Other	Other	169	44			
Other Noncurrent Liabilities	Liabilities	\$ 1,760	\$ 1,629			

^(a) To be amortized evenly through 2038.

20.21. Share Repurchase

We periodically repurchase shares of our common stock under a board-authorized repurchase program through a combination of open market transactions, accelerated share repurchase arrangements, and other privately negotiated transactions with financial institutions. We did not repurchase any of our shares during 2023.

Share Repurchase Activity	Share Repurchase Activity	Share Repurchase Activity	2023	2022	2021
Activity	Activity	(millions, except per share data)			
(millions, except per share data)	(millions, except per share data)	2022	2021	2020	(millions, except per share data)
Total number of shares purchased	Total purchased	12.5	31.3	5.7	
Average price paid per share	Average price paid per share	\$211.57	\$230.07	\$107.58	
Total investment	Total investment	\$ 2,646	\$ 7,190	\$ 609	

21.22. Share-Based Compensation

We maintain a long-term incentive plan for key team members and non-employee members of our Board of Directors. This plan allows us to grant equity-based compensation awards, including stock options, stock appreciation rights, performance share units, restricted

stock units, restricted stock awards, or a combination of awards (collectively, share-based awards). The number of unissued common shares reserved for future grants under this plan was **32.5 million** **29.4 million** as of **January 28, 2023** **February 3, 2024**.

Compensation expense associated with share-based awards is recognized on a straight-line basis over the required service period and reflects estimated forfeitures. Share-based compensation expense recognized in SG&A Expenses was **\$224 million** **\$255 million**, **\$238 million** **\$224 million**, and **\$210 million** **\$238 million**, and the related income tax benefit was **\$52 million** **\$56 million**, **\$45 million** **\$52 million**, and **\$39 million** **\$45 million**, in 2023, 2022, 2021, and **2020**, **2021**, respectively.

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Restricted Stock Units

We issue restricted stock units and performance-based restricted stock units generally with 3-year cliff or 4-year graduated vesting from the grant date (collectively restricted stock units) to certain team members. The final number of shares issued under performance-based restricted stock units is based on our total shareholder return relative to a retail peer group over a 3-year performance period. We also regularly issue restricted stock units to our Board of Directors, which vest quarterly over a 1-year period and are settled in shares of Target common stock upon departure from the Board. The fair value for restricted stock units is calculated based on our stock price on the date of grant, incorporating an analysis of the total shareholder return performance measure where applicable. The weighted average grant date fair value for restricted stock units was \$160.91, \$208.80, and \$186.98 in 2023, 2022, and \$110.80 in 2022, 2021, and 2020, respectively.

Restricted Stock		Stock		Total Nonvested Units	Restricted Stock Unit Activity	Total Nonvested Units	
Activity	Activity	Stock	Stock			Restricted Stock	Grant Date
				Grant Date		Restricted Stock	Grant Date
				Restricted Stock (a)	Fair Value (b)		Fair Value (b)
January 29, 2022		3,599	\$123.74				
January 28, 2023							
Granted	Granted	1,591	208.80				
Forfeited	Forfeited	(291)	161.64				
Vested	Vested	(1,578)	106.64				
January 28, 2023		3,321	\$167.25				
February 3, 2024							

(a) Represents the number of shares of restricted stock units, in thousands. For performance-based restricted stock units, assumes attainment of maximum payout rates as set forth in the performance criteria. Applying actual or expected payout rates, the number of outstanding restricted stock units and performance-based restricted stock units as of **January 28, 2023** **February 3, 2024** was **3.25 million** **3.68 million**.

(b) Weighted average per unit.

The expense recognized each period is partially dependent upon our estimate of the number of shares that will ultimately be issued. As of January 28, 2023 February 3, 2024, there was \$267 million \$362 million of total unrecognized compensation expense related to restricted stock units, which is expected to be recognized over a weighted average period of 2.6 2.5 years. The fair value of restricted stock units vested and converted to shares of Target common stock was \$321 million \$213 million, \$323 million \$321 million, and \$151 million \$323 million in 2023, 2022, 2021, and 2020, 2021, respectively.

Performance Share Units

We issue performance share units to certain team members that represent shares potentially issuable in the future. Issuance is based upon our performance, generally relative to a retail peer group, over a 3-year or 4-year performance period on certain measures primarily including sales growth, after-tax return on invested capital, and earnings per share growth. The fair value of performance share units is calculated based on our stock price on the date of grant. The weighted average grant date fair value for performance share units was \$162.54, \$216.63, and \$179.58 in 2023, 2022, and \$106.00 in 2022, 2021, and 2020, respectively.

Performance Share Unit		Performance Share Unit		Performance Share Unit Activity		Total Nonvested Units	
Activity	Activity	Total Nonvested Units		Grant Date	Performance Share Units (a)	Grant Date	Fair Value (b)
		Performance	Share Units	Fair			
		(a)		Value (b)			
January 29, 2022		2,257		\$111.82			
January 28, 2023							
Granted	Granted	524		216.63			
Forfeited	Forfeited	(67)		159.04			
Vested	Vested	(827)		78.32			
January 28, 2023		1,887		\$152.26			
February 3, 2024							

(a) Represents the number of performance share units, in thousands. Assumes attainment of maximum payout rates as set forth in the performance criteria. Applying actual or expected payout rates, the number of outstanding performance share units as of January 28, 2023 February 3, 2024 was 1.26 million 0.75 million.

(b) Weighted average per unit.

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The expense recognized each period is partially dependent upon our estimate of the number of shares that will ultimately be issued. Future compensation expense for unvested awards could reach a maximum of \$120 million \$155 million assuming payout of all unvested awards. The unrecognized expense is expected to be recognized over a weighted average period of 1.4 years. The fair value of performance share units vested and converted to shares of Target common stock was \$178 million \$127 million, \$127 million \$178 million, and \$82 million \$127 million in 2023, 2022, 2021, and 2020, 2021, respectively.

Stock Options

In the past, we granted stock options to certain team members. All outstanding stock options are vested and currently exercisable.

Stock Option Activity	Stock Options	Stock Option Activity	Stock Options
	Total Outstanding & Exercisable		Total Outstanding & Exercisable
Number of Options	Exercise Price	Intrinsic Value	Number of Options
(a)	(b)	(c)	
January 29, 2022	210	\$ 58.17	\$ 33
January 28, 2023			
Exercised / issued	(88)	61.07	
January 28, 2023	122	\$ 56.07	\$ 14
Exercised			
Exercised			
Exercised			(67) 56.47
February 3, 2024			

(a) In thousands.

(b) Weighted average per share.

(c) Represents stock price appreciation subsequent to the grant date, in millions.

Stock Option Exercises	Stock Option Exercises	2023	2022	2021	
(millions)	(millions)	2022	2021	2020	(millions)
Cash received for exercise price	Cash received for exercise price	\$ 4	\$ 8	\$ 23	
Intrinsic value	Intrinsic value	11	45	161	
Income tax benefit	Income tax benefit	2	11	41	

As of **January 28, 2023** **February 3, 2024**, there was no unrecognized compensation expense related to stock options. The weighted average remaining life of exercisable and outstanding options is **1.20.2** years.

22.23. Defined Contribution Plans

Team members who meet eligibility requirements can participate in a defined contribution 401(k) plan by investing up to 80 percent of their eligible earnings, as limited by statute or regulation. We match 100 percent of each team member's contribution up to 5 percent of eligible earnings. Company match contributions are made to funds designated by the participant, none of which are based on Target common stock.

In addition, we maintain an unfunded, nonqualified deferred compensation plan for a broad management group whose participation in our 401(k) plan is limited by statute or regulation. These team members choose from a menu of crediting rate alternatives that are generally the same as the investment choices in our 401(k) plan, but also includes a fund based on Target common stock. We credit an additional 2 percent per year to the accounts of all active participants, excluding members of our executive leadership team, in part to recognize the risks inherent to their participation in this plan. We also maintain a frozen, unfunded, nonqualified deferred compensation plan covering less than 50 participants. Our total liability under these plans was ~~\$600 million~~ ~~\$627 million~~ and ~~\$632 million~~ ~~\$600 million~~ as of ~~January 28, 2023~~ ~~February 3, 2024~~, and ~~January 29, 2022~~ ~~January 28, 2023~~, respectively.

We mitigate our risk of offering the nonqualified plans through investing in company-owned life insurance and prepaid forward contracts that substantially offset our economic exposure to the returns of these plans. These investments are general corporate assets and are marked to market with the related gains and losses recognized in the Consolidated Statements of Operations in the period they occur.

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Plan	Plan	Plan Expenses			2023	2022	2021
Expenses	Expenses	2022	2021	2020	(millions)		
401(k) plan	401(k) plan						
matching	matching						
contributions	contributions						
expense	expense	\$335	\$307	\$281			
Nonqualified	Nonqualified						
deferred	deferred						
compensation	compensation						
plans	plans						
Benefits (income) /							
expense		\$ (15)	\$ 59	\$ 86			
Nonqualified deferred							
compensation plans							
Nonqualified deferred							
compensation plans							
Benefits							
expense /							
(income)							
Related	Related						
investment	investment						
(income) /	(income) /						
expense	expense	40	(27)	(58)			
Nonqualified	Nonqualified						
plans net	plans net						
expense	expense	\$ 25	\$ 32	\$ 28			

23.24. Pension Plans

We have a U.S. qualified defined benefit pension plan covering team members who meet eligibility requirements. This plan is closed to new participants. Active participants accrue benefits under a final average pay feature or a cash balance feature. We also have unfunded, nonqualified pension plans for team members with qualified plan compensation restrictions, as well as international plans. Eligibility and the level of benefits under all plans vary depending on each team member's full-time or part-time status, date of hire, age, length of service, and/or compensation.

Funded Status	Funded Status	Nonqualified and International		Funded Status				Nonqualified and International Plans	
		Qualified Plan		Plans		Qualified Plan			
		(millions)	(millions)	2022	2021	2022	2021	(millions)	2023
Projected benefit obligations	Projected benefit obligations			\$3,616	\$4,305	\$ 64	\$ 72		2022
Fair value of plan assets	Fair value of plan assets			3,691	4,433	17	16		
Funded / (underfunded) status	Funded / (underfunded) status			\$ 75	\$ 128	\$(47)	\$(56)		

Contributions and Estimated Future Benefit Payments

Our obligations to plan participants can be met over time through a combination of company contributions to these plans and earnings on plan assets. In 2022 we made a discretionary contribution of \$150 million to our qualified defined benefit pension plan. In 2021 2023, we made no contributions to our qualified defined benefit pension plan. plan, and in 2022 we made a discretionary contribution of \$150 million. We are not required to make any contributions to our qualified defined benefit pension plan in 2023. 2024. However, depending on investment performance and plan funded status, we may elect to make a contribution.

Estimated Future Benefit Payments			Pension Benefits
Future Benefit	Future Benefit	Pension Benefits	
Payments	Payments	Pension Benefits	
(millions)	(millions)	(millions)	
2023		\$ 330	
2024	2024	232	
2025	2025	238	
2026	2026	243	
2027	2027	249	
2028 - 2032		1,310	
2028			
2029 -			
2033			

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Net	Net							
Pension	Pension							
Benefits	Benefits							
Expense	Expense							
(millions)	(millions)							
(millions)	(millions)	Classification	2022	2021	2020	Classification	2023	2022
Service cost	Service cost							2021
benefits	benefits	SG&A						
earned	earned	Expenses	\$ 94	\$100	\$103			
Interest cost	Interest cost							
on projected	on projected	Net Other						
benefit	benefit	(Income) /						
obligation	obligation	Expense	117	96	118			
Expected	Expected	Net Other						
return on	return on	(Income) /						
assets	assets	Expense	(234)	(238)	(242)			
		Net Other						
Amortization	Amortization	(Income) /						
of losses	of losses	Expense	61	113	127			
		Net Other						
Amortization of prior	(Income) /							
service cost	Expense	10	—	(11)				
		Net Other						
		(Income) /						
Settlement charges	Expense	—	—	1				
Prior service								
cost								
Total	Total	\$ 48	\$ 71	\$ 96				
Total								
Total								

Assumptions

Benefit Obligation	Benefit Obligation				
Weighted Average	Weighted Average				
Assumptions	Assumptions		2022		2021
Benefit Obligation Weighted Average Assumptions					
Benefit Obligation Weighted Average Assumptions					
Discount rate					
Discount rate					
Discount rate	Discount rate		4.83	%	3.30
					%

Average assumed rate of compensation increase	Average assumed rate of compensation increase	3.00	3.00
Average assumed rate of compensation increase			
Average assumed rate of compensation increase			
Cash balance plan interest crediting rate	Cash balance plan interest crediting rate	4.64	4.64
Cash balance plan interest crediting rate			
Cash balance plan interest crediting rate			
Net Periodic Benefit Expense Assumptions	Net Periodic Benefit Expense Assumptions	2022	2021
Benefit Expense	Benefit Expense	2020	
Weighted Average	Weighted Average		
			Net Periodic Benefit Expense Weighted Average
Assumptions	Assumptions	2022	2021
Discount rate	Discount rate	3.30 %	2.84 %
Expected long-term rate of return on plan assets	Expected long-term rate of return on plan assets	3.13 %	3.13 %
Average assumed rate of compensation increase	Average assumed rate of compensation increase	5.60	5.80
Cash balance plan interest crediting rate	Cash balance plan interest crediting rate	6.10	
			2023
			2022
			2021
Discount rate	Discount rate	4.83 %	3.30 %
Expected long-term rate of return on plan assets	Expected long-term rate of return on plan assets	2.84 %	
Average assumed rate of compensation increase	Average assumed rate of compensation increase	3.00	3.00
Cash balance plan interest crediting rate	Cash balance plan interest crediting rate	4.64	4.64

The weighted average assumptions used to measure net periodic benefit expense each year are the rates as of the beginning of the year (i.e., the prior measurement date). Our most recent compound annual rate of return on qualified plan assets was **1.24.6** percent, **4.24.8** percent, **4.56.4** percent, and **6.76.2** percent for the 5-year, 10-year, 15-year, and 20-year time periods, respectively.

The market-related value of plan assets is used in calculating the expected return on assets. Historical differences between expected and actual returns are deferred and recognized in the market-related value over a 5-year period from the year in which they occur.

We review the expected long-term rate of return annually and revise it as appropriate. Additionally, we monitor the mix of investments in our portfolio to ensure alignment with our long-term strategy to manage pension cost and reduce volatility in our assets. Our **2022** **2023** expected annualized long-term rate of return assumptions were **6.07.5** percent for domestic equity securities, **7.08.0** percent for international equity securities, **3.05.5** percent for long-duration debt securities, **7.09.0** percent for diversified funds, and **7.08.0** percent for other investments. These estimates are a judgmental matter in which we consider the composition of our asset portfolio, our historical long-term investment performance, and current market conditions.

Benefit Obligation

Change in Projected Benefit Obligation	Change in Projected Benefit Obligation	Nonqualified and International Obligation				Qualified Plan	Nonqualified and International Plans		
		Qualified Plan		Plans			2023	2022	2023
(millions)	(millions)	2022	2021	2022	2021	(millions)			
Benefit obligation at beginning of period	Benefit obligation at beginning of period	\$4,305	\$4,594	\$ 72	\$ 74				
Service cost	Service cost	89	94	5	6				
Interest cost	Interest cost	116	95	2	1				
Plan amendments									
Actuarial gain ^(a)	Actuarial gain ^(a)	(602)	(247)	(9)	(4)				
Participant contributions	Participant contributions	2	5	—	—				
Benefits paid									
Benefits paid	Benefits paid	(294)	(236)	(6)	(5)				
Benefit obligation at end of period ^(b)	Benefit obligation at end of period ^(b)	\$3,616	\$4,305	\$ 64	\$ 72				
Benefit obligation at end of period ^(b)									

(a) The actuarial gain was primarily driven by changes in the weighted average discount rate.

(b) Accumulated benefit obligation—the present value of benefits earned to date assuming no future salary growth—is materially consistent with the projected benefit obligation in each period presented.

Plan Assets

Change in Plan Assets	Change in Plan Assets	Nonqualified and International Obligation				Qualified Plan	Nonqualified and International Plans		
		Qualified Plan		Plans			2023	2022	2023
(millions)	(millions)	2022	2021	2022	2021	(millions)			
Fair value of plan assets at beginning of period	Fair value of plan assets at beginning of period	\$4,433	\$4,588	\$ 16	\$ 11				
Actual return on plan assets	Actual return on plan assets	(600)	76	(3)	—				

Employer contributions	Employer contributions	150	—	10	10
Participant contributions	Participant contributions	2	5	—	—
Benefits paid	Benefits paid	(294)	(236)	(6)	(5)
Fair value of assets at end of period	Fair value of assets at end of period	\$3,691	\$4,433	\$ 17	\$ 16

Our asset allocation policy is designed to reduce the long-term cost of funding our pension obligations. The plan invests with both passive and active investment managers depending on the investment. The plan also seeks to reduce the risk associated with adverse movements in interest rates by employing an interest rate hedging program, which includes the use of derivative instruments.

Asset Category	Asset Category	Actual Allocation			Asset Category	Actual Allocation			
		Current Allocation	Targeted Allocation			Current Allocation	Targeted Allocation		
			2022	2021			2023	2022	
Domestic equity securities ^(a)	Domestic equity securities ^(a)	12	% 12 %	12 %	Domestic equity securities ^(a)	12	% 12 %	12 %	
International equity securities	International equity securities	8	8	8					
Debt securities	Debt securities	50	51	50					
Diversified funds	Diversified funds	25	23	25					
Other ^(b)	Other ^(b)	5	6	5					
Total	Total	100	% 100 %	100 %	Total	100	% 100 %	100 %	

(a) Equity securities include our common stock in amounts substantially less than 1 percent of total plan assets in both periods presented.

(b) Other assets include private equity, mezzanine and high-yield debt, natural resources and timberland funds, derivative instruments, and real estate.

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Fair Value Measurements	Fair Value Measurements	Fair Value as of Measurements	Fair Value as of

		January 31, 2023		January 31, 2022		Measurement Level		January 31, 2024	January 31, 2023
(millions)	(millions)	Measurement Level	31, 2023	31, 2022	(millions)	Measurement Level	January 31, 2024	January 31, 2023	
Cash and cash equivalents	Cash and cash equivalents	Level 1	\$ 13	\$ 8					
Derivatives	Derivatives	Level 2	6	(9)					
Government securities ^(a)	Government securities ^(a)	Level 2	619	740					
Fixed income	Fixed income								
^(b)	^(b)	Level 2	1,214	1,447					
			1,852	2,186					
			1,761						
Investments valued using NAV per share ^(c)	Investments valued using NAV per share ^(c)								
Fixed income	Fixed income								
Fixed income	Fixed income		6	10					
Private equity funds	Private equity funds		64	68					
Cash and cash equivalents	Cash and cash equivalents		240	100					
Common collective trusts	Common collective trusts		594	860					
Diversified funds	Diversified funds		844	1,105					
Other	Other		108	120					
Total plan assets	Total plan assets		\$ 3,708	\$ 4,449					

(a) Investments in government securities and long-term government bonds.

(b) Investments in corporate and municipal bonds.

(c) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

Position	Valuation Technique
Cash and cash equivalents	Carrying value approximates fair value.
Derivatives	Swap derivatives - Valuations are based on observable inputs to the valuation model (e.g., interest rates and credit spreads). Model inputs are changed only when corroborated by market data. A credit risk adjustment is made on each swap using observable market credit spreads.
	Option derivatives - Initially valued at transaction price. Subsequent valuations are based on observable inputs to the valuation model (e.g., underlying investments).
Government securities and fixed income	Valued using matrix pricing models and quoted prices of securities with similar characteristics.

Amounts Included in Shareholders' Investment

Amounts in Accumulated Other Comprehensive Loss

(millions)	2022	2021
Net actuarial loss	\$ 937	\$ 783
Prior service credits	—	—
Amounts in Accumulated Other Comprehensive Loss (a)	\$ 937	\$ 783

(a) \$696 million **Actuarial gains** and \$583 million **losses** are recorded in AOCI and amortized using the corridor approach. As of February 3, 2024, and January 28, 2023, pretax net of tax, at the end of 2022 actuarial losses recorded in AOCI totaled \$969 million and 2021, \$937 million, respectively.

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24.25. Accumulated Other Comprehensive Loss

Change in Accumulated Other Comprehensive Loss	Change in Accumulated Other Comprehensive Loss	Currency			Change in Accumulated Other Comprehensive Loss	Currency		
(millions)	(millions)	Cash Flow	Hedges	Translation	(millions)	Cash Flow	Hedges	Translation
January 29, 2022		\$ 49	\$ (19)	\$ (583)	\$ (553)			
Other comprehensive income / (loss) before reclassifications, net of tax		254	(4)	(159)	91			
January 28, 2023								
Other comprehensive loss before reclassifications, net of tax								
Amounts	Amounts	(a)		(b)				
reclassified from	reclassified from							
AOCI, net of tax	AOCI, net of tax	(3)	—	46	43			
January 28, 2023		\$ 300	\$ (23)	\$ (696)	\$ (419)			
February 3, 2024								

Note: Amounts are net of tax.

(a) Represents amortization of gains and losses on cash flow hedges, net of \$6 million of taxes, which is recorded in Net Interest Expense.

(b) Represents amortization of pension gains and losses, net of \$16 million of taxes, tax, which is recorded in Net Other (Income)/Expense. Income. See [Note 23.24](#) for additional information.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures**Changes in Internal Control Over Financial Reporting**

During the most recently completed fiscal quarter, there were no changes which materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Annual Report, we conducted an evaluation, under supervision and with the participation of management, including the chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rules 13a-15 and 15d-15 of the Securities Exchange Act of 1934, as amended (Exchange Act). Based upon that evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures are effective at a reasonable assurance level. Disclosure controls and procedures are defined by Rules 13a-15(e) and 15d-15(e) of the Exchange Act as controls and other procedures that are designed to ensure that information required to be disclosed by us in reports filed with the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

For the Report of Management on Internal Control and the Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting, see [Part II, Item 8, Financial Statements and Supplementary Data](#).

Item 9B. Other Information

Not applicable. On November 22, 2023, Christina Hennington, Target's Executive Vice President and Chief Growth Officer, adopted a written plan for the sale of Target common stock that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act. Ms. Hennington's written plan covers 11,900 shares of Target common stock in the aggregate. It provides for the sale of 9,900 shares of Target common stock and also provides for a gift of 2,000 shares of Target common stock. This written plan is scheduled to expire on November 22, 2024.

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Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

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PART III

Certain information required by Part III is incorporated by reference from Target's definitive Proxy Statement for the Annual Meeting of Shareholders to be held on **June 14, 2023** **June 12, 2024** (our Proxy Statement). Except for those portions specifically incorporated in this Form 10-K by reference to the Proxy Statement, no other portions of the Proxy Statement are deemed to be filed as part of this Form 10-K.

Item 10. Directors, Executive Officers and Corporate Governance

The following sections of the Proxy Statement are incorporated herein by reference:

- Item one—Election of directors
- General information about corporate governance and the Board—
 - Committees
 - Business ethics and conduct
- Stock ownership information—Delinquent Section 16(a) reports
- Questions and answers about the **2023** **2024** Annual Meeting—Access to information—Question 16
- Questions and answers about the **2023** **2024** Annual Meeting—Communications—Question 19

See also [Part I, Item 1., Business](#) of this Form 10-K.

Item 11. Executive Compensation

The following sections of the Proxy Statement are incorporated herein by reference:

- Item one—Election of directors—Director compensation
- Compensation Discussion and Analysis
- Compensation tables (exclusive of Compensation tables—Pay versus performance disclosure)
- Compensation & Human Capital Management Committee Report

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following sections of the Proxy Statement are incorporated herein by reference:

- Stock ownership information—
 - Beneficial ownership of directors and executive officers
 - Beneficial ownership of Target's largest shareholders
- Compensation tables—Equity compensation plan information

Item 13. Certain Relationships and Related Transactions, and Director Independence

The following sections of the Proxy Statement are incorporated herein by reference:

- General information about corporate governance and the Board—
 - Committees
 - Director independence
 - Policy on transactions with related persons

Item 14. Principal Accountant Fees and Services

The following section of the Proxy Statement is incorporated herein by reference:

- Item two—Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm—Audit and non-audit fees

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PART IV

Item 15. Exhibits, Financial Statement Schedules

The following information required under this item is filed as part of this report:

a) Financial Statements

- [Consolidated Statements of Operations](#) for the Years Ended January 28, 2023 February 3, 2024, January 29, 2022 January 28, 2023, and January 30, 2021 January 29, 2022
- [Consolidated Statements of Comprehensive Income](#) for the Years Ended January 28, 2023 February 3, 2024, January 29, 2022 January 28, 2023, and January 30, 2021 January 29, 2022
- [Consolidated Statements of Financial Position](#) as of January 28, 2023 February 3, 2024, and January 29, 2022 January 28, 2023
- [Consolidated Statements of Cash Flows](#) for the Years Ended January 28, 2023 February 3, 2024, January 29, 2022 January 28, 2023, and January 30, 2021 January 29, 2022
- [Consolidated Statements of Shareholders' Investment](#) for the Years Ended January 28, 2023 February 3, 2024, January 29, 2022 January 28, 2023, and January 30, 2021 January 29, 2022
- [Notes to Consolidated Financial Statements](#)
- [Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements](#) (PCAOB ID: 42)

Financial Statement Schedules

None.

Other schedules have not been included either because they are not applicable or because the information is included elsewhere in this Report.

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b) Exhibits ⁽¹⁾

- 3.1 [Amended and Restated Articles of Incorporation of Target Corporation \(as amended through June 9, 2010\) \(filed as Exhibit \(3\)A to Target's Current Report on Form 8-K on June 10, 2010 and incorporated herein by reference\).](#)
- 3.2 [Bylaws of Target Corporation \(as amended and restated through January 11, 2023\) \(filed as Exhibit 3.2 to Target's Current Report on Form 8-K on January 12, 2023 and incorporated herein by reference\).](#)
- 4.1 [Indenture, dated as of August 4, 2000 between Target Corporation and Bank One Trust Company, N.A. \(filed as Exhibit 4.1 to Target's Current Report on Form 8-K on August 10, 2000 and incorporated herein by reference\).](#)
- 4.1.1 [First Supplemental Indenture dated as of May 1, 2007 to Indenture dated as of August 4, 2000 between Target Corporation and The Bank of New York Trust Company, N.A. \(as successor in interest to Bank One Trust Company N.A.\) \(filed as Exhibit 4.1 to Target's Current Report on Form 8-K on May 1, 2007 and incorporated herein by reference\).](#)
- 4.2 [Description of Securities \(filed as Exhibit \(4\)D to Target's Annual Report on Form 10-K for the year ended January 30, 2021 and incorporated herein by reference\).](#)
- 10.1 * [Target Corporation Executive Officer Cash Incentive Plan \(filed as Exhibit \(10\)A to Target's Annual Report on Form 10-K for the year ended January 30, 2021 and incorporated herein by reference\).](#)
- 10.2 * [Target Corporation Long-Term Incentive Plan \(as amended and restated effective June 8, 2011\) \(filed as Exhibit \(10\)B to Target's Quarterly Report on Form 10-Q for the quarter ended July 30, 2011 and incorporated herein by reference\).](#)
- 10.2.1 * [Form of Amended and Restated Executive Non-Qualified Stock Option Agreement \(filed as Exhibit \(10\)V to Target's Annual Report on Form 10-K for the year ended January 31, 2015 and incorporated herein by reference\).](#)
- 10.2.2 * [Form of Non-Employee Director Non-Qualified Stock Option Agreement \(filed as Exhibit \(10\)EE to Target's Current Report on Form 8-K on January 11, 2012 and incorporated herein by reference\).](#)
- 10.3 * [Amended and Restated Target Corporation 2011 Long-Term Incentive Plan \(as amended and restated effective September 1, 2017\) \(filed as Exhibit \(10\)C to Target's Quarterly Report on Form 10-Q for the quarter ended July 29, 2017 and incorporated herein by reference\).](#)
- 10.3.1 * [Form of Price-Vested Stock Option Agreement \(filed as Exhibit \(10\)JJ to Target's Quarterly Report on Form 10-Q for the quarter ended April 29, 2017 and incorporated herein by reference\).](#)
- 10.4 * [Target Corporation 2020 Long-Term Incentive Plan \(filed as Exhibit \(10\)D to Target's Current Report on Form 8-K on June 11, 2020 and incorporated herein by reference\).](#)
- 10.4.1 * ** [Form of Restricted Stock Unit Agreement.](#)
- 10.4.2 * ** [Form of Performance-Based Restricted Stock Unit Agreement.](#)
- 10.4.3 * ** [Form of Performance Share Unit Agreement.](#)
- 10.4.4 * [Form of Non-Employee Director Restricted Stock Unit Agreement \(filed as Exhibit \(10\)Y to Target's Quarterly Report on Form 10-Q for the quarter ended August 1, 2020 and incorporated herein by reference\).](#)
- 10.5 * [Target Corporation SPP I \(2022 Plan Statement\) \(as amended and restated effective May 1, 2022\) \(filed as Exhibit \(10\)E to Target's Quarterly Report on Form 10-Q for the quarter ended July 30, 2022 and incorporated herein by reference\).](#)
- 10.6 * [Target Corporation SPP II \(2022 Plan Statement\) \(as amended and restated effective May 1, 2022\) \(filed as Exhibit \(10\)F to Target's Quarterly Report on Form 10-Q for the quarter ended July 30, 2022 and incorporated herein by reference\).](#)
- 10.7 * [Target Corporation SPP III \(2014 Plan Statement\) \(as amended and restated effective January 1, 2014\) \(filed as Exhibit \(10\)E to Target's Annual Report on Form 10-K for the year ended February 1, 2014 and incorporated herein by reference\).](#)
- 10.7.1 * [Amendment to Target Corporation SPP III \(2014 Plan Statement\) \(effective April 3, 2016\) \(filed as Exhibit \(10\)NN to Target's Quarterly Report on Form 10-Q for the quarter ended April 30, 2016 and incorporated herein by reference\).](#)

10.8 * [Target's Quarterly Report on Form 10-Q for the quarter ended April 30, 2010 and incorporated herein by reference\).](#)
 Target Corporation Officer Deferred Compensation Plan (as amended and restated effective June 8, 2011) (filed as Exhibit (10)F to Target's Quarterly Report on Form 10-Q for the quarter ended July 30, 2011 and incorporated herein by reference).

10.9 * ** [Target Corporation Officer EDCP \(2023\(2023 Plan Statement\) \(as amended and restated effective January 1, 2023\)January 1, 2023 \(filed as Exhibit 10.9 to Target's Annual Report on Form 10-K for the year ended January 28, 2023 and incorporated herein by reference\).](#)

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10.10 * [Target Corporation Deferred Compensation Plan Directors \(filed as Exhibit \(10\)I to Target's Annual Report on Form 10-K for the year ended February 3, 2007 and incorporated herein by reference\).](#)

10.11 * [Target Corporation DDCP \(2022 Plan Statement\) \(as amended and restated effective January 1, 2022\) \(filed as Exhibit \(10\)L to Target's Quarterly Report on Form 10-Q for the quarter ended October 30, 2021 and incorporated herein by reference\).](#)

10.12 * [Target Corporation Officer Income Continuation Plan \(as amended and restated effective September 1, 2017\) \(filed as Exhibit \(10\)L to Target's Quarterly Report on Form 10-Q for the quarter ended July 29, 2017 and incorporated herein by reference\).](#)

10.13 * [Target Corporation Executive Excess Long Term Disability Plan \(as restated effective January 1, 2010\) \(filed as Exhibit \(10\)A to Target's Quarterly Report on Form 10-Q for the quarter ended October 30, 2010 and incorporated herein by reference\).](#)

10.14 * [Director Retirement Program \(filed as Exhibit \(10\)O to Target's Annual Report on Form 10-K for the year ended January 29, 2005 and incorporated herein by reference\).](#)

10.15 * [Target Corporation Deferred Compensation Trust Agreement \(as amended and restated effective January 1, 2009\) \(filed as Exhibit \(10\)O to Target's Annual Report on Form 10-K for the year ended January 31, 2009 and incorporated herein by reference\).](#)

10.15.1 * [Amendment dated June 8, 2011 to Target Corporation Deferred Compensation Trust Agreement \(as amended and restated effective January 1, 2009\) \(filed as Exhibit \(10\)AA to Target's Quarterly Report on Form 10-Q for the quarter ended July 30, 2011 and incorporated herein by reference\).](#)

10.15.2 * [Amendment dated October 25, 2017 to Target Corporation Deferred Compensation Trust Agreement \(as amended and restated effective January 1, 2009\) \(filed as Exhibit \(10\)MM to Target's Quarterly Report on Form 10-Q for the quarter ended October 28, 2017 and incorporated herein by reference\).](#)

10.15.3 * [Amendment dated December 18, 2020 to Target Corporation Deferred Compensation Trust Agreement \(as amended and restated effective January 1, 2009\) \(filed as Exhibit \(10\)S to Target's Annual Report on Form 10-K for the year ended January 30, 2021 and incorporated herein by reference\).](#)

10.16 * [Form of Cash Retention Award \(filed as Exhibit \(10\)W to Target's Annual Report on Form 10-K for the year ended February 2, 2013 and incorporated herein by reference\).](#)

10.17 * ‡ [Aircraft Time Sharing Agreement as of October 4, 2022 among Target Corporation and Brian C. Cornell \(filed as Exhibit \(10\)BB to Target's Quarterly Report on Form 10-Q for the quarter ended October 29, 2022 and incorporated herein by reference\).](#)

10.18 * ** [Transition Agreement dated May 4, 2022 \(filed as Exhibit \(10\)KK to Target's Quarterly Report on Form 10-Q for the quarter ended July 30, 2022 November 8, 2023 among Target Corporation, Target Enterprise, Inc., and incorporated herein by reference\) John J. Mulligan.](#)

10.19	Five-Year Credit Agreement dated as of October 18, 2021 among Target Corporation, Bank of America, N.A., as Administrative Agent, and the Banks listed therein (filed as Exhibit (10)DD to Target's Quarterly Report on Form 10-Q for the quarter ended October 30, 2021 and incorporated herein by reference).
10.19.1‡	Amendment No. 1 to Five-Year Credit Agreement dated as of October 25, 2022 among Target Corporation, Bank of America, N.A., as Administrative Agent, and the Banks listed therein (filed as Exhibit (10)EE to Target's Quarterly Report on Form 10-Q for the quarter ended October 29, 2022 and incorporated herein by reference).
10.19.2	Amendment No. 2 to Five-Year Credit Agreement dated as of September 20, 2023 among Target Corporation, Bank of America, N.A., as Administrative Agent, and the Banks listed therein (filed as Exhibit 10.19.2 to Target's Quarterly Report on Form 10-Q for the quarter ended October 28, 2023 and incorporated herein by reference).
10.20‡	364-Day Credit Agreement dated as of October 25, 2022 October 18, 2023 among Target Corporation, the Banks listed therein, the Co-Documentation Agents and Syndication Agent listed therein, and Bank of America, N.A., as Administrative Agent (filed as Exhibit (10)FF to Target's Quarterly Report on Form 10-Q for the quarter ended October 29, 2022 October 28, 2023 and incorporated herein by reference).
10.21 +	Credit Card Program Agreement dated October 22, 2012 among Target Corporation, Target Enterprise, Inc. and TD Bank USA, N.A. (filed as Exhibit (10)X to Target's Quarterly Report on Form 10-Q/A for the quarter ended May 4, 2013 and incorporated herein by reference).
10.21.1 +	First Amendment dated February 24, 2015 to Credit Card Program Agreement among Target Corporation, Target Enterprise, Inc. and TD Bank USA, N.A. (filed as Exhibit (10)II to Target's Quarterly Report on Form 10-Q for the quarter ended May 2, 2015 and incorporated herein by reference).

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10.21.2 +	Second Amendment dated November 19, 2019 to Credit Card Program Agreement among Target Corporation, Target Enterprise, Inc. and TD Bank USA, N.A. (filed as Exhibit (10)HH to Target's Annual Report on Form 10-K for the year ended February 1, 2020 and incorporated herein by reference).
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10.21.3 +	Third Amendment dated November 1, 2022 to Credit Card Program Agreement among Target Corporation, Target Enterprise, Inc. and TD Bank USA, N.A. (filed as Exhibit (10)JJ to Target's Quarterly Report on Form 10-Q for the quarter ended October 29, 2022 and incorporated herein by reference).
10.21.4 +	Letter Agreement dated March 8, 2023 among Target Corporation, Target Enterprise, Inc. and TD Bank USA, N.A. (filed as Exhibit 10.21.4 to Target's Quarterly Report on Form 10-Q for the quarter ended April 29, 2023 and incorporated herein by reference).
10.22 +	Pharmacy Operating Agreement dated December 16, 2015 between Target Corporation and CVS Pharmacy, Inc. (filed as Exhibit (10)KK to Target's Annual Report on Form 10-K for the year ended January 30, 2016 and incorporated herein by reference).
10.22.1 +	First Amendment dated November 30, 2016 to Pharmacy Operating Agreement between Target Corporation and CVS Pharmacy, Inc. (filed as Exhibit (10)CC to Target's Annual Report on Form 10-K for the year ended January 28, 2017 and incorporated herein by reference).
10.22.2	Second Amendment dated January 9, 2018 to Pharmacy Operating Agreement between Target Corporation and CVS Pharmacy, Inc. (filed as Exhibit (10)HH to Target's Annual Report on Form 10-K for the year ended February 3, 2018 and incorporated herein by reference).
21.1 **	List of Subsidiaries
23.1 **	Consent of Independent Registered Public Accounting Firm
24.1 **	Powers of Attorney
31.1 **	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2 **	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1 ***	Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350., As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2 ***	Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350., As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97.1 **	Target Corporation Clawback Policy
101.INS **	Inline XBRL Instance Document
101.SCH **	Inline XBRL Taxonomy Extension Schema
101.CAL **	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF **	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB **	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE **	Inline XBRL Taxonomy Extension Presentation Linkbase
104 **	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Management contract or compensatory plan or arrangement.

** Filed herewith.

*** Furnished herewith.

+ Certain portions of this exhibit have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K. The Company agrees to furnish supplementally an unredacted copy of the exhibit to the Securities and Exchange Commission upon its request.

‡ Certain schedules and attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish a copy of such schedules and exhibits attachments to the Securities and Exchange Commission upon its request.

(1) Certain instruments defining the rights of holders of long-term debt securities of the Company have been omitted pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K. The Company agrees to furnish copies of any such instruments to the Securities and Exchange Commission upon its request.

Item 16. Form 10-K Summary

Not applicable.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Target has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TARGET CORPORATION

By: /s/ Michael J. Fiddelke

Michael J. Fiddelke

*Executive Vice President and Chief Operating Officer and Chief
Financial Officer*Date: March 8, 2023 March 13, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Target and in the capacities and on the dates indicated.

/s/ Brian C. Cornell

Brian C. Cornell

*Chair of the Board and Chief Executive Officer*Date: March 8, 2023 March 13, 2024/s/ Michael J. Fiddelke

Michael J. Fiddelke

*Executive Vice President and Chief Operating Officer and Chief
Financial Officer*Date: March 8, 2023 March 13, 2024/s/ Matthew A. Liegel

Matthew A. Liegel

*Senior Vice President, Chief Accounting Officer
and Controller*Date: March 8, 2023 March 13, 2024

DAVID P. ABNEY
DOUGLAS M. BAKER, JR.
GEORGE S. BARRETT
GAIL K. BOUDREAUX
ROBERT L. EDWARDS
MELANIE L. HEALEY
DONALD R. KNAUSS

DONALD R. KNAUSS
CHRISTINE A. LEAHY
MONICA C. LOZANO
GRACE PUMA
DERICA W. RICE
DMITRI L. STOCKTON

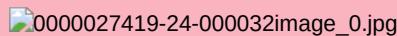
Constituting a majority of the Board of Directors

Michael J. Fiddelke, by signing his name hereto, does hereby sign this document pursuant to powers of attorney duly executed by the Directors named, filed with the Securities and Exchange Commission on behalf of such Directors, all in the capacities and on the date stated.

By: /s/ Michael J. Fiddelke

Michael J. Fiddelke

*Attorney-in-fact*Date: March 8, 2023 March 13, 2024



Target Corporation 2020 Long-Term Incentive Plan

RESTRICTED STOCK UNIT AGREEMENT
(Officer)

THIS RESTRICTED STOCK UNIT AGREEMENT (the "Agreement") is made in Minneapolis, Minnesota as of the date of grant (the "Grant Date") set forth in the award letter (the "Award Letter") by and between the Company and the person (the "Team Member") identified in the Award Letter. This award (the "Award") of Restricted Stock Units ("RSUs"), provided to you as a Service Provider, is being issued under the Target Corporation 2020 Long-Term Incentive Plan (the "Plan"), subject to the following terms and conditions.

1. Definitions. Except as otherwise provided in this Agreement, the defined terms used in this Agreement shall have the same meaning as in the Plan. The term "Committee" shall also include those persons to whom authority has been delegated under the Plan.

2. Grant of RSUs. Subject to the relevant terms of the Plan and this Agreement, as of the Grant Date, the Company has granted the Team Member the number of RSUs set forth in the Award Letter.

3. Vesting Schedule.

(a) Subject to Section 3(b), [XX] of the Shares issuable under the RSUs shall vest on the first [XX] anniversary of the Grant Date and on each succeeding anniversary of the Grant Date until all of the Shares have been issued (after the [XX] anniversary of the Grant Date).

(b) Notwithstanding Section 3(a), the Shares issuable under the applicable number of RSUs shall vest on the earlier of: (i) the date that the conditions for an Accelerated Vesting Event set forth in Section 4 are satisfied; or (ii) as specified in Section 5.

(c) Each date of vesting is referred to as a "Vesting Date". All vested RSUs shall be paid out as provided in Section 10, in accordance with and subject to any restrictions set forth in this Agreement, the Plan or any Release Agreement that the Team Member may be required to enter pursuant to Sections 4 or 5. "Release Agreement" means an agreement containing a release of claims a covenant not to engage in competitive employment, and/or other provisions deemed appropriate by the Committee in its sole discretion.

4. Accelerated Vesting Events. Upon the occurrence of one of the following events (each, an "Accelerated Vesting Event"), the outstanding unvested RSUs subject to this

Agreement shall vest as provided below. The Committee, in its sole discretion, makes all determinations required under this Section 4.

(a) Retirement. The applicable number of outstanding unvested RSUs shall vest as of the date the last of the Retirement Conditions is satisfied. The "Retirement Conditions" are: (i) the Team Member attaining age 55 and completing at least 5 years of Service (which 5 years need not be continuous) on or prior to the Team Member's (1) voluntary termination of Service, or (2) termination of Service resulting from the Company's elimination of the Team Member's position ("Position Elimination"); (ii) the Company receiving a valid unrevoked Release Agreement from the Team Member; and (iii) the Team Member commencing discussions with the Company's Chief Executive Officer or most senior human resources executive regarding the Team Member's consideration of termination at least six months prior to the Team Member's voluntary termination of Service. If the Team Member's termination of Service described in Section 4(a)(i) occurs during the 12 month period immediately following the Grant Date, the Team Member shall vest in a portion of the outstanding unvested RSUs subject to this Agreement. Such vested portion will be determined by multiplying the number of outstanding unvested RSUs in the grant by a fraction, the numerator of which is the number of days from the Grant Date through the date of termination of Service and the denominator of which is the number of days from the Grant Date to the [XX] anniversary of the Grant Date. All remaining RSUs shall be cancelled and the Team Member shall have no rights to such cancelled RSUs. If the Team Member's termination of Service described in Section 4(a)(i) occurs more than 12 months after the Grant Date but before the [XX] anniversary of the Grant Date, the Team Member shall vest in all applicable number of outstanding unvested RSUs. RSUs to vest shall be 100% of the RSUs subject to this Agreement.

(b) Death. In the case of the Team Member's death prior to the Team Member's termination of Service, the Team Member shall vest in all outstanding unvested RSUs as of the date of the Team Member's death.

(c) Disability. In the case of the Team Member's Disability prior to the Team Member's termination of Service, the Team Member shall vest in all outstanding unvested RSUs as of the date of the Team Member's Disability.

5. Change in Control. If a Change in Control occurs and the Award is assumed or replaced pursuant to Section 11(b)(1) of the Plan, the Award will continue to be subject to the Vesting Schedule provided in Section 3. Notwithstanding the foregoing and any other contrary provision of this Agreement, if within two years after a Change in Control and prior to the [XX] anniversary of the Grant Date, the Team Member's Service terminates voluntarily by the Team Member for Good Reason or involuntarily without Cause, and provided that the Company has received a valid unrevoked Release Agreement from the Team Member, the Team Member shall vest in all outstanding unvested RSUs as of the date of the Team Member's termination of Service.

6. Cause. Notwithstanding any other provisions of this Agreement to the contrary, if the Committee concludes, in its sole discretion, that the Team Member's Service was terminated in whole or in part for Cause, all of the RSUs subject to the Award that have not

previously been converted to Shares shall terminate immediately and the Team Member shall have no rights hereunder.

7. Other Termination; Changes of Service. If at any time prior to the [XX] anniversary of the Grant Date the Team Member's Service is terminated involuntarily under circumstances not covered in Section 4(a)(i)(2), for Cause, or for any reason not meeting all applicable conditions in Sections 4 or 5, all outstanding unvested RSUs subject to the Award shall terminate effective as of the date of termination of Service and the Team Member shall have no rights hereunder. Service shall not be deemed terminated in the case of (a) any approved leave of absence, or (b) transfers among the Company and any Subsidiaries in the same Service Provider capacity; however, a termination of Service shall occur if (i) the relationship the Team Member had with the Company or a Subsidiary at the Grant Date terminates, even if the Team Member continues in another Service Provider capacity with the Company or a Subsidiary, or (ii) the Team Member experiences a "separation from service" within the meaning of Code Section 409A.

8. Restrictive Covenant. By accepting the Award, the Team Member specifically agrees to the restrictive covenant contained in this Section 8 (the "Restrictive Covenant") and the Team Member agrees that the Restrictive Covenant and the remedies described herein are reasonable and necessary to protect the legitimate interests of the Company.

(a) Non-Solicitation. The Team Member agrees that for the period beginning on the Grant Date and ending on the date that is one year following the Team Member's termination of Service, the Team Member will not recruit for employment directly or indirectly, any employee of the Company with whom the Team Member worked, or about whom the Team Member possesses any Company personnel information.

(b) Remedies. The Team Member agrees that immediate irreparable damage will result to Company if the Team Member breaches the Restrictive Covenant set forth in this Agreement. Therefore, in the event the Team Member breaches this Agreement, whether directly or indirectly, the Team Member consents to specific enforcement of this Agreement through an injunction or restraining order. Injunctive relief shall be awarded in addition to any other remedies or damages available at law or in equity. The Team Member specifically agrees that the Company is entitled to the attorneys' fees and expenses the Company incurs to enforce this Agreement, and that the Team Member is responsible for paying the Company's costs and attorneys' fees incurred as a result of enforcing any provisions of this Agreement.

(c) Recovery. Notwithstanding any other provisions of this Agreement to the contrary, if the Committee concludes, in its sole discretion, that the Team Member has breached the Restrictive Covenant, the Company may take one or more of the following actions with respect to the Award:

(i) immediately terminate all of the RSUs subject to the Award that have not previously been converted to Shares, and the Team Member shall have no rights hereunder; ~~hereunder~~; and

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(ii) require repayment of all or any portion of the amounts realized or received by the Team Member resulting from the conversion of RSUs to Shares or the sale of Shares related to the Award.

9. Dividend Equivalents. The Team Member shall have the right to receive additional RSUs with a value equal to the regular cash dividend paid on one Share for each RSU held pursuant to this Agreement prior to the conversion of RSUs and issuance of Shares pursuant to Section 10. The number of additional RSUs to be received as dividend equivalents for each RSU held shall be determined by dividing the cash dividend per share by the Fair Market Value of one Share on the dividend payment date; provided, however, that for purposes of avoiding the issuance of fractional RSUs, on each dividend payment date the additional RSUs issued as dividend equivalents shall be rounded up to the nearest whole number. All such additional RSUs received as dividend equivalents shall be subject to forfeiture in the same manner and to the same extent as the original RSUs granted hereby, and shall be converted into Shares on the basis and at the time set forth in Section 10 hereof.

10. Conversion of RSUs and Issuance of Shares.

(a) Timing. Vested RSUs shall be converted to Shares and shall be issued within 90 days following the earliest to occur of (i) each anniversary of the Grant Date, (ii) the Team Member's "separation from service" as such term is defined for purposes of Code Section 409A, (iii) the Team Member's death, or (iv) the Team Member's Disability (as determined by the Committee in its sole discretion, provided such determination complies with the definition of disability under Code Section 409A).

(b) Limitation for Specified Employees. If any Shares shall be issuable with respect to the RSUs as a result of the Team Member's "separation from service" at such time as the Team Member is a "specified employee" within the meaning of Code Section 409A, then no Shares shall be issued, except as permitted under Code Section 409A, prior to the first business day after the earlier of (i) the date that is six months after the Team Member's "separation from service", or (ii) the Team Member's death.

(c) Unvested RSUs. All of the RSUs subject to the Award that are unvested as of the time the ~~vested RSUs are converted and Shares are issued under Section 10(a)(ii)~~ shall terminate immediately and the Team Member shall have no rights hereunder with respect to those unvested RSUs.

(d) Code Section 409A. The Committee in its sole discretion may accelerate or delay the distribution of any payment under this Agreement to the extent allowed or required under Code Section 409A. Payment of amounts under this Agreement are intended to comply with the requirements of Code Section 409A and this Agreement shall in all respects be administered and construed to give effect to such intent.

11. Taxes. The Team Member acknowledges that (a) the ultimate liability for any and all income tax, social insurance, payroll tax, payment on account or other tax-related

withholding ("Tax-Related Items") legally due by him or her is and remains the Team

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Member's responsibility and may exceed the amount actually withheld by the Company and/or a Subsidiary to which the Team Member is providing Service (the "Service Recipient") and (b) the Company and/or the Service Recipient or a former Service Recipient, as applicable, (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant, vesting and/or conversion of the RSUs and issuance of Shares; (ii) do not commit and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Team Member's liability for Tax-Related Items; (iii) may be required to withhold or account for Tax-Related Items in more than one jurisdiction if the Team Member has become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable event; and (iv) may refuse to deliver the Shares to the Team Member if he or she fails to comply with his or her obligations in connection with the Tax-Related Items as provided in this Section.

The Team Member authorizes and consents to the Company and/or the Service Recipient, or their respective agents, satisfying all applicable Tax-Related Items which the Company reasonably determines are legally payable by him or her by withholding from the Shares that would otherwise be delivered to the Team Member the highest number of whole Shares that the Company determines has a value less than or equal to the aggregate applicable Tax-Related Items. In lieu thereof, the Team Member may elect at the time of conversion of the RSUs such other then-permitted method or combination of methods established by the Company and/or the Service Recipient to satisfy the Team Member's Tax-Related Items.

12. Limitations on Transfer. The Award shall not be sold, assigned, transferred, exchanged or encumbered by the Team Member other than pursuant to the terms of the Plan.

13. Recoupment Provision Recovery Provisions. InNotwithstanding any other provision of this Agreement to the event of intentional misconduct of contrary, the Team Member that causes Award (and any compensation paid or shares issued under the Company material financial or material reputational harm, or contributes Award) is subject to a restatement of recovery in accordance with the terms of: (a) the Company's consolidated financial statements, Recoupment Policy and (b) the Company may take one or more of Company's Clawback Policy (each, the following actions with respect "Policy" and collectively, the "Policies"), in each case to the extent the Policy applies to the Award as determined by the Compensation & Human Capital Management Committee of the Board in its sole discretion, and the Team Member shall as the Policies may be bound in effect from time to time. In addition, this Award may be unilaterally amended by such determination:

(a) cancel all the Committee to comply with any other compensation recovery policy adopted by the Board or a portion the Committee at any time and any listing rules or other rules and regulations implementing the Policies, or as otherwise required by law. The Team Member agrees and consents to the Company's application, implementation and enforcement of the RSUs, whether vested or unvested, including any dividend equivalents related to the Award; and

(b) require repayment of all Policies or any portion of other policy established by the amounts realized Company or received by applicable law that may apply to this Award and the Team Member resulting from the conversion and any provision of RSUs applicable law relating to Shares cancellation, rescission, or the sale recoupment of Shares related to the Award.

The term "restatement" shall mean the result of revising financial statements previously filed with the Securities compensation, and Exchange Commission to reflect the correction of an error. The term "intentional misconduct" shall be limited to conduct that the Compensation & Human Capital Management Committee or its delegate determines indicates an intentional violation

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of law, an intentional violation of the Company's Code of Ethics (or any successor or replacement code of conduct for employees), or an intentional violation of a significant ethics or compliance policy of the Company, but shall not include good faith errors in judgment made by the Team Member.

The Team Member expressly agrees that the Company may setofftake such actions as are necessary to effectuate the Policies, any amounts it is entitled to recover under this Section against any amounts owed other policies or applicable law without further consent or action being required by the Company to the Team Member under any of the Company's deferred compensation plans to the extent permitted under Code Section 409A. This Section 13 shall not apply, and no amounts may be recovered hereunder, following a Change in Control. Member.

14. No Employment Rights. Nothing in this Agreement, the Plan or the Award Letter shall confer upon the Team Member any right to continued Service with the Company

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or any Subsidiary, as applicable, nor shall it interfere with or limit in any way any right of the Company or any Subsidiary, as applicable, to terminate the Team Member's Service at any time with or without Cause or change the Team Member's compensation, other benefits, job responsibilities or title provided in compliance with applicable local laws and permitted under the terms of the Team Member's service contract, if any.

(a) The Team Member's rights to vest in the RSUs or receive Shares after termination of Service shall be determined pursuant to Sections 3 through 10. Those rights and the Team Member's date of termination of Service will not be extended by any notice period mandated under local law (e.g., active service would not include a period of "garden leave" or similar notice period pursuant to local law).

(b) This Agreement, the Plan and the Award Letter are separate from, and shall not form, any part of the contract of Service of the Team Member, or affect any of the rights and obligations arising from the Service relationship between the Team Member and the Company and/or the Service Recipient.

(c) No Service Provider has a right to participate in the Plan. All decisions with respect to future grants, if any, shall be at the sole discretion of the Company and/or the Service Recipient.

(d) The Team Member will have no claim or right of action in respect of any decision, omission or discretion which may operate to the disadvantage of the Team Member.

15. Nature of Grant. In accepting the grant, the Team Member acknowledges, understands, and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement, and any such modification, amendment, suspension or termination will not constitute a constructive or wrongful dismissal;

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(b) the RSUs are extraordinary items and are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or welfare or retirement benefits or similar payments;

(c) in no event should the RSUs be considered as compensation for, or relating in any way to, past services for the Company or the Service Recipient, nor are the RSUs or the underlying Shares intended to replace any pension rights or compensation;

(d) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(e) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Team Member's participation in the Plan or the RSUs;

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(f) no claim or entitlement to compensation or damages shall arise from forfeiture or recovery of the RSUs or underlying Shares resulting from termination of the Team Member's Service (for any reason whatsoever and whether or not in breach of local labor laws), or application of the Policies, and in consideration of the grant of the RSUs to which the Team Member is otherwise not entitled, the Team Member irrevocably (i) agrees never not to

institute any such claim against the Company or the Service Recipient, (ii) waives the Team Member's ability, if any, to bring any such claim, and (iii) releases the Company and the Service Recipient from any such claim. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Team Member shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims;

(g) this Agreement is not a condition of the Team Member's employment or continued employment; and

(h) the Team Member is hereby advised to consult with personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the RSUs or the Plan.

16. Governing Law; Venue; Jurisdiction; Severability. To the extent that federal laws do not otherwise control, this Agreement, the Award Letter, the Plan and all determinations made and actions taken pursuant to the Plan shall be governed by the laws of the State of Minnesota without regard to its conflicts-of-law principles and shall be construed accordingly. The exclusive forum and venue for any legal action arising out of or related to this Agreement shall be the United States District Court for the District of Minnesota, and the parties submit to the personal jurisdiction of that court. If neither subject matter nor diversity jurisdiction exists in the United States District Court for the District of Minnesota, then the exclusive forum and venue for any such action shall be the courts of the State of Minnesota located in Hennepin County, and the Team Member, as a condition of this Agreement, consents to the personal jurisdiction of that court. If any provision of this Agreement, the Award Letter or the Plan shall

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be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Agreement, the Award Letter or the Plan, and the Agreement, the Award Letter and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

17. Currencies and Dates. Unless otherwise stated, all dollars specified in this Agreement and the Award Letter shall be in U.S. dollars and all dates specified in this Agreement shall be U.S. dates.

18. Survival. The Team Member agrees that the terms of Sections 8 and 13 shall survive the Team Member's termination of Service and any conversion of the Award into Shares.

19. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Team Member's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or

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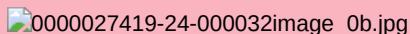
advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Team Member to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

20. Plan and Award Letter Incorporated by Reference; Electronic Delivery. The Plan, as hereafter amended from time to time, and the Award Letter shall be deemed to be incorporated into this Agreement and are integral parts hereof. In the event there is any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan shall govern. This Agreement, the Plan and the Award Letter embody the entire agreement and understanding between the Company and the Team Member pertaining to this grant of RSUs and supersede all prior agreements and understandings (oral or written) between them relating to the subject matter hereof. The Company or a third party designated by the Company may deliver to the Team Member by electronic means any documents related to his or her participation in the Plan. The Team Member acknowledges receipt of a copy of the Plan and the Award Letter.

[End of Agreement]

8.

EXHIBIT **Exhibit 10.4.2**



Target Corporation 2020 Long-Term Incentive Plan

PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT

THIS PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT (the "Agreement") is made in Minneapolis, Minnesota as of the date of grant (the "Grant Date") set forth in the award letter (the "Award Letter") by and between the Company and the person (the "Team Member") identified in the Award Letter. This award (the "Award") of Performance-Based Restricted Stock Units ("PBRSSUs"), provided to you as a Service Provider, is being issued under the Target Corporation 2020 Long-Term Incentive Plan (the "Plan"), subject to the following terms and conditions.

1. Definitions. Except as otherwise provided in this Agreement, the defined terms used in this Agreement shall have the same meaning as in the Plan. The term "Committee" shall also include those persons to whom authority has been delegated under the Plan.

2. Grant of PBRSSUs.

(a) Subject to the relevant terms of the Plan and this Agreement, as of the Grant Date, the Company has granted the Team Member the number of PBRSSUs set forth in the Award Letter (the "Goal Payout"). The minimum number of Shares that may be earned is equal to [XX] of the Goal Payout (the "Minimum Payout"). The maximum number of Shares that may be earned is equal to [XX] of the Goal Payout (the "Maximum Payout"). The number of Shares actually earned, if any, shall depend on the Company's performance during the period comprised of the Company's [XX] consecutive fiscal years beginning with the [XX] full fiscal year during which the Grant Date occurs (the "Performance Period").

(b) Except as set forth in Section 6, the actual number of Shares earned will be determined by the Committee pursuant to a formula established by the Committee to measure the Company's performance during the Performance Period (the "Payout Formula"). The determination of the actual number of Shares earned, which shall not be less than the Minimum Payout nor exceed the Maximum Payout, shall occur as soon as practicable after completion of the Performance Period, but in any event not later than November 30 of the calendar year in which the Performance Period ends (the date the Committee so determines, the "Determination Date"). A description of the Payout Formula and the percentage of Shares to be earned, if any, for the various levels of performance will be communicated to the Team Member. All decisions of the Committee regarding the application of the Payout Formula and the number of Shares earned shall be final and binding on the Team Member. Except as set

forth in Section 6, the Award shall be cancelled and the Team Member shall have no rights hereunder if the Determination Date does not occur.

3. Vesting Schedule. The applicable number of PBRUS shall vest on the earlier of: (a) the end of the Performance Period; (b) the date that the conditions for an Accelerated Vesting Event set forth in Section 4 are satisfied; or (c) as specified in Sections 5 or 6. Except as provided in Section 6, for all vested PBRUS, the number of Shares earned shall be determined pursuant to the Payout Formula. All such vested PBRUS shall be paid out as provided in Section 11, in accordance with and subject to any restrictions set forth in this Agreement, the Plan or any Release Agreement that the Team Member may be required to enter pursuant to Sections 4, 5 or 6. "Release Agreement" means an agreement containing a release of claims a covenant not to engage in competitive employment, and/or and other provisions deemed appropriate by the Committee in its sole discretion.

4. Accelerated Vesting Events. Upon the occurrence of one of the following events (each, an "Accelerated Vesting Event"), the applicable number of outstanding unvested PBRUS subject to this Agreement shall vest as of the date the last of the Retirement Conditions is satisfied. The Committee, in its sole discretion, makes all determinations required under this Section 4.

(a) Retirement. The applicable number of outstanding unvested PBRUS shall vest as of the date the last of the Retirement Conditions is satisfied. The "Retirement Conditions" are: (i) the Team Member attaining age 55 and completing at least 5 years of Service (which 5 years need not be continuous) on or prior to the Team Member's voluntary termination of Service; (ii) the Company receiving a valid unrevoked Release Agreement from the Team Member; and (iii) the Team Member must have commenced discussions with the Company's Chief Executive Officer or most senior human resources officer regarding the Team Member's consideration of termination at least six

months prior to the Team Member's voluntary termination of Service. If the Team Member's termination of Service described in 4(a)(i) occurs during the first 12 months of the Performance Period, the Team Member shall vest in a portion of the outstanding unvested PBRSUs subject to this Agreement. Such vested portion will be calculated by multiplying the number of outstanding unvested PBRSUs by a fraction, the numerator of which is the number of days from the start of the Performance Period through the Team Member's termination of Service and the denominator of which is the number of days during the Performance Period. If the Team Member's termination of Service described in 4(a)(i) occurs during the final 24 months of the Performance Period, the Team Member **applicable number of outstanding unvested PBRSUs to vest** shall be vested in all outstanding unvested PSUs **100% of the PBRSUs** subject to this Agreement.

(b) **Death.** In the case of the Team Member's death prior to the Team Member's termination of Service, all outstanding unvested PBRSUs shall vest as of the date of the Team Member's death.

(c) **Disability.** In the case of the Team Member's Disability prior to the Team Member's termination of Service, all outstanding unvested PBRSUs shall vest as of the date of the Team Member's Disability.

5. **Involuntary Service Separation.** Notwithstanding any other provisions of this Agreement to the contrary and provided that the Company has received a valid unrevoked

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Release Agreement from the Team Member, if the Team Member's Service is involuntarily terminated by the Company or a Subsidiary to which the Team Member is providing Service

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(the **the** "Service Recipient") prior to the end of the Performance Period other than for Cause and under circumstances not covered in Section 6 below (an "Involuntary Service Separation"), then the 50% of the outstanding unvested PBRSUs shall vest as of the date of the Team Member's Involuntary Service Separation and such 50% of the outstanding unvested PBRSUs shall be settled in a number of Shares equal to the amount determined by the Committee pursuant to the Payout Formula. All remaining PBRSUs shall be cancelled and the Team Member shall have no rights to such cancelled PBRSUs.

6. **Change in Control.** If a Change in Control occurs prior to the Determination Date and the Award is assumed or replaced pursuant to Section 11(b)(1) of the Plan, the Award will continue to be subject to the vesting schedule provided in Section 3, but the total number of Shares earned under the Payout Formula shall be deemed to be equal to the Goal Payout. Notwithstanding the foregoing and any other contrary provision of this Agreement, if within two years after a Change in Control and prior to the end of the Performance Period, the Team Member's

Service terminates voluntarily by the Team Member for Good Reason or involuntarily without Cause, and provided that the Company has received a valid unrevoked Release Agreement from the Team Member, all outstanding unvested PBRSSUs shall vest as of the date of the Team Member's termination of Service and be settled in a number of Shares equal to the Goal Payout.

7. Cause. Notwithstanding any other provisions of this Agreement to the contrary, if the Committee concludes, in its sole discretion, that the Team Member's Service was terminated in whole or in part for Cause, all of the PBRSSUs subject to the Award shall terminate immediately and the Team Member shall have no rights hereunder.

8. Other Termination; Changes of Service. If the Team Member's termination of Service occurs at any time prior to the end of the Performance Period for any reason not meeting the conditions specified in Sections 4 through 7, all of the PBRSSUs subject to the Award shall terminate effective as of the date of termination of Service and the Team Member shall have no rights hereunder. Service shall not be deemed terminated in the case of (a) any approved leave of absence, or (b) transfers among the Company and any Subsidiaries in the same Service Provider capacity; however, a termination of Service shall occur if (i) the relationship the Team Member had with the Company or a Subsidiary at the Grant Date terminates, even if the Team Member continues in another Service Provider capacity with the Company or a Subsidiary, or (ii) the Team Member experiences a "separation from service" within the meaning of Code Section 409A.

9. Restrictive Covenant. By accepting the Award, the Team Member specifically agrees to the restrictive covenant contained in this Section 9 (the "Restrictive Covenant") and the Team Member agrees that the Restrictive Covenant and the remedies described herein are reasonable and necessary to protect the legitimate interests of the Company.

(a) Non-Solicitation. The Team Member agrees that for the period beginning on the Grant Date and ending on the date that is one year following the Team Member's termination of Service, the Team Member will not recruit for employment directly or indirectly,

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any employee of the Company with whom the Team Member worked, or about whom the Team Member possesses any Company personnel information.

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(b) Remedies. The Team Member agrees that immediate irreparable damage will result to Company if the Team Member breaches the Restrictive Covenant set forth in this Agreement. Therefore, in the event the Team Member breaches this Agreement, whether directly or indirectly, the Team Member consents to specific enforcement

of this Agreement through an injunction or restraining order. Injunctive relief shall be awarded in addition to any other remedies or damages available at law or in equity. The Team Member specifically agrees that the Company is entitled to the attorneys' fees and expenses the Company incurs to enforce this Agreement, and that the Team Member is responsible for paying the Company's costs and attorneys' fees incurred as a result of enforcing any provisions of this Agreement.

(c) **Recovery.** Notwithstanding any other provisions of this Agreement to the contrary, if the Committee concludes, in its sole discretion, that the Team Member has breached the Restrictive Covenant, the Company may take one or more of the following actions with respect to the Award:

(i) immediately terminate all of the PBRSUs subject to the Award that have not previously been converted to Shares, and the Team Member shall have no rights hereunder; **hereunder;** and

(ii) require repayment of all or any portion of the amounts realized or received by the Team Member resulting from the conversion of PBRSUs to Shares or the sale of Shares related to the Award.

10. **Dividend Equivalents.** The Team Member shall have the right to receive additional PBRSUs with a value equal to the regular cash dividend paid on one Share for each PBRSU earned pursuant to this Agreement prior to the conversion of PBRSUs and issuance of Shares pursuant to Section 11. The dividend equivalents will be based on the actual number of PBRSUs earned pursuant to this Agreement. The number of additional PBRSUs to be received as dividend equivalents for each PBRSU held shall be determined by dividing the cash dividend per share by the Fair Market Value of one Share on the dividend payment date; provided, however, that for purposes of avoiding the issuance of fractional PBRSUs, on each dividend payment date the additional PBRSUs issued as dividend equivalents shall be rounded up to the nearest whole number. All such additional PBRSUs received as dividend equivalents shall be subject to forfeiture in the same manner and to the same extent as the original PBRSUs granted hereby, and shall be converted into Shares on the basis and at the time set forth in Section 11 hereof.

11. **Conversion of PBRSUs and Issuance of Shares.**

(a) **Timing.** Vested PBRSUs shall be converted to Shares in accordance with the Payout Formula and shall be issued within 90 days following the Determination Date, but in any event not later than December 31 of the calendar year in which the Performance Period ends. Notwithstanding the foregoing, PBRSUs meeting the conditions specified in Section 6 involving termination of the Team Member's Service voluntarily for Good Reason or

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involuntarily without Cause, shall be converted to Shares that shall be issued within 90

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days following such termination.

(b) Unvested PBRUSUs. All of the PBRUSUs subject to the Award that are unvested as of the time the vested PBRUSUs are converted and Shares are issued under this Section 11 shall terminate immediately and the Team Member shall have no rights hereunder with respect to those unvested PBRUSUs.

(c) Code Section 409A. The Committee in its sole discretion may accelerate or delay the distribution of any payment under this Agreement to the extent allowed or required under Code Section 409A. Payment of amounts under this Agreement are intended to comply with the requirements of Code Section 409A and this Agreement shall in all respects be administered and construed to give effect to such intent.

12. Taxes. The Team Member acknowledges that (a) the ultimate liability for any and all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items") legally due by him or her is and remains the Team Member's responsibility and may exceed the amount actually withheld by the Company and/or the Service Recipient and (b) the Company and/or the Service Recipient or a former Service Recipient, as applicable, (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PBRUSUs, including, but not limited to, the grant, vesting and/or conversion of the PBRUSUs and issuance of Shares; (ii) do not commit and are under no obligation to structure the terms of the grant or any aspect of the PBRUSUs to reduce or eliminate the Team Member's liability for Tax-Related Items; (iii) may be required to withhold or account for Tax-Related Items in more than one jurisdiction if the Team Member has become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable event; and (iv) may refuse to deliver the Shares to the Team Member if he or she fails to comply with his or her obligations in connection with the Tax-Related Items as provided in this Section.

The Team Member authorizes and consents to the Company and/or the Service Recipient, or their respective agents, satisfying all applicable Tax-Related Items which the Company reasonably determines are legally payable by him or her by withholding from the Shares that would otherwise be delivered to the Team Member the highest number of whole Shares that the Company determines has a value less than or equal to the aggregate applicable Tax-Related Items. In lieu thereof, the Team Member may elect at the time of conversion of the PBRUSUs such other then-permitted method or combination of methods established by the Company and/or the Service Recipient to satisfy the Team Member's Tax-Related Items.

13. Limitations on Transfer. The Award shall not be sold, assigned, transferred, exchanged or encumbered by the Team Member other than pursuant to the terms of the Plan.

14. Recoupment Provision Recovery Provisions. Unless otherwise required by Notwithstanding any other provision of this Agreement to the contrary, the Award (and any compensation paid or shares issued under the Award) is subject to recovery in accordance with the terms of: (a) the Company's then-effective Recoupment Policy in the event of intentional misconduct of the Team Member that causes the Company material financial or material reputational harm, or contributes to a restatement of and (b) the Company's consolidated financial statements, Clawback Policy (each, the Company may take one or more of "Policy" and collectively, the following actions with respect to the Award, as determined by the Compensation "Policies"), in

& Human Capital Management Committee of each case to the Board in its sole discretion, extent the Policy applies to the Award and the Team Member shall as the Policies may be bound in effect from time to time. In addition, this Award may be unilaterally amended by such determination:

- (a) cancel all the Committee to comply with any other compensation recovery policy adopted by the Board or a portion the Committee at any time and any listing rules or other rules and regulations implementing the Policies, or as otherwise required by law. The Team Member agrees and consents to the Company's application, implementation and enforcement of the PBRSSUs, whether vested or unvested, including any dividend equivalents related to the Award; and
- (b) require repayment of all Policies or any portion of other policy established by the amounts realized Company or received by applicable law that may apply to this Award and the Team Member resulting from the conversion and any provision of PBRSSUs applicable law relating to Shares cancellation, rescission, or the sale/recoupment of Shares related to the Award.

The term "restatement" shall mean the result of revising financial statements previously filed with the Securities compensation, and Exchange Commission to reflect the correction of an error. The term "intentional misconduct" shall be limited to conduct that the Compensation & Human Capital Management Committee or its delegate determines indicates an intentional violation of law, an intentional violation of the Company's Code of Ethics (or any successor or replacement code of conduct for employees), or an intentional violation of a significant ethics or compliance policy of the Company, but shall not include good faith errors in judgment made by the Team Member.

The Team Member expressly agrees that the Company may set off/take such actions as are necessary to effectuate the Policies, any amounts it is entitled to recover under this Section against any amounts owed other policies or applicable law without further consent or action being required by the Company to the Team Member under any of the Company's deferred compensation plans to the extent permitted under Code Section 409A. This Section 14 shall not apply, and no amounts may be recovered hereunder, following a Change in Control. Member.

15. No Employment Rights. Nothing in this Agreement, the Plan or the Award Letter shall confer upon the Team Member any right to continued Service with the Company or any Subsidiary, as applicable, nor shall it interfere with or limit in any way any right of the Company or any Subsidiary, as applicable, to terminate the Team Member's Service at any time with or without Cause or change the Team Member's compensation, other benefits, job responsibilities or title provided in compliance with applicable local laws and permitted under the terms of the Team Member's Service contract, if any.

(a) The Team Member's rights to vest in the PBRSSUs or receive Shares after termination of Service shall be determined pursuant to Sections 3 through 11. Those rights and the Team Member's date of termination of Service will not be extended by any notice period mandated under local law (e.g., active service would not include a period of "garden leave" or similar notice period pursuant to local law).

(b) This Agreement, the Plan and the Award Letter are separate from, and shall not form, any part of the contract of Service of the Team Member, or affect any of the rights and obligations arising from the Service relationship between the Team Member and the Company and/or the Service Recipient.

(c) No Service Provider has a right to participate in the Plan. All decisions with respect to future grants, if any, shall be at the sole discretion of the Company and/or the Service Recipient.

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(d) The Team Member will have no claim or right of action in respect of any decision, omission or discretion which may operate to the disadvantage of the Team Member.

16. Nature of Grant. In accepting the grant, the Team Member acknowledges, understands, and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement, and any such modification, amendment, suspension or termination will not constitute a constructive or wrongful dismissal;

6.

(b) the PBRSSUs are extraordinary items and are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or welfare or retirement benefits or similar payments;

(c) in no event should the PBRSSUs be considered as compensation for, or relating in any way to, past services for the Company or the Service Recipient, nor are the PBRSSUs or the underlying Shares intended to replace any pension rights or compensation;

(d) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(e) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Team Member's participation in the Plan or the PBRSSUs;

(f) no claim or entitlement to compensation or damages shall arise from forfeiture or recovery of the PBRSSUs or underlying Shares resulting from termination of the Team Member's Service (for any reason whatsoever and whether or not in breach of local labor laws), or application of the Policies, and in consideration of the grant of the PBRSSUs to which the Team Member is otherwise not entitled, the Team Member irrevocably (i) agrees never not to institute any such claim against the Company or the Service Recipient, (ii) waives the Team Member's ability, if any, to bring any such claim, and (iii) releases the Company and the Service Recipient from any such claim. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Team Member shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims;

(g) this Agreement is not a condition of the Team Member's employment or continued employment; and

(h) the Team Member is hereby advised to consult with personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the PBRSSUs or the Plan.

7.

17. Governing Law; Venue; Jurisdiction; Severability. To the extent that federal laws do not otherwise control, this Agreement, the Award Letter, the Plan and all determinations made and actions taken pursuant to the Plan shall be governed by the laws of the State of Minnesota without regard to its conflicts-of-law principles and shall be construed accordingly. The exclusive forum and venue for any legal action arising out of or related to this Agreement shall be the United States District Court for the District of Minnesota, and the parties submit to the personal jurisdiction of that court. If neither subject matter nor diversity jurisdiction exists in the United States District Court for the District of Minnesota, then the exclusive forum and venue for any such action shall be the courts of the State of Minnesota located in Hennepin County, and the Team Member, as a condition of this Agreement, consents to the personal jurisdiction of that court. If any provision of this Agreement, the Award Letter or the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the

7.

Agreement, the Award Letter or the Plan, and the Agreement, the Award Letter and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

18. Currencies and Dates. Unless otherwise stated, all dollars specified in this Agreement and the Award Letter shall be in U.S. dollars and all dates specified in this Agreement shall be U.S. dates.

19. Survival. The Team Member agrees that the terms of Sections 9 and 14 shall survive the Team Member's termination of Service, the end of the Performance Period, and any conversion of the Award into Shares.

20. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Team Member's participation in the Plan, on the PBRSSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Team Member to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

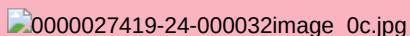
21. Plan and Award Letter Incorporated by Reference; Electronic Delivery. The Plan, as hereafter amended from time to time, and the Award Letter shall be deemed to be incorporated into this Agreement and are integral

parts hereof. In the event there is any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan shall govern. This Agreement, the Plan and the Award Letter embody the entire agreement and understanding between the Company and the Team Member pertaining to this grant of PBRSSUs and supersede all prior agreements and understandings (oral or written) between them relating to the subject matter hereof. The Company or a third party designated by the Company may deliver to the Team Member by electronic means any documents related to his or her participation in the Plan. The Team Member acknowledges receipt of a copy of the Plan and the Award Letter.

[End of Agreement]

8.

EXHIBIT **Exhibit 10.4.3**



Target Corporation 2020 Long-Term Incentive Plan

PERFORMANCE SHARE UNIT AGREEMENT

THIS PERFORMANCE SHARE UNIT AGREEMENT (the "Agreement") is made in Minneapolis, Minnesota as of the date of grant (the "Grant Date") set forth in the award letter (the "Award Letter") by and between the Company and the person (the "Team Member") identified in the Award Letter. This award (the "Award") of Performance Share Units ("PSUs"), provided to you as a Service Provider, is being issued under the Target Corporation 2020 Long-Term Incentive Plan (the "Plan"), subject to the following terms and conditions.

1. **Definitions.** Except as otherwise provided in this Agreement, the defined terms used in this Agreement shall have the same meaning as in the Plan. The term "Committee" shall also include those persons to whom authority has been delegated under the Plan.
2. **Grant of PSUs.** Subject to the relevant terms of the Plan and this Agreement, as of the Grant Date, the Company has granted the Team Member the number of PSUs set forth in the Award Letter (the "Goal Payout"). The maximum number of Shares that may be earned is equal to [XX]% of the Goal Payout (the "Maximum Payout"). The number of Shares actually earned, if any, shall depend on the Company's performance during the period comprised of the Company's [XX] consecutive fiscal years beginning with the [XX] full fiscal year in which the Grant Date occurs (the "Performance Period").
3. **Payout Formula.** Except as set forth in Section 5, the actual number of Shares earned will be determined by the Committee pursuant to a formula established by the Committee to measure the Company's performance during the Performance Period (the "Payout Formula"). The determination of the actual number of Shares earned, which shall not exceed the Maximum Payout, shall occur as soon as practicable after completion of the Performance Period, but in any event not later than November 30 of the calendar year in which the Performance Period ends (the date the Committee so determines, the "Determination Date"). A description of the Payout Formula and the percentage of Shares to be earned, if any, for the various levels of performance will be communicated to the Team Member. All decisions of the Committee regarding the application of the Payout Formula and the number of Shares earned shall be final and binding on the Team Member. Except as set forth in Section 5, the Award shall be

cancelled and the Team Member shall have no rights hereunder if any of the following occur: (a) the Determination Date does not occur, or (b) the Committee determines on the Determination Date that no Shares have been earned.

4. Continuous Service Requirement. In order to vest in any PSUs, the Team Member must be continuously providing Service from the Grant Date to the end of the

Performance Period, except as described in this Section and Section 5. Even if the Team

Member is not continuously providing Service through the end of the Performance Period, upon the occurrence of one of the events specified in Sections 4(a) through 4(d), the applicable number of PSUs shall vest, the actual number of Shares earned during the Performance Period, if any, shall be determined pursuant to the Payout Formula, and such Shares shall be paid out as provided in Section 10, in accordance with and subject to any restrictions set forth in this Agreement, the Plan or any Release Agreement that the Team Member may be required to enter pursuant to this Section or Section 5. "Release Agreement" means an agreement containing a release of claims a covenant not to engage in competitive employment, and/or and other provisions deemed appropriate by the Committee in its sole discretion. The Committee, in its sole discretion, makes all determinations required under this Section 4.

(a) Early Retirement Date. The Team Member's outstanding unvested PSUs subject to this Agreement shall vest in full as of the date the last of the Early Retirement Conditions is satisfied. The "Early Retirement Conditions" are, as applicable: (i) the Team Member attaining age 45 and completing at least 15 years of Service (which 15 years need not be continuous) on or prior to the Team Member's termination of Service (which termination may be voluntary or involuntary), (ii) the Company receiving a valid unrevoked Release Agreement from the Team Member, and (iii) if the Team Member's termination of Service is voluntary, the Team Member commencing discussions with the Company's Chief Executive Officer or most senior human resources executive regarding the Team Member's consideration of termination at least six months prior to the Team Member's termination of Service. Notwithstanding the foregoing, the following additional Early Retirement Conditions must be satisfied to the extent applicable: If the Team Member's termination of Service described in 4(a)(i) occurs: (A) prior to the Team Member's attainment of age 48, the Team Member was providing Service for at least [XX], the first 24 months of the Performance Period, (B) prior to the Team Member's attainment of age 52 and on or after attainment of age 48, the Team Member was providing Service for at least [XX], the first 18 months of the Performance Period, and (C) prior to

the Team Member's attainment of age 55 and on or after attainment of age 52, the Team Member was providing Service for at least [XX].the first 12 months of the Performance Period.

(b) Normal Retirement Date. The applicable number of the Team Member's outstanding unvested PSUs subject to this agreement shall vest as of the date the last of the Normal Retirement Conditions is satisfied, as applicable. The "Normal Retirement Conditions" are: (i) the Team Member attaining age 55 and completing at least 5 years of Service (which 5 years need not be continuous) on or prior to the Team Member's termination of Service (which termination may be voluntary or involuntary), (ii) the Company receiving a valid unrevoked Release Agreement from the Team Member, and (iii) if the Team Member's termination of Service is voluntary, the Team Member commencing discussions with the Company's Chief Executive Officer or most senior human resources executive regarding the Team Member's consideration of termination at least six months prior to the Team Member's termination of Service. If the Team Member's termination of Service described in Section 4(b)(i) is voluntary and occurs during the first 12 months of the Performance Period, the Team Member will vest in a portion of the PSUs subject to this Agreement. Such vested portion will be determined by multiplying the number of outstanding unvested PSUs by a fraction, the numerator of which is the number of days from the start of the Performance Period through the Team Member's

2.

termination of Service and the denominator of which is the number of days during the Performance Period. If the Team Member's termination of Service described in 4(b)(i) occurs

2.

during the final 24 months of the Performance Period, the Team Memberapplicable number of outstanding unvested PSUs to vest shall be vested in all outstanding unvested100% of the PSUs subject to this Agreement.

(c) Death. In the event of the Team Member's death prior to the Team Member's termination of Service, the Team Member shall be vested in all outstanding unvested PSUs.

(d) Disability. In the event of the Team Member's Disability (as determined by the Committee in its sole discretion, provided such determination complies with the definition of disability under Code Section 409A) prior to the Team Member's termination of Service, the Team Member shall be vested in all outstanding unvested PSUs.

5. Change in Control. If a Change in Control occurs prior to the Determination Date and the Award is assumed or replaced pursuant to Section 11(b)(1) of the Plan, the Award will continue to be subject to the Continuous Service Requirement provided in Section 4, but the total number of Shares earned under the Payout

Formula shall be deemed to be equal to the Goal Payout. Notwithstanding the foregoing and any other contrary provision of this Agreement, if within two years after a Change in Control and prior to the end of the Performance Period, the Team Member's Service terminates voluntarily by the Team Member for Good Reason or involuntarily without Cause, provided that the Company has received a valid unrevoked Release Agreement from the Team Member, the Team Member shall be vested in all outstanding unvested PSUs, and the total number of Shares earned under the Payout Formula shall be deemed to be equal to the Goal Payout.

6. Cause. Notwithstanding any other provisions of this Agreement to the contrary, if the Committee concludes, in its sole discretion, that the Team Member's Service was terminated in whole or in part for Cause, all of the PSUs subject to the Award that have not previously been converted to Shares shall terminate immediately and the Team Member shall have no rights hereunder.

7. Other Termination; Changes of Service. If the Team Member's termination of Service occurs at any time prior to the end of the Performance Period for any reason not meeting the conditions specified in Sections 4 or 5, through 6, all of the PSUs subject to the Award shall terminate effective as of the date of termination of Service and the Team Member shall have no rights hereunder. Service shall not be deemed terminated in the case of (a) any approved leave of absence, or (b) transfers among the Company and any Subsidiaries in the same Service Provider capacity; however, a termination of Service shall occur if (i) the relationship the Team Member had with the Company or a Subsidiary at the Grant Date terminates, even if the Team Member continues in another Service Provider capacity with the Company or a Subsidiary, or (ii) the Team Member experiences a "separation from service" within the meaning of Code Section 409A.

8. Restrictive Covenant. By accepting the Award, the Team Member specifically agrees to the restrictive covenant contained in this Section 8 (the "Restrictive Covenant") and

3.

the Team Member agrees that the Restrictive Covenant and the remedies described herein are reasonable and necessary to protect the legitimate interests of the Company.

3.

(a) Non-Solicitation. The Team Member agrees that for the period beginning on the Grant Date and ending on the date that is one year following the Team Member's termination of Service, the Team Member will not recruit for employment directly or indirectly, any employee of the Company with whom the Team Member worked, or about whom the Team Member possesses any Company personnel information.

(b) Remedies. The Team Member agrees that immediate irreparable damage will result to Company if the Team Member breaches the Restrictive Covenant set forth in this Agreement. Therefore, in the event the Team Member breaches this Agreement, whether directly or indirectly, the Team Member consents to specific enforcement of this Agreement through an injunction or restraining order. Injunctive relief shall be awarded in addition to any other remedies or damages available at law or in equity. The Team Member specifically agrees that the Company is entitled to the attorneys' fees and expenses the Company incurs to enforce this Agreement, and that the Team Member is responsible for paying the Company's costs and attorneys' fees incurred as a result of enforcing any provisions of this Agreement.

(c) Recovery. Notwithstanding any other provisions of this Agreement to the contrary, if the Committee concludes, in its sole discretion, that the Team Member has breached the Restrictive Covenant, the Company may take one or more of the following actions with respect to the Award:

(i) immediately terminate all of the PSUs subject to the Award that have not previously been converted to Shares, and the Team Member shall have no rights hereunder; hereunder; and

(ii) require repayment of all or any portion of the amounts realized or received by the Team Member resulting from the conversion of PSUs to Shares or the sale of Shares related to the Award.

9. Dividend Equivalents. The Team Member shall have the right to receive additional PSUs with a value equal to the regular cash dividend paid on one Share for each PSU earned pursuant to this Agreement prior to the conversion of PSUs and issuance of Shares pursuant to Section 10. The dividend equivalents will be based on the actual number of PSUs earned pursuant to this Agreement. The number of additional PSUs to be received as dividend equivalents for each PSU held shall be determined by dividing the cash dividend per share by the Fair Market Value of one Share on the dividend payment date; provided, however, that for purposes of avoiding the issuance of fractional PSUs, on each dividend payment date the additional PSUs issued as dividend equivalents shall be rounded up to the nearest whole number. All such additional PSUs received as dividend equivalents shall be subject to forfeiture in the same manner and to the same extent as the original PSUs granted hereby, and shall be converted into Shares on the basis and at the time set forth in Section 10 hereof.

4.

10. Conversion of PSUs and Issuance of Shares. Vested PSUs shall be converted to Shares in accordance with the Payout Formula and shall be issued as soon as practicable

4.

following the end of the Performance Period and after the Committee has determined on the Determination Date that they have been earned, but not later than 90 days following the Determination Date. Notwithstanding the foregoing, PSUs meeting the conditions specified in Section 5 involving termination of the Team Member's Service voluntarily for Good Reason or involuntarily without Cause, shall be converted to Shares that shall be issued within 90 days following such termination. The Committee in its sole discretion may accelerate or delay the distribution of any payment under this Agreement to the extent allowed or required under Code Section 409A. Payment of amounts under this Agreement are intended to comply with the requirements of Code Section 409A and this Agreement shall in all respects be administered and construed to give effect to such intent.

11. Taxes. The Team Member acknowledges that (a) the ultimate liability for any and all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items") legally due by him or her is and remains the Team Member's responsibility and may exceed the amount actually withheld by the Company and/or a Subsidiary to which the Team Member is providing Service (the "Service Recipient"), and (b) the Company and/or the Service Recipient or a former Service Recipient, as applicable, (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PSUs, including, but not limited to, the grant, vesting and/or conversion of the PSUs and issuance of Shares; (ii) do not commit and are under no obligation to structure the terms of the grant or any aspect of the PSUs to reduce or eliminate the Team Member's liability for Tax-Related Items; (iii) may be required to withhold or account for Tax-Related Items in more than one jurisdiction if the Team Member has become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable event; and (iv) may refuse to deliver the Shares to the Team Member if he or she fails to comply with his or her obligations in connection with the Tax-Related Items as provided in this Section.

The Team Member authorizes and consents to the Company and/or the Service Recipient, or their respective agents, satisfying all applicable Tax-Related Items which the Company reasonably determines are legally payable by him or her by withholding from the Shares that would otherwise be delivered to the Team Member the highest number of whole Shares that the Company determines has a value less than or equal to the aggregate applicable Tax-Related Items. In lieu thereof, the Team Member may elect at the time of conversion of the PSUs such other then-permitted method or combination of methods established by the Company and/or the Service Recipient to satisfy the Team Member's Tax-Related Items.

12. Limitations on Transfer. The Award shall not be sold, assigned, transferred, exchanged or encumbered by the Team Member other than pursuant to the terms of the Plan.

13. Recoupment ProvisionRecovery Provisions. Unless otherwise required by Notwithstanding any other provision of this Agreement to the contrary, the Award (and any compensation paid or shares issued under the Award) is subject to recovery in accordance with the terms of: (a) the Company's then-effective Recoupment Policy in the event of intentional misconduct of the Team Member that causes the Company material financial or material reputational harm, or contributes to a restatement of the Company's consolidated financial statements, the Company may take one or more of the following actions with respect to the Award, as determined by the Compensation and

& Human Capital Management Committee of (b) the Board Company's Clawback Policy (each, the "Policy" and collectively, the "Policies"), in its sole discretion, each case to the extent the Policy applies to the Award and the Team Member shall as the Policies may be bound in effect from time to time. In addition, this Award may be unilaterally amended by such determination:

(a) cancel all the Committee to comply with any other compensation recovery policy adopted by the Board or a portion of the Committee at any time and any listing rules or other rules and regulations implementing the Policies, or as otherwise required by law. The Team Member agrees and consents to the Company's application, implementation and enforcement of the PSUs, whether earned or unearned, including any dividend equivalents related to the Award; and

(b) require repayment of all Policies or any portion of other policy established by the amounts realized Company or received by applicable law that may apply to this Award and the Team Member resulting from the conversion and any provision of PSUs applicable law relating to Shares cancellation, rescission, or the sale/recoupment of Shares related to the Award.

The term "restatement" shall mean the result of revising financial statements previously filed with the Securities compensation, and Exchange Commission to reflect the correction of an error. The term "intentional misconduct" shall be limited to conduct that the Compensation & Human Capital Management Committee or its delegate determines indicates an intentional violation of law, an intentional violation of the Company's Code of Ethics (or any successor or replacement code of conduct for employees), or an intentional violation of a significant ethics or compliance policy of the Company, but shall not include good faith errors in judgment made by the Team Member.

The Team Member expressly agrees that the Company may set off take such actions as are necessary to effectuate the Policies, any amounts it is entitled to recover under this Section against any amounts owed other policies or applicable law without further consent or action being required by the Company to the Team Member under any of the Company's deferred compensation plans to the extent permitted under Code Section 409A. This Section 13 shall not apply, and no amounts may be recovered hereunder, following a Change in Control. Member.

14. No Employment Rights. Nothing in this Agreement, the Plan or the Award Letter shall confer upon the Team Member any right to continued Service with the Company or any Subsidiary, as applicable, nor shall it interfere with or limit in any way any right of the Company or any Subsidiary, as applicable, to terminate the Team Member's Service at any time with or without Cause or change the Team Member's compensation, other benefits, job responsibilities or title provided in compliance with applicable local laws and permitted under the terms of the Team Member's Service contract, if any.

(a) The Team Member's rights to vest in the PSUs or receive Shares after termination of Service shall be determined pursuant to Sections 3 through 10. Those rights and the Team Member's date of termination of Service will not be extended by any notice period mandated under local law (e.g., active service would not include a period of "garden leave" or similar notice period pursuant to local law).

(b) This Agreement, the Plan and the Award Letter are separate from, and shall not form, any part of the contract of Service of the Team Member, or affect any of the rights and obligations arising from the Service relationship between the Team Member and the Company and/or the Service Recipient.

(c) No Service Provider has a right to participate in the Plan. All decisions with respect to future grants, if any, shall be at the sole discretion of the Company and/or the Service Recipient.

(d) The Team Member will have no claim or right of action in respect of any decision, omission or discretion which may operate to the disadvantage of the Team Member.

15. Nature of Grant. In accepting the grant, the Team Member acknowledges, understands, and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement, and any such modification, amendment, suspension or termination will not constitute a constructive or wrongful dismissal;

6.

(b) the PSUs are extraordinary items and are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or welfare or retirement benefits or similar payments;

(c) in no event should the PSUs be considered as compensation for, or relating in any way to, past services for the Company or the Service Recipient, nor are the PSUs or the underlying Shares intended to replace any pension rights or compensation;

(d) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(e) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Team Member's participation in the Plan or the PSUs;

(f) no claim or entitlement to compensation or damages shall arise from forfeiture or recovery of the PSUs or underlying Shares resulting from termination of the Team Member's Service (for any reason whatsoever and whether or not in breach of local labor laws), or application of the Policies, and in consideration of the grant of the PSUs to which the Team Member is otherwise not entitled, the Team Member irrevocably (i) agrees never not to institute any such claim against the Company or the Service Recipient, (ii) waives the Team Member's ability, if any, to bring any such claim, and (iii) releases the Company and the Service Recipient from any such claim. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Team Member shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims;

(g) this Agreement is not a condition of the Team Member's employment or continued employment; and

7.

(h) the Team Member is hereby advised to consult with personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the PSUs or the Plan.

16. Governing Law; Venue; Jurisdiction; Severability. To the extent that federal laws do not otherwise control, this Agreement, the Award Letter, the Plan and all determinations made and actions taken pursuant to the Plan shall be governed by the laws of the State of Minnesota without regard to its conflicts-of-law principles and shall be construed accordingly. The exclusive forum and venue for any legal action arising out of or related to this Agreement shall be the United States District Court for the District of Minnesota, and the parties submit to the personal jurisdiction of that court. If neither subject matter nor diversity jurisdiction exists in the United States District Court for the District of Minnesota, then the exclusive forum and venue for any such action shall be the courts of the State of Minnesota located in Hennepin County, and the Team Member, as a condition of this Agreement, consents to the personal jurisdiction of

7.

that court. If any provision of this Agreement, the Award Letter or the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Agreement, the Award Letter or the Plan, and the Agreement, the Award Letter and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

17. Currencies and Dates. Unless otherwise stated, all dollars specified in this Agreement and the Award Letter shall be in U.S. dollars and all dates specified in this Agreement shall be U.S. dates.

18. Survival. The Team Member agrees that the terms of Sections 8 and 13 shall survive the Team Member's termination of Service, the end of the Performance Period, and any conversion of the Award into Shares.

19. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Team Member's participation in the Plan, on the PSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Team Member to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

20. Plan and Award Letter Incorporated by Reference; Electronic Delivery. The Plan, as hereafter amended from time to time, and the Award Letter shall be deemed to be incorporated into this Agreement and are integral parts hereof. In the event there is any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan shall govern. This Agreement, the Plan and the Award Letter embody the entire agreement

and understanding between the Company and the Team Member pertaining to this grant of PSUs and supersede all prior agreements and understandings (oral or written) between them relating to the subject matter hereof. The Company or a third party designated by the Company may deliver to the Team Member by electronic means any documents related to his or her participation in the Plan. The Team Member acknowledges receipt of a copy of the Plan and the Award Letter.

[End of Agreement]

8.

EXHIBIT 10.9

Exhibit 10.18

**TARGET CORPORATION
OFFICER EDCP
(2023 PLAN STATEMENT) TRANSITION AGREEMENT**

Amended THIS TRANSITION AGREEMENT (the "Agreement") is made and Restated
Effective January 1, 2023

**TARGET CORPORATION
OFFICER EDCP
(2023 Plan Statement)**

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SECTION 1

INTRODUCTION; DEFINITIONS

1.1 Name of Plan; History. This Plan (formerly known as the "Target Corporation SMG Executive Officer Deferred Compensation Plan) is a non-qualified, unfunded plan established for the purpose of allowing a select group of management or highly compensated employees to defer the receipt of income. This Plan was originally adopted effective as of January 1, 1997 and was amended at various times thereafter. Effective April 30, 2002, Participants in this Plan who were members of the Company's Corporate Operating Committee received credits under this Plan equal to the present value of their benefit under the supplemental pension plans maintained by the Company. Each subsequent April, the Participant receives annual SPP Benefit Transfer Credits equal to the change in value of his or her benefit under the supplemental pension plans. Effective July 31, 2002, this program was extended to include all officers of the Company. Effective April 30, 2002, Participants in this Plan who were members of the Company's Corporate Operating Committee received credits under this Plan equal to the present value of their benefit under the Company's ESBP. Each subsequent April, Participants received annual credits equal to the change in value of his or her benefit under the ESBP. Effective October 28, 2005, all officers who had not previously received ESBP Benefit Transfer Credits, received a one-time transfer of the present value of their benefit under the ESBP. As of January 28, 2006, a one-time ESBP credit was made to certain executive committee members and no subsequent ESBP Benefit Transfer Credits were made to those receiving the one-time ESBP credit. From time to time, certain participants in the Target Corporation Deferred Compensation Plan – Senior Management Group ("ODCP") and the Company negotiated to transfer the economic value of their benefit under ODCP to this Plan. Officers eligible to receive performance share awards granted in the fiscal years ending February 1, 2003 and January 31, 2004 had an opportunity to defer receipt of the value of the earned performance shares into this Plan at the end of the performance period. The performance period for the shares granted in 2003 ended February 3, 2007. The performance period for the shares granted in 2004 ended February 2, 2008. Effective January 1, 2005 (and other effective dates as specifically provided), this Plan was operated in compliance with Code section 409A. Effective January 29, 2006, members of the Company's executive committee ceased to be eligible to receive enhanced earnings on their account balances. The Plan, which is intended to comply with Code section 409A, was amended and restated effective January 1, 2009. The Plan was amended and restated to incorporate the Company's recoupment policy effective January 13, 2010. The Plan was amended and restated to reflect Plan administration and amendment changes authorized by the Board on November 10, 2010, to modify the Change in Control definition, and to set forth special provisions that are applicable to certain Participants who transfer to Canada, effective as of June 8, 2011. The Plan was amended and restated to reflect the replacement of the Stable Value Crediting Rate Alternative with the Intermediate-Term Bond Crediting Rate Alternative beginning June 6, 2012, effective as of June 5, 2012. The Plan was amended and restated to revise the method for distributing the final SPP Transfer Credit following a Termination of

Employment for amounts accruing on or after January 1, 2014, to clarify the differences between "executive officer" and "member of the executive committee," and to clarify the timing of certain post-death payments, effective December 1, 2013. The Plan was amended and restated effective January 1, 2014 to freeze that portion of the annual SPP Transfer Credit that arises from a positive accrual under SPP III after February 3, 2013 solely from treating the Participant as five years older than his or her actual age for purposes of determining the amount of the annual SPP Benefit Transfer Credit. The

Plan was amended and restated effective January 1, 2015 (i) to revise the participation rules for Participants who are transferred to Canada on a temporary basis, (ii) to modify the Restoration Match Credit determination to cover Participants who are entitled to differing qualified 401(k) plan matching contribution percentages, (iii) to change the phrase "member of the executive committee" to "executive Officer" each place the phrase appears, and (iv) to define the term executive Officer to mean a Section 16 officer or executive officer as defined under Federal securities laws. The Plan was amended and restated effective April 3, 2016, (i) to provide that the Restoration Match Credit will, under certain circumstances, be credited to a Participant's Account prior to the end of the Plan Year, effective for Plan Years beginning on or after January 1, 2017, (ii) to delete Appendix B – Participants on Temporary Assignment to Canada because it has ceased to be applicable, (iii) to clarify the definition of executive Officer as being an "executive officer" under Item 401 of Regulation S-K, and (iv) to remove unnecessary language from the recoupment provisions. The Plan was amended and restated effective January 1, 2017 (i) to add a five (5) year vesting requirement for the Restoration Match Credits for Plan Years beginning after December 31, 2016, (ii) to change the Enhancement from a monthly credit to an annual credit with an end of the year employment requirement, and (iii) to take advantage of some additional regulatory flexibility with respect to payments following death. The Plan was amended and restated effective May 1, 2017 to include rules about use of the Company Stock Fund Crediting Rate Alternative after Termination of Employment. The Plan was amended and restated effective January 1, 2021, as provided in this Plan Statement, (i) to include a limitation on the frequency of changes made to the Company Stock Fund Crediting Rate Alternative, and (ii) to make miscellaneous updating changes to the Plan Statement. The Plan was amended and restated effective May 1, 2022, (i) to change the term "executive Officer" to "Leadership Team Member", (ii) to define the term "Leadership Team Member," and (iii) to make miscellaneous updating changes to the Plan Statement. The Plan was amended and restated effective January 1, 2023, to provide that the when SPP Transfer Credits to Leadership Team Members are negative, the corresponding debit automatically occurs.

1.2 Definitions. When the following terms are used herein with initial capital letters, they shall have the following meanings:

1.2.1 Account. "Account" means the separate bookkeeping account representing the separate unfunded and unsecured general obligation of the Participating Employers established with respect to each person who is a Participant in this Plan. Within each Participant's Account, separate subaccounts shall be maintained to the extent the Plan Administrator determines it to be necessary or desirable for the administration of this Plan.

1.2.2 Affiliate. An "Affiliate" is the Company and all persons, with whom the Company would be considered a single employer under Code section 414(b) or 414(c).

1.2.3 Base Salary. "Base Salary" with respect to a Plan Year means Certified Earnings as modified by the rules below:

- (a) the limits imposed by Code section 401(a)(17) will not apply;
- (b) deferrals under Section 2.8 of this Plan are included as Base Salary; and
- (c) Bonus and Signing Bonus amounts are not included as Base Salary.

1.2.4 Beneficiary. "Beneficiary" means an individual (human being), a trust that is a United States person within the meaning of the Code, a person that has been recognized as a charitable organization under Code section 170(b), or the Participant's estate designated in accordance with Section 6.6 to receive all or a part of the Participant's Account in the event of the Participant's death prior to full distribution thereof. A person so designated shall not be considered a Beneficiary until the death of the Participant.

1.2.5 Board. "Board" is the Board of Directors of the Company, or such committee of the Board of Directors to which the Board of Directors of the Company has delegated the respective authority.

1.2.6 Bonus. "Bonus" with respect to a Plan Year means that portion of Certified Earnings that is equal to the amount payable under the primary, regular incentive plan of a Participating Employer or other Affiliate that is earned, or intended to be earned, over a period of at least a calendar quarter or fiscal quarter as modified by the rules below:

- (a) the limits imposed by Code section 401(a)(17) will not apply;
- (b) deferrals under Section 2.9 of this Plan are included as Bonus; and
- (c) Signing Bonus amounts are not included as Bonus.

1.2.7 Certified Earnings. "Certified Earnings" has the same meaning as the defined term in the Target 401(k) Plan (determined without regard to the 30-day receipt rule); provided, however, "Certified Earnings" shall not include compensation that is earned for services rendered by a Participant for any period following a Participant's Termination of Employment.

1.2.8 Change in Control. "Change-in-Control" means one of the following:

- (a) Individuals who are Continuing Directors cease for any reason to constitute 50% or more of the directors of the Company; or
- (b) 30% or more of the outstanding voting power of the Voting Stock of the Company is acquired or beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by any Person, other than an entity resulting from a Business Combination in which clauses (x) and (y) of Section 1.2.8(c) apply; or
- (c) the consummation of a merger or consolidation of the Company with or into another entity, a statutory share exchange, a sale or other disposition (in one transaction or a series of transactions) of all or substantially all of the Company's assets or a similar business combination (each, a "Business Combination"), in each case unless, immediately following such Business Combination, (x) all or substantially all of the beneficial owners (within the meaning of Rule 13d-3 under the Exchange Act) of the Company's Voting Stock immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the voting power of the then outstanding shares of voting stock (or comparable voting equity

interests) of the surviving or acquiring entity resulting from such Business Combination (including such beneficial ownership of an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries), in substantially the same proportions (as compared to the other beneficial owners of the Company's Voting Stock immediately prior to such Business Combination) as their beneficial ownership of the Company's Voting Stock immediately prior to such Business Combination, and (y) no Person beneficially owns, directly or indirectly, 30% or more of the voting power of the outstanding voting stock (or comparable equity interests) of the surviving or acquiring entity (other than a direct or indirect parent entity of the surviving or acquiring entity, that, after giving effect to the Business Combination, beneficially owns, directly or indirectly, 100% of the outstanding voting stock (or comparable equity interests) of the surviving or acquiring entity); or

(d) approval by the shareholders of a definitive agreement or plan to liquidate or dissolve the Company.

For purposes of this Section 1.2.8:

"Continuing Director" means an individual (A) who is, as of the Effective Date, a director of the Company, or (B) who becomes a director of the Company after the Effective Date, and whose initial appointment, or nomination for election by the Company's shareholders, was approved by at least a majority of the then Continuing Directors; provided, however, that any individual whose initial assumption of office occurs as a result of either an actual or threatened contested election by any Person (other than the Board of Directors) seeking the election of such nominee in which the number of nominees exceeds the number of directors to be elected shall not be a Continuing Director;

"Person" means any individual, firm, corporation or other entity and shall include any group comprised of any person and any other person with whom such person or any affiliate or associate (as defined in Rule 14a-1(a) of the Exchange Act) of such person has any agreement, arrangement or understanding, directly or indirectly, for the purpose of acquiring, holding, voting or disposing of any capital stock of the Company;

"Voting Stock" means all then-outstanding capital stock of the Company entitled to vote generally in the election of directors of the Company: and "Exchange Act" means the Securities Exchange Act of 1934, as amended and in effect from time to time, and the regulations promulgated thereunder.

1.2.9 Code. "Code" means the Internal Revenue Code of 1986, as amended (including, when the context requires, all regulations, interpretations and rulings issued hereunder).

1.2.10 [Intentionally left blank.]

1.2.11 Company. "Company" means among Target Corporation, a Minnesota corporation ("Target"), Target Enterprise, Inc. ("Target Enterprise") a subsidiary of Target (Target and Target Enterprise collectively, the "Company") and John J. Mulligan ("Executive").

RECITALS

WHEREAS, Executive, who serves as the Company's Executive Vice President & Chief Operating Officer, has notified the Company of his intent to retire; and

WHEREAS, Executive's service as Executive Vice President & Chief Operating Officer will end on February 3, 2024, or any successor thereto, such later date mutually agreed upon by the parties; and

1.2.12 Company's Fiscal Year. "Company's Fiscal Year" means WHEREAS, Thereafter, Executive will serve as a strategic advisor to the period commencing on the Sunday that immediately follows the Saturday that is nearest to Company through the last day of the 2024 fiscal year ("Strategic Advisory Period"); and

WHEREAS, After the conclusion of the Strategic Advisory Period, Executive will voluntarily retire and the Company and Executive will end their entire relationship as employer and employee; and

WHEREAS, The following terms, together with any documents referenced herein, constitute the entire terms of Executive's employment during this transition period and settlement of all Executive's rights, remedies, and obligations flowing from Executive's employment with the Company and the termination of that employment relationship.

AGREEMENT

NOW, THEREFORE, in January through consideration of the Saturday that is nearest promises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Executive, intending to be legally bound, acknowledge and agree as follows:

1. **Strategic Advisory Period.** On February 3, 2024, or such later date mutually agreed upon by the parties, Executive will step down as Executive Vice President & Chief Operating Officer and begin serving as a strategic advisor to the last day in January in Company. During the following year.

1.2.13 Crediting Rate Alternative. "Crediting Rate Alternative" means a hypothetical investment option used for Strategic Advisory Period, Executive will assist with the purpose transition of measuring income, gains his responsibilities and losses perform such other duties as may be assigned by the Chief Executive Officer or his delegate. Executive will devote such time, effort and attention to the Accounts business of Participants (as if the Accounts had in fact been so invested). The Crediting Rate Alternatives shall be designated in writing Company during the Strategic Advisory Period as requested by the Plan Administrator. Reference Company. Executive will fully comply with the standard policies, procedures, and practices of the Company that are in this Plan Statement to a specific Crediting Rate Alternative is a reference to effect during the corresponding investment fund available under the Target 401(k) Plan.

1.2.14 Deferral Credit. A "Deferral Credit" is the amount credited to a Participant's Account Strategic Advisory Period. The Strategic Advisory Period will end on February 1, 2025 (the "Scheduled Retirement Date") unless terminated earlier pursuant to Section 3.1.6 (the "Accelerated Retirement Date"). The date this Agreement ends, on the Scheduled Retirement Date or the Accelerated Retirement Date, as applicable, is the "Agreement End Date."

1.2.152. Disabled Base Salary. A Participant will be "Disabled" if he or she has become entitled to receive disability income benefits under. Throughout the provisions of the Social Security Act.

1.2.16 Discretionary Credit. A "Discretionary Credit" is the amount credited to a Participant's Account pursuant to Section 3.5.

1.2.17 Earnings Credit. "Earnings Credit" means the investment adjustment credited to a Participant's Account pursuant to Section 4.3 or Section 4.5 as applicable.

1.2.18 EDCP. "EDCP" means the Target Corporation EDCP, a non-qualified, unfunded deferred compensation plan maintained by Strategic Advisory Period, the Company and certain other Affiliates.

1.2.19 Effective Date. The "Effective Date" will pay to Executive the rate of this Plan Statement is January 1, 2023, except as otherwise provided.

1.2.20 Eligible Compensation. "Eligible Compensation" means the Base Salary and Bonus that the Participant receives or is entitled to receive from his or her Participating Employer for services rendered.

1.2.21 Employee. An "Employee" is an individual who performs services for a Participating Employer as an employee of the Participating Employer (as classified by the Participating Employer at the time the services are performed and without regard to any subsequent reclassification) and does not include any individual who is classified an independent contractor.

1.2.22 Enhancement. "Enhancement" means an additional .1667% of investment earnings per month added base salary in effect immediately prior to the applicable Crediting Rate Alternatives as provided in Section 4.4.

1.2.23 ERISA. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended (including, when the context requires, all regulations, interpretations and rulings issued thereunder).

1.2.24 ESBP. "ESBP" means the Target Corporation Post Retirement Executive Survivor Benefit Plan.

1.2.25 ESBP Benefit. "ESBP Benefit" means the actuarial lump sum present value of a Participant's survivor benefit under the ESBP determined as of a particular determination date under Section 3.4 but without regard to whether the Participant had experienced either an "early retirement" or "normal retirement" under the Target Pension Plan as provided under the ESBP. The present value of such survivor benefit will Strategic Advisory Period. Such salary shall be determined by the Company in its sole and absolute discretion based on such interest rates, mortality factors and other assumptions deemed appropriate by the Company.

1.2.26 ESBP Benefit Transfer Credits. "ESBP Benefit Transfer Credits" are the initial and annual credits to a Participant's Account under Section 3.4.

1.2.27 Leadership Team Member. "Leadership Team Member" means each member of the Company's Leadership Team (or any successor or replacement committee).

1.2.28 Newly Eligible Employee. "Newly Eligible Employee" means an Employee who either (i) was not previously eligible to participate in this Plan or any other non-qualified, deferred compensation plans maintained by a Participating Employer or other Affiliate, (ii) had been paid all amounts previously deferred under all non-qualified, deferred compensation plans maintained by a Participating Employer or other Affiliate and had ceased to be eligible to continue to participate in such plans on or before the date of payment of all amounts due under such plans, or (iii) was not eligible to participate in any non-qualified deferred compensation plans (other than the accrual of earnings) maintained by a Participating Employer or other Affiliate at any time during the 24-month period ending on the date the Employee has again become eligible to participate in the Plan.

1.2.29 Officer. An "Officer" is any Employee who is designated and categorized as an officer of the Company or other Affiliate by the Company's Chief Executive Officer.

1.2.30 Participant. A "Participant" is an Employee who becomes a Participant in this Plan payable in accordance with the provisions of Section 2. An Employee who has become a Participant shall be considered Company's customary payroll practices applicable to continue as a Participant in this Plan until the date when the Participant no longer has any Account under this Plan, or the date of the Participant's death, if earlier. executives.

1.2.31.3. Participating Employer Short-Term Incentive Plan. "Participating Employer" means Throughout the Company and each other Affiliate that, with the consent of the Plan Administrator, adopts this Plan. A Participating Employer shall cease to be a Participating Employer on the date it ceases to be an Affiliate.

1.2.32 Performance Share Award. "Performance Share Award" means a performance share award issued under the Company's Long-Term Incentive Plan of 1999 or the Company's Long-Term Incentive Plan of 2004.

1.2.33 Plan. "Plan" means the nonqualified, unfunded income deferral program maintained by the Company and established for the benefit of Participants eligible to participate therein, as set forth in this Plan Statement. As used herein, "Plan" does not refer to the documents pursuant to which this Plan is maintained. That document is referred to herein as the "Plan Statement". The Plan shall be referred to as the "Target Corporation Officer EDCP" (formerly known as the Target Corporation SMG Strategic Advisory Period, Executive Deferred Compensation Plan).

1.2.34 Plan Administrator. "Plan Administrator" is the individual designated in Sec. 10.1.1, or, if applicable, its delegate.

1.2.35 Plan Rules. "Plan Rules" are rules, policies, practices or procedures adopted by the Plan Administrator or its delegate pursuant to Section 10.1.5.

1.2.36 Plan Statement. "Plan Statement" means this document entitled "Target Corporation Officer EDCP (2023 Plan Statement)," as adopted by the Company, effective as of January 1, 2023, as the same may be amended from time to time.

1.2.37 Plan Year. "Plan Year" means the period from January 1 through December 31.

1.2.38 Restoration Match Credit. "Restoration Match Credit" is the amount credited to a Participant's Account pursuant to Section 3.2.

1.2.39 Signing Bonus. "Signing Bonus" is the cash remuneration earned following a period of employment provided to certain new Employees related to their acceptance of employment with a Participating Employer.

1.2.40 SPP Benefit. "SPP Benefit" means the amount determined under Appendix A.

1.2.41 SPP Benefit Transfer Credit. "SPP Benefit Transfer Credit" is the amount credited to a Participant's Account under Section 3.3.

1.2.42 Specified Employee. For purposes of complying with the requirements of Code section 409A(a)(2)(B)(i) (relating to the 6 month suspension of certain benefit distributions), an individual is a "Specified Employee" if on his or her Termination of Employment, the Company or other Affiliate has stock that is traded on an established securities market within the meaning of Code section 409A(a)(2)(B) and such individual is a "key employee" (defined below). For this purpose, an individual is a "key employee" during the 12-month period beginning on April 1 immediately following the calendar year in which the individual was employed by the Company and other Affiliates, and satisfied, at any time within such calendar year, the requirements of Code section 416(i)(1)(A)(i), (ii) or (iii) (without regard to Code section 416(i)(5)). An individual will not be treated as a Specified Employee if the individual is not required to be treated as a Specified Employee under Treasury Regulations issued under Code section 409A.

1.2.43 Target 401(k) Plan. "Target 401(k) Plan" means the tax-qualified defined contribution retirement plan, with a qualified cash or deferred arrangement, established by the Company for the benefit of employees eligible to participate therein, including both the Target Corporation 401(k) Plan and the Target Corporation Ventures 401(k) Plan.

1.2.44 Target Pension Plan. "Target Pension Plan" means the tax qualified defined benefit pension plan, established for the benefit of employees eligible to participate therein, and known as the Target Corporation Pension Plan, including any predecessor plan(s) or successor plan.

1.2.45 Termination of Employment.

- (a) For purposes of determining entitlement to or the amount of benefits under the Plan, "Termination of Employment" means a severance of a Participant's employment relationship with each Participating Employer and all Affiliates, for any reason.
- (b) For purposes of determining when a distribution will be made under the Plan, a "Termination of Employment" will be deemed to occur if, based on the relevant facts and circumstances to the Participant, the Participating Employer, all Affiliates and Participant reasonably anticipate that the level of bona fide future services to be performed by the Participant for the Participating Employer and all Affiliates will permanently decrease to no more than 20% of the average level of bona fide services performed over the immediately preceding 36-month period.
- (c) A bona fide leave of absence that is six months or less, or during which an individual retains a reemployment right, will not cause a Termination of Employment. In the case of a leave of absence without a right of reemployment that exceeds the time periods described in this paragraph, a Termination of Employment will be deemed to occur once the leave of absence exceeds six months.
- (d) Notwithstanding the foregoing, a Termination of Employment shall not occur unless such termination also qualifies as a "separation from service," as defined under Code section 409A and related guidance thereunder.

1.2.46 Trust. "Trust" means the Target Corporation Deferred Compensation Trust Agreement, dated January 1, 2009 by and between the Company and State Street Bank and Trust Company, as it is amended from time to time, or similar trust agreement.

1.2.47 Unforeseeable Emergency. "Unforeseeable Emergency" means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, or a dependent (within the meaning of Code section 152(a)) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, but only if and to the extent such Unforeseeable Emergency constitutes an "unforeseeable emergency" under Code section 409A.

1.2.48 Valuation Date. "Valuation Date" means each business day on which the New York Stock Exchange is open.

1.2.49 Year of Service. A "Year of Service" means each 12-consecutive month period of an individual's continuous employment as an Employee after the date the Employee is first eligible to participate under this Plan (or the EDCP if the Employee transferred from the EDCP to this Plan); or in the event of a rehire, each 12-consecutive month period of an individual's continuous employment as an Employee after the date the Employee is again eligible to participate under this Plan (or the EDCP if the Employee transferred from the EDCP to this Plan).

SECTION 2
PARTICIPATION AND DEFERRAL ELECTIONS

2.1 Eligibility.

2.1.1 An Employee is eligible to participate in this Plan on the first day of a Plan Year if, on such day, he or she:

- (a) is a "qualified employee" as that term is defined in the Target 401(k) Plan; and
- (b) is an Officer.

2.1.2 A Newly Eligible Employee is eligible to participate in this Plan on the date that is 30 days after the date he or she satisfies the requirements in Section 2.1.1.

2.1.3 An Employee shall, as a condition of participation in this Plan, complete such forms and make such elections in accordance with Plan Rules as the Plan Administrator may require. An Employee who satisfies the requirements of this Section 2.1 is eligible to participate in this Plan in accordance with and subject to the requirements of this Plan.

2.1.4 An Employee who has had a Termination of Employment as defined in Section 1.2.44(b), will not be eligible to make deferral elections for subsequent Plan Years until otherwise notified by the Plan Administrator. Any deferral election in effect at the time of such Termination of Employment will continue to apply with respect to any Eligible Compensation received from a Participating Employer or other Affiliate. Such Employee will still be eligible to receive credits, if any, pursuant to Sections 3.2, 3.3, 3.4 and 3.5.

2.2 Special Rules for Participating Employees. A Participant who transfers employment from one Participating Employer to another Affiliate, whether or not a Participating Employer, will, for the duration of the Plan Year in which the transfer occurs, continue to participate in this Plan in accordance with the deferral election in effect at the time of such transfer. To the extent agreed in writing by an Affiliate and the Plan Administrator, such a transferred Participant may continue to be eligible to participate in this Plan in subsequent Plan Years. A Participant who is simultaneously employed with more than one Participating Employer will participate in this Plan as an Employee of each such Participating Employer on the basis of a single deferral election applied separately to his or her respective, Eligible Compensation from each Participating Employer.

2.3 Termination of Participation. Except as otherwise specifically provided in this Plan Statement or by the Plan Administrator, an Employee who ceases to satisfy the requirements of Section 2.1 is not eligible to continue to participate in the Company's Short-Term Incentive Plan provided, that any deferral elections in effect, and irrevocable, for Leadership Team members. Executive's benefit will continue to be governed by all terms of the Short-Term Incentive Plan. Payment of Executive's 2024 Short-Term Incentive Plan benefit will occur during March 2025, notwithstanding the fact

Executive will not be actively employed on that date. EDCP deferral elections, if applicable, will apply with respect to any Eligible Compensation received from a Participating Employer or other Affiliate. The Participant's Account this payment.

4. Long-Term Incentive Plan, Executive's outstanding Performance Share Units ("PSUs") and Performance-Based Restricted Stock Units ("PBRSUs") will continue to be governed by the applicable Long-Term Incentive Plan and all terms of the applicable award agreements.

5. Benefits, Executive will be entitled to participate in all employee benefit plans and programs of the Company in effect during the Strategic Advisory Period, to the extent that Executive meets the eligibility requirements for each individual plan or program. Executive is eligible for the Company retiree discount in accordance with the terms of such program. The Company provides no assurance as to the adoption or continuance of any particular plan or program, and Executive's participation in any such plan or program will be pursuant to the provisions, rules and regulations applicable thereto.

6. Termination During Strategic Advisory Period.

(a) **Voluntarily by Executive.** During the Strategic Advisory Period, Executive may terminate his employment voluntarily at any time. Upon such a voluntary termination by Executive, each of the Company and Executive will be released from any and all further obligations under this Agreement except: (i) that the Company will pay to Executive the base salary and the applicable year's Short-Term Incentive Plan until such time benefit earned by Executive as of the Participant's Account balance is paid Accelerated Retirement Date; and (ii) as described in Section 6(d). Provided that Executive signs this Agreement and signs and does not revoke the release as described in 8(c), Executive's PSUs and PBRSSUs will vest in accordance with the terms of the Plan. A Participant or Beneficiary applicable agreements notwithstanding the fact Executive will cease to be such as of the date on which his or her entire Account balance has been distributed.

2.4 Rehires and Transfers.

2.4.1 A Participant who incurs a Termination of Employment and is rehired during the same calendar year will continue Base Salary deferrals for such calendar year in accordance with his or her election in effect immediately prior to the Termination of Employment.

2.4.2 A Participant who incurs a Termination of Employment and is rehired prior to the later of the end of the Plan Year or the date the Bonus for such Plan Year is paid in cash, will continue Bonus Deferrals for such Plan Year in accordance with his or her election in effect immediately prior to the Termination of Employment.

2.4.3 Transfers from Non-Officer Plan. An Employee who is a Participant in the EDCP and is promoted to an Officer position will cease to be eligible to participate in the EDCP and will be eligible to participate in this Plan, subject to the following rules:

- (a) The Employee will become a Participant in this Plan immediately upon satisfying the requirements to participate hereunder.
- (b) The Employee's deferral elections made under the EDCP will transfer to the Plan and continue as an election made under Section 2.
- (c) The Employee's account maintained under the EDCP will be transferred to the Employee's Account under this Plan.
- (d) The Employee's distribution elections made under the EDCP (including any default distributions) will transfer to this Plan and continue as the distribution elections made under this Plan.
- (e) The Employee's beneficiary designation made under the EDCP will be treated as the Employee's Beneficiary designation under this Plan until changed in accordance with Section 6.6.

2.5 Effect on Employment.

2.5.1 Not a Term of Employment. Neither the terms of this Plan Statement nor the benefits under this Plan (including the continuance thereof) shall be a term of the employment of any Employee.

2.5.2 Not an Employment Contract. This Plan is not and shall not be deemed to constitute a contract of employment between any Participating Employer and any Employee or other person, nor shall anything herein contained be deemed to give any Employee or other person any right to be retained in any Participating Employer's employ or in any way limit or restrict any Participating Employer's right or power to discharge any Employee or other person at any time and to treat him or her without regard to the effect that such treatment might have upon him or her as a Participant in this Plan.

2.6 Condition of Participation.

2.6.1 Cooperation. Each Participant shall cooperate with the Plan Administrator by furnishing any and all information requested by the Plan Administrator in order to facilitate the

payment of benefits hereunder and taking such other relevant action as may be requested by the Plan Administrator. If a Participant refuses to cooperate, neither the Company nor any Participating Employer shall have any further obligation to the Participant under this Plan, other than payment to such Participant of the aggregate amount of Eligible Compensation deferred under Section 3.1.

2.6.2 Plan Terms and Rules. Each Participant, as a condition of participation in this Plan, is bound by all the terms and conditions of this Plan and the Plan Rules.

2.7 Deferral Elections. An Employee who satisfies the eligibility requirements of Section 2 may, at the time and in the manner provided hereunder, elect to defer the receipt of his or her Eligible Compensation.

2.7.1 General Rule. Except as otherwise provided in this Plan, an election shall be made before the beginning of the Plan Year during which the Participant performs services for which the Eligible Compensation is earned. The election must designate the percentage of the Base Salary or Bonus which shall be deferred under this Plan. In accordance with Plan Rules, the Plan Administrator will determine the manner and timing required to file a deferral election. No deferral election shall be effective unless prior to the deadline for making such election, the Participant has filed with the Plan Administrator, in accordance with Plan Rules, an insurance consent form permitting the Participating Employer or Company to purchase and maintain life insurance coverage on the Employee with the Participating Employer or Company as the beneficiary. An election to defer Eligible Compensation for the Plan Year or other period is irrevocable once it has been accepted by the Plan Administrator and the deadline for making such election has expired, except as otherwise provided under this Plan.

2.7.2 Newly Eligible Employees. For a Newly Eligible Employee, the deferral election may be made after the first day of a Plan Year provided it is made within 30 days after becoming eligible to participate in this Plan. Such a deferral election by a Newly Eligible Employee is irrevocable once it has been received by the Plan Administrator and the deadline for making such election has expired, except as otherwise provided under this Plan. Such election will be effective with respect to Eligible Compensation payable for services performed after becoming eligible for this Plan and commencing with the next full pay period after the deferral election becomes irrevocable.

2.7.3 Terminations of Employment. A Participant who completes a deferral election in accordance with this Section 2.7, but who has a Termination of Employment prior to the expiration of the deadline for making such election, will be deemed to have made no deferral election for the respective period.

2.8 Base Salary Deferrals. A Participant's election to defer Base Salary is subject to the following requirements:

2.8.1 A Base Salary deferral election will be effective with respect to the first paycheck issued during the Plan Year, including for the payroll period that includes the last day of the preceding Plan Year, and such election will remain in effect through the last paycheck issued during the Plan Year.

2.8.2 The Base Salary deferral percentage may not exceed 80%, except as provided in Plan Rules.

2.9 Bonus Deferrals. A Participant's election to defer his or her Bonus is subject to the following requirements:

2.9.1 A Bonus deferral election will be in effect for service periods that begin in the Plan Year immediately following the date the election becomes irrevocable and continue through the end of the Plan Year or

if the Bonus is paid after such Plan Year, through the date the Bonus would have been paid in cash. Notwithstanding Section 2.7.2, a Newly Eligible Employee may not elect to defer a Bonus that is payable with respect to a service period that begins before the effective date of the Newly Eligible Employee's deferral election.

2.9.2 A Participant's Bonus effective deferral percentage may not exceed 80%, except as provided in Plan Rules.

2.9.3 If a Participant has a Termination of Employment before the end of the service period for any Bonus, but is still entitled to receive a bonus, the Participant's existing Bonus deferral election will continue to apply.

2.10 Performance Share Award Deferrals. An election to defer a Participant's Performance Share Awards was available for Performance Share Awards issued in the Company's Fiscal Year ending in calendar year 2003 and 2004, as reflected in prior Plan Statements.

2.11 Cancellation of Deferral Elections.

2.11.1 401(k) Hardship. Prior to January 1, 2020, an election to defer under Sections 2.8, 2.9, and 2.10 would be cancelled to the extent necessary for the Participating Employer to comply with the hardship withdrawal provisions of such Participating Employer's 401(k) plan.

2.11.2 Unforeseeable Emergency. Notwithstanding any provisions in the Plan to the contrary, an election to defer under Sections 2.8, and 2.9, will be cancelled for the remaining portion of the Plan Year in the event the Participant has received a distribution on account of an Unforeseeable Emergency under Section 6.5. The revocation shall be made at the time and in the manner specified in Plan Rules and must otherwise comply with the requirements of Section 6.5.

SECTION 3
CREDITS TO ACCOUNTS

3.1 Elective Deferral Credit. The Plan Administrator shall credit to the Account of each Participant the amount, if any, of Eligible Compensation the Participant elected to defer pursuant to Section 2. Such amount shall be credited as nearly as practicable as of the time or times when the Eligible Compensation would have been paid to the Participant but for the election to defer.

3.2 Restoration Match Credit.

3.2.1 Eligibility for Credit. An Employee who satisfies the eligibility requirements of Section 2.1 during a Plan Year will receive a Restoration Match Credit for the Plan Year if he or she: (i) was actively employed and eligible to participate in this Plan on the last business day of the Plan Year; (ii) has experienced a Termination of Employment as defined under Section 1.2.44(a) during the Plan Year after attaining age 55 and completing five (5) Years of Service; (iii) has experienced a Termination of Employment as a result of death; or (iv) has become Disabled during such Plan Year.

3.2.2 Amount of Credit. A Participant who satisfies the requirements of Section 3.2.1 is entitled to a Restoration Match Credit equal to the sum of:

- (a) The maximum matching contribution percentage the Participant is eligible to receive on deferrals under the applicable Target 401(k) Plan multiplied by the Participant's Base Salary and Bonus that is deferred under this Plan during the Plan Year; and **these awards' scheduled vesting dates.**

(b) The maximum matching contribution percentage By Company without Cause. During the Participant is eligible Strategic Advisory Period, the Company may terminate this Agreement for any reason. Upon such a not for-Cause termination, each of the Company and Executive will be released from any and all further obligations under this Agreement except: (i) that the Company will pay to receive on deferrals under Executive the base salary and the applicable Target 401(k) year's Short-Term Incentive Plan multiplied by benefit Executive would have earned if he had remained employed through the Participant's Plan Year Base Salary Scheduled Retirement Date; and Bonus that is not deferred under this Plan during the Plan Year and that exceeds the compensation limit in effect under Code section 401(a)(17) for such Plan Year; provided, however, that: (x) no Restoration Match Credit shall be made for Base Salary or Bonus paid prior to the date the Participant became eligible to participate in the Target 401(k) Plan, and (y) the credit under this Section 3.2.2 will not exceed the amount of Deferral Credits made by the Participant under Section 3.1 during the Plan Year.

3.2.3 Crediting to Account. The Plan Administrator shall credit to a Participant's Account the amount of the Restoration Match Credit determined for the Plan Year for that Participant under Section 3.2.2(ii) as of the date determined as follows:

- (a) for a Participant described in Section 3.2.1(iii), as soon as practicable following the date of the Participant's death; or
- (b) for all other Participants, the last business day of the Plan Year.

3.2.4 Credit Upon Change-in-Control6(d). Upon a Change-in-Control Provided that causes the Plan to be terminated under Section 8.3.2, the Plan Administrator shall credit to a Participant's Account as of the date of the Plan termination a Restoration Match Credit determined for the Plan Year for

that Participant under Section 3.2.2 through such date. Any subsequent determination of the Restoration Match Credit during the same Plan Year will be made under Section 3.2.2, less any amounts previously credited under Executive signs this Section 3.2.4.

3.3 SPP Benefit Transfer Credits.

3.3.1 Eligibility. A Participant who satisfies the eligibility requirements of Section 2.1 shall receive an SPP Benefit Transfer Credit under this Plan if he or she: (i) is classified as an Officer of the Company; (ii) has a vested benefit under the Target Pension Plan, including a vested interest arising on account of the Participant's death; Agreement and (iii) satisfies any other requirement established in SPP I or SPP II, as applicable.

3.3.2 Initial SPP Benefit Transfer Credit.

- (a) A Participant who satisfies the requirements of Section 3.3.1 receives an initial SPP Benefit Transfer Credit on or about the April 30 (or immediately preceding business day) immediately following the calendar year in which the Participant becomes eligible under Section 3.3.1, in an amount equal to the actuarial lump sum present value on March 31 (or immediately preceding business day) for the Participant's SPP Benefit accrued through the preceding December 31. In the case of Participant who is a Leadership Team Member, such transfer will be made signs and determined on or about the last business day prior to the end of the Company's Fiscal Year.
- (b) Upon a Plan termination on account of a Change-in-Control under Section 8.3.2, the Plan Administrator shall credit the initial SPP Benefit Transfer Credit to a Participant's Account as of the Plan termination effective date in an amount equal to the actuarial lump sum present value on the Plan termination effective date.

3.3.3 Annual SPP Benefit Transfer Credit. A Participant who has received an initial SPP Benefit Transfer Credit under the Plan, who is eligible to receive credits pursuant to Section 3.3.1, and who is employed by a Participating Employer during a Plan Year will receive an annual SPP Benefit Transfer Credit to his or her Account under the Plan as follows:

- (a) For each Plan Year, the annual SPP Benefit Transfer Credit will be the difference between (i) the SPP Benefit determined as the last day of the Plan Year expressed as the actuarial lump sum present value on the determination date and (ii) the aggregate amount of the previous SPP Benefit Transfer Credits to the Participant's Account increased by assumed earnings at an annual rate equal to the sum of the average of the applicable Stable Value Crediting Rate Alternative for the Plan Year plus two percent (2%) determined from the crediting date through the earlier of June 5, 2012 or the determination date and after June 5, 2012 at an annual rate equal to the sum of the average of the applicable Intermediate-Term Bond Index Fund Crediting Rate Alternative for the Plan Year plus two percent (2%) from the later of June 5 or the crediting date through the determination date; provided that with respect to periods that a Participant does not receive/revoke the Enhancement on their Account, the annual rate will be equal to the average of the applicable Stable Value

Crediting Rate Alternative, through June 5, 2012, or the Intermediate-Term Bond Index Fund Crediting Rate Alternative, after June 5, 2012, as applicable.

- (b) If the amount of the annual or final SPP Benefit Transfer Credit is positive, a credit will be made to the Participant's Account. If the amount of the SPP Benefit Transfer Credit is negative and (i) the Participant is a Leadership Team Member on the determination date, or (ii) the Participant is an Employee and was formerly a Leadership Team Member, then the Plan Administrator, in its sole discretion, may cause such Participant's Account to be debited by such negative amount. The debit will be made pro rata among all distribution options of the Plan other than fixed payment dates. The debit will be made from the Crediting Rate Alternatives other than the Company Stock Fund, provided that the value of such Crediting Rate Alternatives other than the Company Stock Fund is greater than the debit.
- (c) The annual SPP Benefit Transfer Credit (including a negative credit) will be made to the Participant's Account as of the April 30 (or immediately preceding business day) following the determination date. In the case of a Participant who is Leadership Team Member, the Plan Administrator, in its sole discretion, may cause such transfer will be made and determined on or about the last business day prior to the end of the Company's Fiscal Year.
- (d) For purposes of this section, "determination date" means on or about March 31; provided that in the case of a Participant who is a Leadership Team Member, the Plan Administrator, in its sole discretion, may cause the "determination date" to be on or about the last business day prior to the end of the Company's Fiscal Year.
- (e) Upon a Plan termination on account of a Change-in-Control under Section 8.3.2, the Plan Administrator shall credit to a Participant's Account as of the Plan termination effective date an SPP Benefit Transfer Credit as determined in this Section 3.3.3 as of the Plan termination effective date.
- (f) Notwithstanding the foregoing, a Participant's final SPP Benefit Transfer Credit will be determined within 60 days following his or her Termination of Employment as defined under Section 1.2.44(a).

3.3.4 Forfeiture. A Participant's SPP Benefit Transfer Credits under this Section 3.3 and corresponding earnings adjustments under Section 4 are subject to forfeiture at the time and in the amount provided under Sections 3.3.3(b).

3.4 ESBP Benefit Transfer Credit. An election to defer a Participant's ESBP Benefit Transfer Credits was available to certain Participants with a retirement/termination date prior to January 11, 2006, as reflected in prior Plan Statements.

3.5 Discretionary Credits. The Company in its sole and absolute discretion may determine in writing for each Participant an amount that shall be credited the Participant's Account as a Discretionary Credit. Any Discretionary Credit to a Leadership Team Member will require the approval of the Compensation & Human Capital Management Committee of the Board. The Plan

Administrator shall credit to a Participant's Account the amount of a Participating Employer's Discretionary Credit, if any, determined for that Participant under this Section. Such amount shall be credited as nearly as practicable as of the time or times fixed by the Participating Employer when awarding such credit. Any special provisions relating to Discretionary Credits made on behalf of a Participating Employer's Employees will be set forth on an exhibit to the Plan Statement.

SECTION 4 **ADJUSTMENTS OF ACCOUNTS**

4.1 Establishment of Accounts. There shall be established for each Participant an Account which shall be adjusted as provided under Section 4.

4.2 Adjustments of Accounts. On each Valuation Date, the Plan Administrator shall cause the value of the Account (or subaccount) to be increased (or decreased) for distributions, withdrawals, credits, debits and investment income, gains or losses charged to the Account.

4.3 Investment Adjustment. The investment income, gains and losses shall be determined for the Accounts in accordance with the following:

4.3.1 Participant Elections. In accordance with Plan Rules and procedures established by the Plan Administrator, each Participant shall prospectively elect, as part of the initial enrollment process, and from time to time thereafter, one or more Crediting Rate Alternatives that shall be used to measure income, gains and losses until the next Valuation Date.

4.3.2 Default Rate. If a Participant fails to designate one or more Crediting Rate Alternatives to be used to measure income, gains and losses with respect to amounts credited to his or her Account, such amounts will be deemed to be invested in a default Crediting Rate Alternative designated by the Plan Administrator in accordance with Plan Rules.

4.3.3 Crediting. As of each Valuation Date, each Participant's Account shall be adjusted for income, gains and losses as if the Account had in fact been invested in the Crediting Rate Alternative(s) so selected.

4.3.4 Responsibility for Investment Adjustments. The Plan Administrator will not be responsible in any manner to any Participant, Beneficiary or other person for any damages, losses or liabilities, costs or expenses of any kind arising in connection with any designation or elimination of a Crediting Rate Alternative or a Participant's election of a Crediting Rate Alternative.

4.3.5 Company Stock Fund Crediting Rate Alternative. Notwithstanding anything in Section 4 or Plan Rules to the contrary, the use of the Company Stock Fund as a Crediting Rate Alternative is subject to the following:

- (a) For Participants who experience a Termination of Employment on or after July 1, 2017, the Company Stock Fund will be an available Crediting Rate Alternative until the first business day that is coincident with or next following the end of the 180-day period beginning on the date of the Participant's Termination of Employment.
- (b) For Participants who experience a Termination of Employment after May 1, 2017 but prior to July 1, 2017, the Company Stock Fund will be an available Crediting Rate Alternative until the end of the 180-day period beginning on the earlier of (i) July 1, 2017, and (ii) the date the Plan Administrator provides notice to the Participant of the limitation on use of the Company Stock Fund as a Crediting Rate Alternative following a Participant's Termination of Employment.
- (c) For Participants who experience a Termination of Employment on or before May 1, 2017, the Company Stock Fund will be an available Crediting Rate Alternative until November 20, 2017.
- (d) Effective as of the end of the period described in Clause (a), (b) or (c), above, a Participant will be deemed to have designated the Money Market Option as the successor Crediting Rate Alternative for any amounts in the Participant's Account that otherwise remained allocated to the Company Stock Fund.
- (e) Any terminated Participant who is reemployed and is a Participant under this Plan is entitled to use the Company Stock Fund as an available Crediting Rate Alternative under this Plan. A Participant who is rehired prior to the end of the period described in Clause (a), (b) or (c), above, will cease to be subject to the terms of Clause (d).
- (f) Notwithstanding anything in Section 4 or Plan Rules to the contrary, effective January 1, 2021, any election to transfer into or out of the Company Stock Fund will be subject to a thirty (30) day trading block that restricts an opposite-way transfer election into or out of the Company Stock Fund during such thirty (30) day period, except with respect to (i) credits to the Company Stock Fund that are the result of regular elective Deferral Credits to the Plan, (ii) Company Stock Fund election changes that are the result of an automatic rebalancing feature provided under Plan Rules, (iii) Company Stock Fund election changes that are directed by Alight Financial Advisors (or any successor financial advisor under the Company's 401(k) Plan) to the extent such feature is in place under the Plan Rules, and (iv) any Company Stock Fund election changes made after a Participant's Termination of Employment.

4.4 Enhancement.

4.4.1 Eligibility for Enhancement. Subject to Section 4.4.4, a Participant is eligible to receive the Enhancement for a Plan Year if he or she: (i) was actively employed and eligible to participate in this Plan on the last business day of the Plan Year; (ii) has experienced a Termination of Employment as defined under Section 1.2.44(a) during the Plan Year after attaining age 55 and completing five (5) Years of Service; (iii) has experienced a Termination of Employment as a result of death; or (iv) has become Disabled during such Plan Year.

4.4.2 Amount of Enhancement. The amount of the Enhancement to be credited for a Plan Year to the Account of a Participant who satisfies the requirements of Section 4.4.1 is first determined for each calendar month during which the Participant was employed for the entire month by multiplying the Enhancement by the balance of the Account as of the first day of such month, and then adding the monthly Enhancement amounts to determine the amount to be credited for the Plan Year.

4.4.3 Crediting to Account. For Plan Years beginning prior to January 1, 2017, the Plan Administrator shall credit to a Participant's Account as of the last business day of each month the monthly Enhancement amount, and such Enhancement amount shall be credited according to the

Crediting Rate Alternatives in effect for new Deferral Credits. Effective for Plan Years beginning on or after January 1, 2017, the Plan Administrator shall credit to a Participant's Account the Enhancement amount determined for the Plan Year for that Participant under Section 4.4.2 as of the date determined as follows:

- (a) as soon as practicable following the date of the Participant's death; or
- (b) for any Participant not described in Paragraph (a) above, the last business day of the Plan Year.

Such Enhancement amount shall be credited according to the Crediting Rate Alternatives in effect for new Deferral Credits.

4.4.4 Exception. The Plan Administrator, in its sole discretion, may determine that no Enhancement will be credited to the Participant's Account for the Plan Year ending during the Company's Fiscal Year in which the Participant becomes a Leadership Team Member or during any of the Plan Years beginning after the date the Participant becomes a Leadership Team Member; provided that the Plan Administrator, in its sole discretion, can cause the forfeiture of the Enhancement credited to a Participant's Account with respect to any months during the Plan Year ending during the Company's Fiscal Year in which a Participant initially becomes a Leadership Team Member. Following the date on which the Participant ceases to be a Leadership Team Member, the Plan Administrator, in its sole discretion, can cause the Account of any such Participant to be credited with an Enhancement in accordance with the rules of Section 4.4.2 for any remaining months in the Plan Year ending during Company's Fiscal Year in which the Participant ceased to be a Leadership Team Member, and/or during any of the Plan Years beginning after the date the Participant ceased to be a Leadership Team Member.

4.5 Account Adjustments Upon a Change-in-Control or Plan Termination.

4.5.1 In the event of a Plan termination following a Change-in-Control under Section 8.3.2 that causes a Trust to be established and funded pursuant to Section 7.3 where distribution of a Participant's Account may not be made from the Trust within 60 days of the event because of restrictions imposed by Code section 409A, then the Participant's Account as of the date of such event will no longer receive adjustments determined pursuant to Sections 4.3 and 4.4.

4.5.2 On and after the date of an event described in Section 4.5.1, the Account will have an investment adjustment determined at an annual rate equal to the sum of the 10-Year U.S. Treasury Note plus 2%. The 10-Year U.S. Treasury Note rate will be determined as of the date of the Plan termination under Section 8.3.2, or if no such rate is available on that date, the immediately preceding date such rate is available, and reset each calendar quarter as necessary.

SECTION 5

VESTING

5.1 Deferral Credits and Restoration Match Credits.

5.1.1 Deferral Credits. Deferral Credits (and related Earnings Credits) of each Participant shall be fully (100%) vested and nonforfeitable at all times, except as otherwise provided.

5.1.2 Restoration Match Credits Prior to 2017. Restoration Match Credits that are credited to a Participant's Account for Plan Years ending prior to January 1, 2017 (and related Earnings Credits) shall be fully

(100%) vested and nonforfeitable at all times, except as otherwise provided.

5.1.3 Restoration Match Credits after 2016. Restoration Match Credits that are credited to a Participant's Account for Plan Years beginning on or after January 1, 2017 (and related Earnings Credits) will become fully vested and nonforfeitable upon the earliest occurrence of any of the following events while the Participant is still in the employment of a Participating Employer or other Affiliate: (i) the Participant's death; (ii) the last day of the calendar month in which a Participant attains age sixty-five (65) years; (iii) the determination that the Participant is Disabled; (iv) the occurrence of a Change-in-Control; (v) the Participant's completion of five (5) Years of Service; or (vi) such other date as provided in writing to a Participant from the Plan Administrator.

5.1.4 Forfeiture. Any forfeiture of the Restoration Match Credits will occur as soon as practicable after the Participant's Termination of Employment. Forfeiture of the Restoration Match Credits not vested under Section 5.1.3 is limited to the aggregate amount of the Restoration Match Credits credited with respect to such amounts determined without regard to Earnings Credits on such Restoration Match Credits.

5.2 Discretionary Credits. A Participant will be vested in any Discretionary Credits (and related Earnings Credits) as provided by the Plan Administrator when such amounts are credited to the Participant's Account.

5.3 Enhancement.

5.3.1 General Rule. Except as provided under Section 4.4.2, the Enhancement credited to a Participant's Account will become fully vested and nonforfeitable upon the earliest occurrence of any of the following events while the Participant is still in the employment of a Participating Employer or other Affiliate: (i) the Participant's death; (ii) the last day of the calendar month in which a Participant attains age sixty-five (65) years; (iii) the determination that the Participant is Disabled; (iv) the occurrence of a Change-in-Control; (v) the Participant's completion of five (5) Years of Service; or (vi) such other date as provided in writing to a Participant from the Plan Administrator.

5.3.2 Forfeiture. Any forfeiture of the Enhancement will occur as soon as practicable after the Participant's Termination of Employment. Forfeiture of the Enhancement that is not vested under Section 5.3.1 is limited to the aggregate amount of the Enhancement credited with respect to such amounts determined without regard to Earnings Credits on such Enhancement. The amount of the Enhancement to be forfeited will be debited prorata against the Participant's distribution options.

5.4 Failure to Cooperate; Misinformation or Failure to Disclose. A Participant's Account is subject to forfeiture as provided under Sections 2.6.1.

5.5 Plan Administrator Discretion. Notwithstanding anything in this Plan Statement to the contrary, the Plan Administrator may, in its sole and absolute discretion, cause any amounts under the Plan to be fully (100%) vested and nonforfeitable.

SECTION 6
DISTRIBUTION

6.1 Distribution Elections. Except as otherwise specifically provided in this Plan, a Participant may irrevocably elect for each Plan Year the form and time of distribution of the credits made to his or her Account for such Plan Year.

6.2 General Rule. A Participant's distribution election relating to Deferral Credits must be made prior to the date the Participant's deferral election becomes irrevocable. The election shall be made in the form and manner prescribed by Plan Rules. Distribution elections for Base Salary deferrals will also apply to Restoration Match

Credits related to the same Plan Year. Earnings Credits and Enhancements will be distributed in the same form and time as in effect for the related Account credit. All Discretionary Credits will be distributed in the form of a single lump sum as of the time determined under Section 6.2.2(b).

6.2.1 Form of Distribution. The Participant may elect among the following forms of distribution.

- (a) **Installments.** A series of annual installments made over either five (5) years or ten (10) years commencing at a time provided under Section 6.2.2(a) or (b). For purposes of Code section 409A, installment payments will be treated as a series of separate payments at all times.
- (b) **Lump Sum.** A single lump sum payment.

6.2.2 Time of Payment. The Participant may elect among the distribution commencement times described in this section; provided that SPP Benefit Transfer and unvested ESBP Benefit Transfer Credits may not be distributed on a fixed payment date **release** as described in paragraph (c).

- (a) **Termination of Employment.** Within 60 days following the Participant's Termination of Employment, other than on account of death.
- (b) **One-Year Anniversary of Termination of Employment.** Within 60 days following the one-year anniversary of the Participant's Termination of Employment, other than on account of death.
- (c) **Fixed Payment Date.** Within 60 days of January 1 of the calendar year elected by the Participant at the time of deferral. If a Participant has a Termination of Employment as defined in Section 1.2.44 prior to the fixed payment date, such amount shall be paid on the earlier of: (i) within 60 days following January 1 in the tenth year following the year of the Termination of Employment, or (ii) January 1 of the calendar year elected by the Participant at the time of deferral. The Plan Administrator **8(c), Executive's PSUs and PBRUS** will establish Plan Rules, procedures and limitations on establishing the number and times of the fixed payment dates available for Participants to elect.
- (d) **Payouts in 2008 and 2009.** During 2007 and 2008, consistent with transition relief available under Code section 409A, and subject to Plan Rules, Participants had an

opportunity to elect to receive certain distributions, which are described in more detail in prior Plan Statements.

6.2.3 Installment Amounts. The amount of the annual installments shall be determined by dividing the amount of the vested portion of the Account as of the most recent Valuation Date preceding the date the installment is being paid by the number of remaining installment payments to be made (including the payment being determined).

6.2.4 Small Benefit. Subject to Section 6.3, in the event that the vested Account balance of a Participant who has died or experienced a Termination of Employment under the Plan is less than the applicable dollar amount under Code section 402(g)(1)(B) for that Plan Year as of the date on which the Plan Administrator makes such determinations, the Plan Administrator (on behalf of the Company) reserves the right to have the Participant's entire Account paid in the form of a single lump sum payment, provided the Plan Administrator's exercise of discretion (on behalf of the Company) complies with the requirements of Treas. Reg. Sec. 1.409A-3(j) (4)(v).

6.2.5 Default. If for any reason a Participant shall have failed to make a timely designation of the form or time of distribution with respect to credits for a Plan Year (including reasons entirely beyond the control of the

Participant), except as provided in Section 6.2.6, the distribution shall be made as indicated below:

- (a) In the case of SPP Benefit Transfer Credits: a single lump sum within 60 days following the one-year anniversary of the Participant's Termination of Employment.
- (b) In all other cases, a single lump sum payment within 60 days following the Participant's Termination of Employment.

6.2.6 Crediting of Amounts after Termination of Employment or Benefit Distribution.

Notwithstanding any provision in this Plan Statement to the contrary other than Section 6.3:

- (a) Enhancement, Deferral and Restoration Match Credits.
 - (i) **Lump Sum Distribution.** If Enhancement, Deferral or Restoration Match Credits are due after the complete distribution of the Participant's vested Account balance, or subaccount balance to which such Enhancement, Deferral or Restoration Match Credit relate, then such subsequent credits will be made to the Account and paid to the Participant in a single lump sum cash payment within 60 days of being credited to the Account.
 - (ii) **Installment Distribution.** If Enhancement, Deferral or Restoration Match Credits are due after a related installment distribution occurs, then such subsequent credits will be made to the Account and included in the Account balance to determine the amount of the remaining scheduled payments as applicable.
- (b) **SPP or ESBP Benefit Transfer Credit.** The SPP Benefit Transfer Credit shall be distributed as follows:
 - (i) For amounts accruing prior to January 1, 2014, in a single lump sum within 60 days following the Termination of Employment; and
 - (ii) For amounts accruing on or after January 1, 2014,
 - (A) If the SPP Benefit Transfer Credit is due after the complete distribution of the Participant's vested Account balance, or subaccount balance to which such Credit relates, then such Credit will be made to the Account and paid to the Participant in a single lump sum payment within 60 days of being credited to the Account;
 - (B) If the SPP Benefit Transfer Credit is due after a related installment distribution occurs, then such subsequent Credit will be made to the Account and included in the Account balance to determine the amount of the remaining scheduled payments as applicable; and
 - (C) If the SPP Benefit Transfer Credit is due prior to the commencement of payment to which such credit relates, distribution shall be made at the time and in the manner elected by the Participant or pursuant to the Plan's rule, all as provided in Section 6.2.2.

6.2.7 Vesting in Benefits After the Distribution Date. No portion of a Participant's Account will be distributed prior to being vested. Subject to Section 6.3, if Participant is scheduled to receive a distribution of a portion of his or her Account that is not vested, such unvested amount will not be paid until subsequently vested, at which time it will be paid out in accordance with the respective distribution election.

6.2.8 No Spousal Rights. No spouse, former spouse, Beneficiary or other person shall have any right to participate in the Participant's designation of a form or time of payment.

6.3 Six-Month Suspension for Specified Employees. Notwithstanding any other provision in this Section 6 to the contrary, if a Participant is a Specified Employee at Termination of Employment, then any distributions arising on account of the Participant's Termination of Employment (other than on account of death) that are due shall be suspended and not be made until (6) months have elapsed since such Participant's Termination of Employment (or, if earlier, upon the date of the Participant's death). Any payments that were otherwise payable during the six-month suspension period referred to in the preceding sentence, will be paid within 60 days after the end of such six-month suspension period.

6.4 Distribution on Account of Death; Distribution Following Death. Upon the death of a Participant prior to Termination of Employment or other distribution trigger, the Participant's Account balance will be paid to the Participant's Beneficiary in a single lump sum as soon as practicable following the Participant's death, but in no event later than the last day of the calendar year immediately following the calendar year in which the Participant's death occurs. Upon the death of a Participant following Termination of Employment or other distribution trigger,

distribution will continue in the same form and at the same time it was scheduled to be paid to the Participant, subject to Section 6.3, but will be paid in a single lump sum to the estate of the Beneficiary as soon as practicable following the Beneficiary's death.

6.5 Distribution on Account of Unforeseeable Emergency.

6.5.1 When Available. A Participant may receive a distribution from the vested portion of his or her Account (which shall be deemed to include the deferral that would have been made but for the cancellation under Section 6.5.3) if the Plan Administrator determines that such distribution is on account of an Unforeseeable Emergency and the conditions in Section 6.5.2 have been fulfilled. To receive such a distribution, the Participant must request a distribution by filing an application with the Plan Administrator and furnish such supporting documentation as the Plan Administrator may require. In the application, the Participant shall specify the basis for the distribution and the dollar amount to be distributed. If such request is approved by the Plan Administrator, distribution shall be made in a lump sum payment within 60 days following the approval by the Plan Administrator of the completed application.

6.5.2 Limitations. The amount that may be distributed with respect to a Participant's Unforeseeable Emergency shall not exceed the amounts necessary to satisfy the emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such Unforeseeable Emergency is or may be relieved through reimbursement or compensation by insurance or otherwise by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship), and/or cancellation of deferrals pursuant to Section 6.5.3, provided the determination of such limitation is consistent with the requirements of Code section 409A(a)(2)(B)(ii).

6.5.3 Cancellation of Deferral Elections. As provided by Section 2.12, in the event of a distribution under Section 6.5.1 the Plan Administrator will cancel the Participant's deferral elections for the balance of the applicable Plan Year.

6.6 Designation of Beneficiaries.

6.6.1 Right to Designate or Revoke.

- (a) Each Participant may designate one or more primary Beneficiaries or secondary Beneficiaries to receive all or a specified part of such Participant's vested Account in the event of such Participant's death. If fewer than all designated primary or secondary Beneficiaries predecease the Participant, then the amount of such predeceased Beneficiary's portion shall be allocated to the remaining primary or secondary Beneficiaries, as the case may be.
- (b) The Participant may change or revoke any such designation from time to time without notice to or consent from any spouse, any person named as Beneficiary or any other person.
- (c) No such designation, change or revocation shall be effective unless completed and filed with the Plan Administrator in accordance with Plan Rules during the Participant's lifetime.

6.6.2 Failure of Designation. If a Participant:

- (a) fails to designate a Beneficiary,
- (b) designates a Beneficiary and thereafter revokes such designation without naming another Beneficiary, or
- (c) designates one or more Beneficiaries and all such Beneficiaries so designated fail to survive the Participant, such Participant's vested Account, shall be payable to the first class of the following classes of automatic Beneficiaries:
- (d) Participant's surviving spouse Representative of Participant's estate

6.6.3 Disclaimers by Beneficiaries. A Beneficiary entitled to a distribution of all or a portion of a deceased Participant's vested Account may disclaim an interest therein subject to the Plan Rules.

6.6.4 Special Rules. Unless the Participant has otherwise specified in the Participant's Beneficiary designation, the following rules shall apply:

- (a) If there is not sufficient evidence that a person designated as a Beneficiary was living at the time of the death of the Participant, it shall be deemed that the Beneficiary was not living at the time of the death of the Participant.
- (b) The automatic Beneficiaries specified in Section 6.6.2 and the Beneficiaries designated by the Participant shall become fixed at the time of the Participant's death (subject to Section 6.6.3) so that, if a Beneficiary survives the Participant but dies before the receipt of all payments due such Beneficiary hereunder, such remaining payments shall be payable to the representative of such Beneficiary's estate.
- (c) If the Participant designates as a Beneficiary the person who is the Participant's spouse on the date of the designation, either by name or by relationship, or both, the dissolution, annulment or other legal termination of the marriage between the Participant and such person shall automatically revoke such designation. The foregoing shall not prevent the Participant from designating a former spouse as a beneficiary on a form that is both executed by the Participant and received by the Plan Administrator (i) after the date of the legal termination of the marriage between the Participant and such former spouse and (ii) during the Participant's lifetime.
- (d) A finalized marriage (other than a common law marriage) of a Participant subsequent to the date of filing of a Beneficiary designation shall revoke such designation unless the Participant's new spouse had previously been designated as the Beneficiary.

- (e) Any designation of a nonspouse Beneficiary by name that is accompanied by a description of relationship to the Participant shall be given effect without regard to whether the relationship to the Participant exists either then or at the Participant's death.
- (f) Any designation of a Beneficiary only by statement of relationship to the Participant shall be effective only to designate the person or persons standing in such relationship to the Participant at the Participant's death.

6.7 Facility of Payment.

6.7.1 Legal Disability. In case of the legal disability, including minority, of an individual entitled to receive any payment under this Plan, payment shall be made, if the Plan Administrator shall be advised of the existence of such condition:

- (a) to the duly appointed guardian, conservator or other legal representative of such individual, or
- (b) to a person or institution entrusted with the care or maintenance of the incompetent or disable Participant or Beneficiary, provided such person or institution has satisfied the Plan Administrator that the payment will be used for the best interest and assist in the care of such individual, and provided further, that no prior claim for said payment has been made by a duly appointed guardian, conservator or other legal representative of such individual.

6.7.2 Discharge of Liability. Any payment made in accordance with the foregoing provisions of this Section 6.7 shall constitute a complete discharge of any liability or obligation of the Participating Employers under this Plan.

6.8 Tax Withholding. The Participating Employer (or any other person legally obligated to do so) shall withhold the amount of any federal, state or local income tax, payroll tax or other tax that the payer reasonably determines is required to be withheld under applicable law with respect to any amount payable under this Plan. All benefits otherwise due hereunder shall be reduced by the amount to be withheld.

6.9 Payments Upon Rehire. If a Participant who is receiving installment payments or due a deferred lump sum payment under this Plan is rehired, the payments will continue in accordance with the prior distribution elections.

6.10 Application for Distribution. A Participant may be required to make application to receive payment and to complete other forms and furnish other documentation required by the Plan Administrator. Distribution shall not be made to any Beneficiary until such Beneficiary shall have filed an application for benefits in a form acceptable to the Plan Administrator and such application shall have been approved by the Plan Administrator and the Plan Administrator has determined that the applicant is entitled to payment.

6.11 Acceleration of Distributions. The Plan Administrator in its sole discretion may exercise discretion on behalf of the Company to accelerate the distribution of any payment under this Plan to the extent allowed under Code section 409A.

6.12 Delay of Distributions. The Plan Administrator in its sole discretion may exercise discretion on behalf of the Company to delay the distribution of any payment under this Plan to the extent allowed under Code section 409A, including, but not limited to, as necessary to maximize the Company's tax deductions as allowed pursuant to Code section 162(m) or to avoid violation of federal securities or other applicable law.

SECTION 7
SOURCE OF PAYMENTS; NATURE OF INTEREST

7.1 Source of Payments.

7.1.1 General Assets. Each Participating Employer will pay, from its general assets, the distribution of the Participant's Account under Section 6, and all costs, charges and expenses relating thereto.

7.1.2 Trust. Upon a Change-in-Control that causes the Plan to be terminated under Section 8.3.2, the trustee of the Trust will make distributions to Participants and Beneficiaries from the Trust in satisfaction of a Participating Employer's obligations to make distributions under this Plan in accordance with and subject to the terms of the Trust to the extent such payments are not otherwise made directly by the Participating Employer.

7.2 Unfunded Obligation. The obligation of the Participating Employers to make payments under this Plan constitutes only the unsecured (but legally enforceable) promise of the Participating Employers to make such payments. Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, claims or interests in any specific property or assets of the Company or a Participating Employer, nor shall they be beneficiaries of, or have any rights, claims or interests in any life insurance policies, annuity contracts or the proceeds therefrom owned or which may be acquired by the Company.

7.3 Establishment of Trust. The Participating Employers shall have no obligation to establish or maintain any fund, trust or account (other than a bookkeeping account or reserve) for the purpose of funding or paying the benefits promised under this Plan except as provided in the Trust. The Participating Employers may from time to time transfer to the Trust cash, or other marketable securities or other property acceptable to the trustee **vest** in accordance with the terms of the Trust. If applicable agreements notwithstanding the Participating Employers have deposited funds fact Executive will not be actively employed on the awards' scheduled vesting dates.

(c) **By Company with Cause.** During the Strategic Advisory Period, the Company may terminate this Agreement for "Cause" as defined in the Trust, 2020 Target Corporation Long-Term Incentive Plan. Upon such funds shall remain the sole and exclusive property a for-Cause termination, each of the Participating Employer Company and Executive will be released from any and all further obligations under this Agreement except: (i) that deposited such funds, the Company will pay to Executive the base salary earned by Executive as of the Accelerated Retirement Date; and (ii) as described in Section 6(d).

7.4(d) **Spendthrift Provision Continuing Obligations.** Except Regardless of the reason for termination, the parties' respective obligations under Sections 7, 8, 9, 10, and 11 hereof shall survive any termination of this Agreement and be binding on the parties.

7. **Cooperation.** Following the Agreement End Date, the Company may request that Executive consult or cooperate with the Company (including, without limitation, providing truthful information to the Company or serving as a witness or testifying at the Company's request without subpoena). Executive agrees to be available at mutually agreeable times to perform such duties and

provide such cooperation in connection with the various business and legal matters in which Executive was involved or of which Executive has knowledge as a result of Executive's employment with the Company. In so consulting or cooperating, Executive shall be reimbursed his reasonable out-of-pocket expenses.

8. **Prohibited Activities.** In exchange for the opportunity to remain employed during the Strategic Advisory Period and post-employment Long-Term Incentive Plan award vesting, Executive agrees to comply with the Company's standard post-employment covenants and execute the Company's standard form of release as set forth below. Specifically, Executive agrees:

(a) during his employment and until twenty-four months after the Agreement End Date, to refrain from doing any of the following:

- (i) using or disclosing Non-Public Information, as defined in Executive's separate Confidentiality and Inventions/Creative Works Agreement, for or to any person or organization not expressly authorized by the Company to receive or use such information; or
- (ii) directly inducing, soliciting, or requesting any Company employee to accept employment or a consulting relationship with, or perform services for, anyone other than the Company, or to otherwise provide take any action detrimental to the relationships between the Company and its employees; or
- (iii) disparaging the Company or any of its directors, officers, or employees in a manner that causes significant harm to the Company; or
- (iv) directly or indirectly: (A) effecting, offering or proposing or in any way assisting any other person to effect, offer or propose: (1) any acquisition of any securities or rights or options to acquire any securities of the Company (other than ownership of less than 0.1% of the Company's outstanding shares and investments in publicly available mutual funds or exchange traded funds), (2) any tender or exchange offer, merger or other business combination involving the Company, (3) any recapitalization, restructuring, sale of assets, liquidation, dissolution or other extraordinary transaction with respect to the Company, or (4) any "solicitation" of "proxies" (as such terms are used in the proxy rules of the Securities and Exchange Commission); (B) forming, joining or in any way participating in a "group" (as defined under Securities Exchange Act of 1934, as amended) with respect to the Company or otherwise act in concert with any person in respect of any securities of the Company; (C) otherwise acting, alone or in concert with others, to seek representation on or to control or influence the management, the Board of Directors or policies of the Company or to obtain representation on the Board of Directors; or (D) entering into any discussions or arrangements with any third party with respect to any of the foregoing.

(b) to sign, deliver and not revoke a release of identical or substantially similar content to the release in Exhibit A (as prescribed by the applicable laws then in effect) on or around the Agreement End Date.

Nothing in this Section 7.4, no Participant Agreement is intended to prohibit Executive from: (i) communicating with any governmental authority without notice to the Company concerning possible legal violations; or Beneficiary shall have (ii) receiving any interest in applicable award for information provided to governmental authorities. The Company reserves all rights to and does not waive any Account which can be transferred nor shall any Participant or Beneficiary have any power attorney-client privilege that otherwise applies to anticipate, alienate, dispose of, pledge or encumber the same while in the possession or control of the Participating Employers. The Plan Administrator shall not recognize any such effort information disclosed to convey any interest under this Plan. No benefit payable under this Plan shall be subject to attachment, garnishment, or execution following judgment or other legal process before actual payment to such person. governmental authorities.

7.4.19. Right to Designate Beneficiary Enforcement. The power to designate Beneficiaries to receive the Account of a Participant in the event of a breach or threatened breach by Executive of any of the post-employment covenants in Section 8 of this Agreement, the Company shall be entitled to an injunction restraining Executive from breaching, in whole or in part, any of his duties, obligations, or covenants in that Section. Executive acknowledges that such Participant's death remedies are appropriate. For purposes of a court issuing injunctive relief, Executive waives any argument relating to irreparable injury, success on the merits of the Company's

claims, or the underlying enforceability of this Agreement. Executive agrees that an appropriate court may issue injunctive relief without addressing these issues, and that a temporary or preliminary injunctive order should be issued without prejudice to any final decision that may later be reached affecting the parties' rights or obligations under this Agreement. Nothing in this Agreement shall not permit or be construed as prohibiting the Company from pursuing any additional or other remedy or remedies available to permit it for such power breach or right threatened breach, including, but not limited to, to be exercised by the Participant SO as thereby to anticipate, pledge, mortgage or encumber such Participant's Account or any part thereof, other remedies specifically provided for in this Agreement and any attempt the recovery of a Participant so to exercise said power in violation of this provision shall be of no force and effect and shall be disregarded by the Participating Employers. damages.

7.4.210. Plan Administrator's Right to Exercise Discretion Acceptance Period. This Section 7.4 Executive understands that the terms of this Agreement shall be open for acceptance for a period of fifteen (15) days from the date he receives this Agreement. To accept the Agreement, Executive must sign and return it to the Company. The Company advises Executive to seek counsel regarding this Agreement. Executive agrees that changes to this Agreement, whether material or immaterial, will not prevent the Plan Administrator from exercising, in its discretion, any of the applicable powers and options granted to it under any applicable provision hereof. restart this acceptance period.

7.511. Compensation Recovery (Recoupment) Miscellaneous.

(a) **Clawbacks.** Notwithstanding any other provision of the Plan, a Participant who becomes subject this Agreement to the Company's recoupment policy as adopted by the Compensation & Human Capital Management Committee of the Company's Board of Directors and amended from time to time ("Recoupment Policy") may have all or a portion of his or her benefit under contrary, certain compensation addressed in this Plan forfeited and/or all or a portion of any distributions payable to the Participant or his or her Beneficiary recovered by the Company.

7.5.1 Any Deferral Credit and related Earnings Credits resulting from the deferral of Eligible Compensation that Agreement is subject to recovery under in accordance with the terms of the Company's Clawback Policy and/or Recoupment Policy (the "Policies"). This Agreement may be forfeited unilaterally amended to comply with the Policies. Executive agrees and in such event, a corresponding adjustment will be made consents to the Participant's Account balance.

7.5.2 If a Participant has commenced distributions Company's application, implementation and is subject enforcement of (a) the Policies or any similar policy established by the Company that may apply to a claim for recovery under the Recoupment Policy, then Executive, and (b) any provision of applicable law relating to cancellation, rescission, or recoupment of compensation, and expressly agrees that the Company may subject take such actions as are necessary to any limitations under Code section 409A, retain all effectuate the Policies or any portion applicable law without further consent or action being required by Executive.

(b) **Complete Agreement; Governing Documents.** This Agreement, together with the separate Confidentiality and Inventions/Creative Works Agreement and Long-Term Incentive Plan award agreements previously entered into by Executive and the Company, shall constitute the entire agreement and understanding of the Participant's (or his Company's obligation to provide compensation and benefits to Executive and shall supersede all prior and contemporaneous written or her Beneficiary's) taxable distribution, net verbal agreements and understandings between Executive and the Company relating to such subject matter. Executive acknowledges that this Agreement is in lieu of state, federal or foreign tax withholding, any continuing right to satisfy such claim.

SECTION 8
ADOPTION, AMENDMENT AND TERMINATION

8.1 Adoption. With be covered by the prior approval of the Plan Administrator, an Affiliate may adopt the Company's Income Continuation Plan and become that the end of his employment on the Agreement End Date will be treated as a Participating Employer by furnishing to voluntary retirement for all purposes. To the Plan Administrator a certified copy of a resolution of its board of directors adopting this Plan.

8.2 Amendment.

8.2.1 General Rule. The Company, by action of its Board of Directors, or by action of a person so authorized by resolution of the Board of Directors and subject to any limitations or conditions in such authorization, may at any time amend the Plan, in whole or in part, for any reason, including but not limited to tax, accounting or insurance changes, a result of which may be to terminate the Plan for future deferrals provided, however, that no amendment shall be effective to decrease the benefits, nature or timing thereof payable under the Plan to any Participant with respect to deferrals made (and benefits thereafter accruing) prior to the date of such amendment. Written notice of any amendment shall be given each Participant then participating in the Plan.

8.2.2 Amendment to Benefit Leadership Team Member. Any amendment to the benefit of a Leadership Team Member under this Plan, to the extent approval of such amendment by the Board would be required by the Securities and Exchange Commission and its regulations or the rules of any applicable securities exchange, will require the approval of the Board.

8.2.3 No Oral Amendments. No modification of the terms of this Agreement conflict with the terms of the separate Confidentiality and Inventions/Creative Works Agreement and Long-Term Incentive Plan Statement award agreements, the terms of this Agreement will control. This Agreement may only be amended by written instrument signed by Executive and a duly authorized employee of the Company.

(c) *Successors and Assigns.* This Agreement and all rights hereunder are personal to Executive and may not be transferred or assigned by Executive at any time. The Company may assign its rights, together with its obligations hereunder, to any parent, subsidiary, affiliate or successor, or in connection with any sale, transfer or

other disposition of all or substantially all of its business and assets, provided, however, that any such assignee assumes the Company's obligations hereunder.

(d) *Governing Law.* The provisions of this Agreement shall be effective unless it is in writing. No oral representation concerning construed and interpreted under the interpretation or effect laws of the State of Minnesota applicable to agreements executed and wholly performed within the State of Minnesota. If any provision of this Plan Statement shall Agreement as applied to any party or to any circumstance should be effective to amend this Plan Statement.

8.3 Termination and Liquidation.

8.3.1 General Rule.

- (a) To the extent necessary or reasonable to comply with any changes in law, the Board may at any time terminate and liquidate this Plan, provided such termination and liquidation satisfies the requirements of Code section 409A.
- (b) To the extent that a Participant's benefit under the Plan will be immediately included in the income of the Participant, as determined adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the invalidity of that provision shall in no way affect (to the maximum extent permissible by law) the application of such provision under circumstances different from

those adjudicated by the court, the application of any other provision of this Agreement, or the Internal Revenue Service, enforceability or invalidity of this Agreement as a whole.

(e) *Jurisdiction and Venue.* Executive and the Company consent to jurisdiction of the extent permitted under Code section 409A, courts of the Board may terminate and liquidate this Plan, in whole State of Minnesota and/or the federal courts, District of Minnesota, for the purpose of resolving all issues of law, equity, or fact, arising out of or in part, as it relates connection with this Agreement. Any action involving claims of a breach of this Agreement must be brought in such courts. Each party consents to personal jurisdiction over such party in the impacted Participant state and/or federal courts of Minnesota and hereby waives any defense of lack of personal jurisdiction. Venue, for the purpose of all such suits, will be in Hennepin County, State of Minnesota.

8.3.2(f) *Plan Termination Counterparts.* This Agreement may be executed in more than one counterpart, each of which shall be deemed an original, but all of which together shall constitute but one and Liquidation on Account of a Change-in-Control. Upon a Change-in-Control, the Plan will terminate and payment of all amounts under the Plan will be accelerated if and to the extent provided in this Section 8.3.2. same instrument.

(a) The Plan will be terminated effective

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the first date on which there has occurred both (i) a Change-in-Control under Section 1.2.8, and (ii) a funding of the Trust on account of such Change-in-Control (referred to herein as the "Plan termination set forth below.

Target Corporation: Target Enterprise, Inc.:

By: /s/ Melissa Kremer By: /s/ Melissa Kremer

effective date") unless, prior to such Plan termination effective date, the Board affirmatively determines that the Plan will not be terminated as of such effective date. The Board will be deemed to have taken action to irrevocably terminate the Plan as of the Plan termination effective date by its failure to affirmatively determine that the Plan will not terminate as of such date. Melissa Kremer Melissa Kremer

Title: Executive Vice President & Title: Executive Vice President &
Chief Human Resources Officer Chief Human Resources Officer

(b) Date: The determination by the Board under paragraph (a) constitutes a determination that such termination will satisfy the requirements of Code section 409A, including an agreement by the Company that it will take such additional action or refrain from taking such action as may be necessary to satisfy the requirements necessary to terminate and liquidate the Plan under paragraph (c) below.

(c) 11/8/23 In the event the Board does not affirmatively determine not to terminate the Plan as provided in paragraph (a), such termination shall be subject to either (i) or (ii), as follows:

(i) Date: If the Change-in-Control qualifies as a "change in control event" for purposes of Code section 409A, payment of all amounts under the Plan will be accelerated and made in a lump sum as soon as administratively practicable but not more than 90 days following the Plan termination effective date, provided the requirements of Treasury Regulation Section 1.409A-3(j)(4)(ix)(B) have been satisfied.

(ii) If the Change-in-Control does not qualify as a "change in control event" for purposes of Code section 409A, payment of all amounts under the Plan will be accelerated and made in a lump

sum as soon as administratively practicable but not more than 60 days following the 12 month anniversary of the Plan termination effective date, provided the requirements of Treasury Regulation Section 1.409A-3(j)(4)(ix)(C) have been satisfied. 11/8/23

SECTION 9

CLAIM PROCEDURES

9.1 Claims Procedure. Until modified by the Plan Administrator, the claim and review procedures set forth in this Section shall be the mandatory claim and review procedures for the resolution of disputes and disposition of claims filed under this Plan. An application for a distribution or withdrawal shall be considered as a claim for the purposes of this Section.

9.1.1 Initial Claim. An individual may, subject to any applicable deadline, file with the Plan Administrator a written claim for benefits under this Plan in a form and manner prescribed by the Plan Administrator.

- (a) If the claim is denied in whole or in part, the Plan Administrator shall notify the claimant of the adverse benefit determination within ninety (90) days after receipt of the claim.
- (b) The ninety (90) day period for making the claim determination may be extended for ninety (90) days if the Plan Administrator determines that special circumstances require an extension of time for determination of the claim, provided that the Plan Administrator notifies the claimant, prior to the expiration of the initial ninety (90) day period, of the special circumstances requiring an extension and the date by which a claim determination is expected to be made.

9.1.2 Notice of Initial Adverse Determination. A notice of an adverse determination shall set forth in a manner calculated to be understood by the claimant.

- (a) The specific reasons for the adverse determinations,
- (b) references to the specific provisions of this Plan Statement (or other applicable Plan document) on which the adverse determination is based,
- (c) a description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary, and
- (d) a description of the claim and review procedures, including the time limits applicable to such procedure, and a statement of the claimant's right to bring a civil action under ERISA section 502(a) following an adverse determination on review.

9.1.3 Request for Review. Within sixty (60) days after receipt of an initial adverse benefit determination notice, the claimant may file with the Plan Administrator a written request for a review of the adverse determination and may, in connection therewith submit written comments, documents, records and other information relating to the claim benefits. Any request for review of the initial adverse determination not filed within sixty (60) days after receipt of the initial adverse determination notice shall be untimely.

9.1.4 Claim on Review. If the claim, upon review, is denied in whole or in part, the Plan Administrator shall notify the claimant of the adverse benefit determination within sixty (60) days after receipt of such a request for review. John J. Mulligan:

/s/ John J. Mulligan

Exhibit A

1. **Definitions.** The definitions below are intended solely for the purpose of this release. All words used in this release are intended to have their plain meanings in ordinary English, except that capitalized words not defined in this Exhibit shall have the same meaning as in that certain Transition Agreement effective November 8, 2023 (the "Agreement"). Specific terms in this release have the following meanings:

- (a) The sixty (60) day period for deciding "Executive" includes Executive and anyone who has or obtains any legal rights or claims through Executive.
- (b) "Target" means Target Corporation and any company related to Target Corporation in the claim present or past (including without limitation, its predecessors, parents, subsidiaries, affiliates and divisions) and any successor of Target Corporation.
- (c) "Corporation" means Target and any company providing insurance to Target in the present or past, any employee benefit plan sponsored or maintained by Target in the present or past and the present and past fiduciaries of any such plans, Target's present and past officers, directors, employees, committees and agents and any person who acted on review may be extended for sixty (60) days if the Plan Administrator determines that special circumstances require an extension behalf of time for determination Target or on instructions from Target.
- (d) "Executive Claims" means all of the claim, provided rights Executive has now to any relief of any kind from the Corporation, including without limitation:
 - (i) all claims arising out of or relating to Executive's service with Target and Executive's service termination; and
 - (ii) all claims arising out of or relating to statements, actions, or omissions of the Corporation; and
 - (iii) all claims for any alleged unlawful discrimination, harassment, retaliation or reprisal, or other alleged unlawful practices arising under any federal, state, or local statute, ordinance, or regulations, including without limitation, claims under the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, 42 U.S.C § 1981, the Employee Retirement Income Security Act, the Equal Pay Act, the Worker Adjustment and Retraining Notification Act, the Family and Medical Leave Act, the Fair Credit Reporting Act, the Minnesota Human Rights Act, and workers' compensation non-interference or non-retaliation statutes; and
 - (iv) all claims for alleged wrongful discharge; breach of contract; breach of implied contract; failure to keep any promise; breach of a covenant of good faith and fair dealing; breach of fiduciary duty; estoppel; defamation; infliction of emotional distress; fraud; misrepresentation; negligence; harassment; retaliation or reprisal; constructive discharge; assault; battery; false imprisonment; invasion of privacy; interference with contractual or business relationships; any other wrongful employment practices; and violation of any other principle of common law; and
 - (v) all claims for compensation of any kind, including without limitation, bonuses, commissions, stock, stock options or other equity interests, vacation pay, perquisites, and expense reimbursements; and

(vi) all claims for back pay, front pay, severance pay or income continuation under any Company plan, program, or agreement, reinstatement, equitable relief, compensatory damages, damages for alleged personal injury, liquidated damages, and punitive damages; and

(vii) all claims for attorney's fees, costs, and interest.

However, Executive Claims do not include any claims related to post-termination benefits accrued before the Agreement End Date under the generally-applicable terms of benefit plans or programs maintained by the Corporation (including without limitation, Executive's rights under the Company's Short-Term Incentive Plan and Long-Term Incentive Plan and related agreements), claims relating to Executive's rights as a shareholder of the Company, claims that the Plan Administrator notifies the claimant, prior to the expiration of the initial sixty (60) day period, of the special circumstances requiring an extension and the date by which a claim determination is expected law does not allow to be made.

- (b) In the event waived, claims that the time period is extended due to a claimant's failure to submit information necessary to decide a claim on review, the claimant shall have sixty (60) days within which to provide the necessary information and the period for making the claim determination on review shall be tolled from may arise after the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information or, if earlier, the expiration of sixty (60) days.
- (c) The Plan Administrator's review of a denied claim shall take into account all comments, documents, records, and other information submitted by the claimant Executive signs this release, claims relating to the claim, without regard to whether such information was submitted enforcement of the Agreement, or considered in the initial benefit determination.

9.1.5 Notice of Adverse Determination claims for Claim on Review. A notice of an adverse determination for a claim on review shall set forth in a manner calculated to be understood by the claimant.

- (a) the specific reasons for the denial,
- (b) references defense, indemnification or contribution to the specific provisions of this Plan Statement (or other applicable Plan document) on which the adverse determination is based,
- (c) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits,
- (d) a statement describing any voluntary appeal procedures offered by the Plan and the claimant's right to obtain information about such procedures, and
- (e) a statement of the claimant's right to bring an action maximum extent permitted under ERISA section 502(a).

9.2 Rules and Regulations.

9.2.1 Adoption of Rules. Any rule not in conflict or at variance with the provisions hereof may be adopted by the Plan Administrator.

9.2.2 Specific Rules.

- (a) No inquiry or question shall be deemed to be a claim or a request for a review of a denied claim unless made in accordance with the established claim procedures. The Plan Administrator may require that any claim for benefits and any request for a review of a denied claim be filed on forms to be furnished by the Plan Administrator upon request.
- (b) All decisions on claims and on requests for a review of denied claims shall be made by the Plan Administrator unless delegated as provided for in the Plan, in which case references in this Section 9 to the Plan Administrator shall be treated as references to the Plan Administrator's delegate.
- (c) Claimants may be represented by a lawyer or other representative at their own expense, but the Plan Administrator reserves the right to require the claimant to furnish written authorization and establish reasonable procedures for determining whether an individual has been authorized to act on behalf of a claimant. A claimant's representative shall be entitled to copies of all notices given to the claimant.
- (d) The decision of the Plan Administrator on a claim and on a request for a review of a denied claim may be provided to the claimant in electronic form instead of in writing at the discretion of the Plan Administrator.
- (e) In connection with the review of a denied claim, the claimant or the claimant's representative shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information necessary to make a benefit determination accompanies the filing.
- (f) The time period within which a benefit determination will be made shall begin to run at the time a claim or request for review is filed in accordance with the claims procedures, without regard to whether all the information necessary to make a benefit determination accompanies the filing.
- (g) The claims and review procedures shall be administered with appropriate safeguards to that benefit claim determinations are made in accordance with governing plan documents and, where appropriate, the plan provisions have been applied consistently with respect to similarly situated claimants.
- (h) The Plan Administrator may, in its discretion, rely on any applicable statute of limitation or deadline as a basis for denial of any claim.

9.3 Limitations and Exhaustion.

9.3.1 Claims. No claim shall be considered under these administrative procedures unless it is filed with the Plan Administrator within two (2) years after the Participant knew (or reasonably should have known) of the general nature of the dispute giving rise to the claim. Every untimely claim shall be denied by the Plan Administrator without regard to the merits of the claim.

9.3.2 Lawsuits. No suit may be brought by or on behalf of any Participant or Beneficiary on any matter pertaining to this Plan unless the action is commenced in the proper forum within two (2) years from the earlier of:

- (a) the date the Participant knew (or reasonably should have known) of the general nature of the dispute giving rise to the action, or
- (b) the date the claim was denied.

9.3.3 Exhaustion of Remedies. These administrative procedures are the exclusive means for resolving any dispute arising under this Plan. As to such matters:

- (a) no Participant or Beneficiary shall be permitted to litigate any such matter unless a timely claim has been filed under these administrative procedures and these administrative procedures have been exhausted, and
- (b) determinations by the Plan Administrator (including determinations as to whether the claim was timely filed) shall be afforded the maximum deference permitted by law.

9.3.4 Imputed Knowledge. For the purpose of applying the deadlines to file a claim or a legal action, knowledge of all facts that a Participant knew or reasonably should have known shall be imputed to every claimant who is or claims to be a Beneficiary of the Participant or otherwise claims to derive an entitlement by reference to the Participant for the purpose of applying the previously specified periods.

SECTION 10 **PLAN ADMINISTRATION**

10.1 Plan Administration.

10.1.1 Administrator. The Company's Vice President, Pay & Benefits (or any successor thereto) is the "administrator" of the Plan for purposes of section 3(16)(A) of ERISA. Except as otherwise expressly provided herein, the Plan Administrator shall control and manage the operation and administration of this Plan and make all decisions and determinations.

10.1.2 Authority and Delegation. The Plan Administrator is authorized to:

- (a) Appoint one or more individuals or entities and delegate such of his or her powers and duties as he or she deems desirable to any individual or entity, in which case every reference herein made to Plan Administrator shall be deemed to mean or include the individual or entity as to matters within their jurisdiction. Such individual may be an officer or other employee of a Participating Employer or Affiliate, provided that any delegation to an employee of a Participating Employer or Affiliate will automatically terminate when he or she ceases to be an employee. Any delegation may be rescinded at any time; and
- (b) Select, employ and compensate from time to time such agents or consultants as the Plan Administrator may deem necessary or advisable in carrying out its duties and to rely on the advice and information provided by them.

10.1.3 Determination. The Plan Administrator shall make such determinations as may be required from time to time in the administration of this Plan. The Plan Administrator shall have the discretionary authority and responsibility to interpret and construe this Plan Statement and to determine all factual and legal questions under this Plan, including but not limited to the entitlement of Participants and Beneficiaries, and the amounts of their respective interests. Each decision of the Plan Administrator shall be final and binding upon all parties. Benefits under the Plan will be paid only if the Plan Administrator decides in its discretion that the applicant is entitled to them.

10.1.4 Reliance. The Plan Administrator may act and rely upon all information reported to it hereunder and need not inquire into the accuracy thereof, nor be charged with any notice to the contrary.

10.1.5 Rules and Regulations. Any rule, regulation, policy, practice or procedure not in conflict or at variance with the provisions hereof may be adopted by the Plan Administrator.

10.2 Conflict of Interest. If any individual to whom authority has been delegated or redelegated hereunder shall also be a Participant in this Plan, such Participant shall have no authority with respect to any matter specially affecting such Participant's individual interest hereunder or the interest of a person superior to him or her in the organization (as distinguished from the interests of all Participants and Beneficiaries or a broad class of Participants and Beneficiaries), all such authority being reserved exclusively to other individuals as the case may

be, to the exclusion of such Participant, and such Participant shall act only in such Participant's individual capacity in connection with any such matter.

10.3 Service of Process. In the absence of any designation to the contrary by the Plan Administrator, the Chief Legal Officer of the Company is designated as the appropriate and exclusive agent for the receipt of service of process directed to this Plan in any legal proceeding, including arbitration, involving this Plan.

10.4 Choice of Law. Except to the extent that federal law is controlling, this Plan Statement will be construed and enforced in accordance with the laws of the State of Minnesota.

10.5 Responsibility Minnesota, including without limitation Minn. Stat. § 302A.521, or otherwise for **Delegate**. No person shall be liable for claims brought against Executive in his capacity as an act officer, attorney, employee or omission of another person with regard to a responsibility that has been allocated to or delegated to such other person pursuant to the terms agent of the Plan Statement Corporation. This paragraph does not preclude Executive from bringing a charge of discrimination with the EEOC however, Executive hereby agrees to give up any right to receive compensation or pursuant damages as a result of such a charge.

2. Agreement to procedures set forth in the Plan Statement.

10.6 Expenses. All expenses Executive Release of administering the benefits due under this Plan shall be borne by the Participating Employers.

10.7 Errors in Computations. It is recognized that in the operation and administration of the Plan certain mathematical and accounting errors may be made or mistakes may arise by reason of factual errors in information supplied to the Plan Administrator or trustee. The Plan Administrator shall have power to cause such equitable adjustments to be made to correct for such errors as the Plan Administrator, in its sole discretion, considers appropriate. Such adjustments shall be final and binding on all persons.

10.8 Indemnification Executive Claims. In addition to any other applicable provisions exchange for indemnification, the Participating Employers jointly and severally agree to indemnify and hold harmless, to the extent permitted by law, each director, officer and Employee of the Participating Employers against any and all liabilities, losses, costs or expenses (including legal fees) of whatsoever kind and nature which may be imposed on, incurred by or asserted against such person at any time by reason of such person's services as an administrator in connection with this Plan, but only if such person did not act dishonestly, or in bad faith, or in willful violation of the law or regulations under which such liability, loss, cost or expense arises.

10.9 Notice. Any notice required under this Plan Statement may be waived consideration provided by the person entitled thereto.

SECTION 11 CONSTRUCTION

11.1 ERISA Status. This Plan was adopted Agreement, Executive gives up and is maintained with releases all Executive Claims. Executive will not make any demands or claims against the understanding that it is an unfunded plan maintained primarily Corporation for the purpose of providing deferred compensation for a select

group of management or highly compensated employees as provided in section 201(2), section 301(a)(3) and section 401(a)(1) of ERISA. This Plan shall be interpreted and administered accordingly.

11.2 IRC Status. This Plan is intended damages relating to be a nonqualified deferred compensation arrangement that will comply in form and operation with the requirements of Code section 409A and this Plan will be construed and administered in a manner that is consistent with and gives effect to such intention. Executive Claims.

11.3 Rules of Document Construction. In the event any provision of this Plan Statement is held invalid, void or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provision of this Plan. The titles given to the various Sections of this Plan Statement are inserted for convenience of reference only and are not part of this Plan Statement, and they shall not be considered in determining the scope, purpose, meaning or intent of any provision hereof. The provisions of this Plan Statement shall be construed as a whole in such manner as to carry out the provisions thereof and shall not be construed separately without relation to the context.

11.4 References to Laws. Any reference in this Plan Statement to a statute or regulation shall be considered also to mean and refer to any subsequent amendment or replacement of that statute or regulation unless, under the circumstances, it would be inappropriate to do so.

11.5 Appendices. The Plan provisions that have application to a limited number of Participants or that otherwise do not apply equally to all Participants may be described in an appendix to this Plan Statement. In the event of a conflict between the terms of an appendix and the terms of the remainder of this Plan Statement, the appendix will control.

APPENDIX A

SPP BENEFIT

A-1 Purpose and Application. The purpose of this Appendix A to this Plan Statement is to establish the rules for determining the amount of the SPP Benefit Transfer Credit under this Plan.

A-2 Background.

A-2.1 Transfer Credits. The Company has adopted and maintained several nonqualified supplemental pension plans to provide retirement income to a select group of highly compensated and key management employees in excess of the retirement income that can be provided under the Target Pension Plan on account of limitations imposed by the Code. Effective April 30, 2002, the Company began converting the accrued supplemental pension benefits of certain participants to credits under this Plan as adjusted annually to reflect changes in such benefits.

A-2.2 Cash Balance Formula. Effective January 1, 2003, the Target Pension Plan was amended to add a cash balance pension plan formula (referred to as the "personal pension account"). Depending on the date participation commences or an election was made, a Participant who has a benefit under the Target Pension Plan may have his or her accrued benefit under such plan based solely on the final average pay formula (the "traditional formula"), solely on the personal pension account, or a combination of the traditional formula (frozen as of December 31, 2002) and the personal pension account.

A-3 Definitions.

A-3.1 SPP I "SPP I" means the Target Corporation SPP I.

A-3.2 SPP II "SPP II" means the Target Corporation SPP II.

A-3.3 SPP III "SPP III" means the Target Corporation SPP III.

A-4SPP Benefit. Each Participant's SPP Benefit is equal to the sum of the benefits under Section A-4.1, Section A-4.2 and Section A-4.3.

A-4.1 Traditional Formula Benefit. A Participant's SPP Benefit is the excess, if any, of the monthly pension benefit under (a) over the monthly pension benefit under (b):

(a) the monthly pension benefit the Participant would be entitled to under the Target Pension Plan, based on the "traditional formula," if such formula were applied

- (i) without regard to the maximum benefit limitation required by Code section 415;
- (ii) without regard to the maximum compensation limitation under Code section 401(a)(17);
- (iii) as if the definition of "certified earnings" under the Target Pension Plan for a plan year included compensation that would have been paid in the plan year in the absence of the Participant's election to defer payment of the compensation to a later date pursuant to the provisions of a deferred compensation plan;
- (iv) without regard to the alternative benefit formula of Sections 4.6(a)(3) and 4.6(b)(2) of the Target Pension Plan.

(b) The monthly pension benefit the Participant is entitled to receive under the Target Pension Plan on account of the "traditional formula."

A-4.2 Personal Pension Account. A Participant's SPP Benefit includes the excess, if any, of the amount determined under (a) over the amount determined under (b):

(a) The amount that would have been credited each quarter (including both "pay credits" and "interest credits") to the Participant's "personal pension account" under the Target Pension Plan, if such account were applied:

- (i) without regard to the maximum benefit limitations required by Code section 415;
- (ii) without regard to the maximum compensation limitation under Code section 401(a)(17);
- (iii) as if the definition of "certified earnings" under the Target Pension Plan for a calendar quarter included compensation that would have been paid during such calendar quarter in the absence of the Participant's election to defer payment of the compensation to a later date pursuant to the provisions of a deferred compensation plan;
- (iv) as if a distribution had been made from such account equal to any SPP Benefit Transfer Credits made under Section 3.3.

(b) The amount of the credits actually made to the Participant's "personal pension account" under the Target Pension Plan.

A-4.3 SPP III. SPP III benefits, which could have been included in a Participant's SPP Benefit before SPP III was terminated effective January 1, 2016, were reflected in prior Plan Statements.

A-4.4 Company Determination. The actuarial lump sum present value of a Participant's benefit determined under this Appendix A will be determined by the Company, in its sole and absolute discretion,

by using such factors and assumptions as the Company considers appropriate in its sole and absolute discretion as of the date of distribution or transfer.

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Exhibit 21.1

Target Corporation
(A Minnesota Corporation)

List of Significant Subsidiaries
(As of January 28, 2023 February 3, 2024)

Target Brands, Inc. (MN)
Target Enterprise, Inc. (MN)
Target General Merchandise, Inc. (MN)

Pursuant to Item 601(b)(21)(ii) of Regulation S-K, the names of other subsidiaries are omitted because, considered in the aggregate as a single subsidiary, they would not constitute a significant subsidiary as of the end of the year covered by this report.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- Form Registration Statement (Form S-3 ASR No. 333-254130 333-275713) of Target Corporation,
- Form Registration Statement (Form S-8 No. 333-30311 333-274222) pertaining to the Target Corporation DDCP (2022 Plan Statement), the Target Corporation EDCP (2022 Plan Statement), and the Target Corporation Officer EDCP (2023 Plan Statement),
- Registration Statement (Form S-8 No. 333-30311) pertaining to the Dayton Hudson Corporation Executive Deferred Compensation Plan, the Dayton Hudson Corporation Highly Compensated Capital Accumulation

Plan, the Dayton Hudson Corporation SMG Executive Deferred Compensation Plan, and the Dayton Hudson Corporation Director Deferred Compensation Plan,

- Form [Registration Statement \(Form S-8 No. 333-86373 333-86373\)](#) pertaining to the Dayton Hudson Corporation Long-Term Incentive Plan of 1999,
- Form [Registration Statement \(Form S-8 Nos. 333-112260 and 333-75782 333-75782\)](#) pertaining to the Dayton Hudson Corporation Highly Compensated Capital Accumulation Plan, Target Corporation Director Deferred Compensation Plan, Target Corporation Executive Deferred Compensation Plan, and the Target Corporation SMG Executive Deferred Compensation Plan,
- Form [Registration Statement \(Form S-8 No. 333-116096 333-116096\)](#) pertaining to the Target Corporation Long-Term Incentive Plan,
- Form [Registration Statement \(Form S-8 No. 333-131082 333-131082\)](#) pertaining to the Target Corporation Director Deferred Compensation Plan, Target Corporation Executive Deferred Compensation Plan, and the Target Corporation SMG Executive Deferred Compensation Plan,
- Form [Registration Statement \(Form S-8 No. 333-174921 333-174921\)](#) pertaining to the Target Corporation 2011 Long-Term Incentive Plan,
- Form [Registration Statement \(Form S-8 No. 333-205027 333-205027\)](#) pertaining to the Amended and Restated Target Corporation 2011 Long-Term Incentive Plan,
- Form [Registration Statement \(Form S-8 No. 333-239155 333-239155\)](#) pertaining to the Target Corporation DDCP (2013 Plan Statement), Target Corporation EDCP (2017 Plan Statement), and Target Corporation Officer EDCP (2017 Plan Statement), and
- Form [Registration Statement \(Form S-8 No. 333-239154 333-239154\)](#) pertaining to the Target Corporation 2020 Long-Term Incentive Plan;

of our reports dated [March 8, 2023](#) [March 13, 2024](#), with respect to the consolidated financial statements of Target Corporation and the effectiveness of internal control over financial reporting of Target Corporation included in this Annual Report (Form 10-K) of Target Corporation for the year ended [January 28, 2023](#) [February 3, 2024](#).

/s/ Ernst & Young LLP

Minneapolis, Minnesota
March 8, 2023 [13, 2024](#)

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint BRIAN C. CORNELL, MICHAEL J. FIDDELKE, DON H. LIU, DAVID L. DONLIN, BENJAMIN S. BORDEN, ANDREW J. NEUHARTH, JAYNA M. PAQUIN, and MARY B. STANLEY, and MINETTE M. LOULA, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), or applications (including Form ID) to obtain codes and passwords for electronic filings with the SEC, and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of the date indicated below.

Signed: /s/ David P. Abney

Date: January 29, 2023

Print Name: David P. Abney

Date: January 22, 2024

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint BRIAN C. CORNELL, MICHAEL J. FIDDELKE, DON H. LIU, DAVID L. DONLIN, BENJAMIN S. BORDEN, ANDREW J. NEUHARTH, JAYNA M. PAQUIN, and MARY B. STANLEY, and MINETTE M. LOULA, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), or applications (including Form ID) to obtain codes and passwords for electronic filings with the SEC, and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of the date indicated below.

Signed: /s/ Douglas M. Baker, Jr.

Date: January 24, 2023

Print Name: Douglas M. Baker, Jr.

Date: January 22, 2024

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint BRIAN C. CORNELL, MICHAEL J. FIDDELKE, DON H. LIU, DAVID L. DONLIN, BENJAMIN S. BORDEN, ANDREW J. NEUHARTH, JAYNA M. PAQUIN, and MARY B. STANLEY, and MINETTE M. LOULA, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), or applications (including Form ID) to obtain codes and passwords for electronic filings with the SEC, and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of the date indicated below.

Signed: /s/ George S. Barrett

Date: February 2, 2023

Print Name: George S. Barrett

Date: January 22, 2024

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint BRIAN C. CORNELL, MICHAEL J. FIDDELKE, DON H. LIU, DAVID L. DONLIN, BENJAMIN S. BORDEN, ANDREW J. NEUHARTH, JAYNA M. PAQUIN, and MARY B. STANLEY, and MINETTE M. LOULA, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), or applications (including Form ID) to obtain codes and passwords for electronic filings with the SEC, and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of the date indicated below.

Signed: /s/ Gail K. Boudreaux

Date: January 22, 2023

Print Name: Gail K. Boudreaux

Date: January 22, 2024

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint MICHAEL J. FIDDELKE, DON H. LIU, DAVID L. DONLIN, BENJAMIN S. BORDEN, ANDREW J. NEUHARTH, JAYNA M. PAQUIN, and MARY B. STANLEY, and MINETTE M. LOULA, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), or applications (including Form ID) to obtain codes and passwords for electronic filings with the SEC, and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of the date indicated below.

Signed: /s/ Brian C. Cornell

Date: January 22, 2023

Print Name: Brian C. Cornell

Date: January 22, 2024

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint BRIAN C. CORNELL, MICHAEL J. FIDDELKE, DON H. LIU, DAVID L. DONLIN, BENJAMIN S. BORDEN, ANDREW J. NEUHARTH, JAYNA M. PAQUIN, and MARY B. STANLEY, and MINETTE M. LOULA, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), or applications (including Form ID) to obtain codes and passwords for electronic filings with the SEC, and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of the date indicated below.

Signed: /s/ Robert L. Edwards

Date: January 30, 2023

Print Name: Robert L. Edwards

Date: January 23, 2024

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint BRIAN C. CORNELL, MICHAEL J. FIDDELKE, DON H. LIU, DAVID L. DONLIN, BENJAMIN S. BORDEN, ANDREW J. NEUHARTH, JAYNA M. PAQUIN, and MARY B. STANLEY, and MINETTE M. LOULA, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), or applications (including Form ID) to obtain codes and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation passwords for electronic filings with the SEC, in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of the date indicated below.

Signed: /s/ Melanie L. Healey

Date: January 29, 2023

Print Name: Melanie L. Healey

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint BRIAN C. CORNELL, MICHAEL J. FIDDELKE, DON H. LIU, DAVID L. DONLIN, BENJAMIN S. BORDEN, ANDREW J. NEUHARTH, JAYNA M. PAQUIN, and MARY B. STANLEY, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of the date indicated below.

Signed: /s/ Donald R. Knauss

Date: January 21, 2023

Print Name: Donald R. Knauss

Date: January 22, 2024

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint BRIAN C. CORNELL, MICHAEL J. FIDDELKE, DON H. LIU, DAVID L. DONLIN, BENJAMIN S. BORDEN, ANDREW J. NEUHARTH, JAYNA M. PAQUIN, and MARY B. STANLEY, and MINETTE M. LOULA, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), or applications (including Form ID) to obtain codes and passwords for electronic filings with the SEC, and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of the date indicated below.

Signed: /s/ Christine A. Leahy

Date: January 29, 2023

Print Name: Christine A. Leahy

Date: January 27, 2024

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint BRIAN C. CORNELL, MICHAEL J. FIDDELKE, DON H. LIU, DAVID L. DONLIN, BENJAMIN S. BORDEN, ANDREW J. NEUHARTH, JAYNA M. PAQUIN, and MARY B. STANLEY, and MINETTE M. LOULA, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), or applications (including Form ID) to obtain codes and passwords for electronic filings with the SEC, and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of the date indicated below.

Signed: /s/ Monica C. Lozano

Date: January 27, 2023

Print Name: Monica C. Lozano

Date: January 23, 2024

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint BRIAN C. CORNELL, MICHAEL J. FIDDELKE, DON H. LIU, DAVID L. DONLIN, BENJAMIN S. BORDEN, ANDREW J. NEUHARTH, JAYNA M. PAQUIN, and MARY B. STANLEY, and MINETTE M. LOULA, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), or applications (including Form ID) to obtain codes and passwords for electronic filings with the SEC, and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of the date indicated below.

Signed: /s/ Grace Puma Whiteford

Date: January 22, 2023

Print Name: Grace Puma Whiteford

Date: January 22, 2024

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint BRIAN C. CORNELL, MICHAEL J. FIDDELKE, DON H. LIU, DAVID L. DONLIN, BENJAMIN S. BORDEN, ANDREW J. NEUHARTH, JAYNA M. PAQUIN, and MARY B. STANLEY, and MINETTE M. LOULA, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), or applications (including Form ID) to obtain codes and passwords for electronic filings with the SEC, and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of the date indicated below.

Signed: /s/ Derica W. Rice

Date: January 21, 2023

Print Name: Derica W. Rice

Date: January 24, 2024

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint BRIAN C. CORNELL, MICHAEL J. FIDDELKE, DON H. LIU, DAVID L. DONLIN, BENJAMIN S. BORDEN, ANDREW J. NEUHARTH, JAYNA M. PAQUIN, and MARY B. STANLEY, and MINETTE M. LOULA, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), or applications (including Form ID) to obtain codes and passwords for electronic filings with the SEC, and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of the date indicated below.

Signed: /s/ Dmitri L. Stockton

Date: January 30, 2023

Print Name: Dmitri L. Stockton

Date: January 22, 2024

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

Certifications

I, Brian C. Cornell, certify that:

1. I have reviewed this Annual Report on Form 10-K of Target Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 8, 2023 March 13, 2024

/s/ Brian C. Cornell

Brian C. Cornell

Chair of the Board and Chief Executive Officer

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

Certifications

I, Michael J. Fiddeleke, certify that:

1. I have reviewed this Annual Report on Form 10-K of Target Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **March 8, 2023** **March 13, 2024**

/s/ Michael J. Fiddeleke

Michael J. Fiddeleke

Executive Vice President and Chief Operating Officer and Chief
Financial Officer

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Target Corporation, a Minnesota corporation ("the Company"), for the year ended **January 28, 2023****February 3, 2024**, as filed with the Securities and Exchange Commission on the date hereof ("the Report"), the undersigned officer of the Company certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the officer's knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **March 8, 2023****March 13, 2024**

/s/ Brian C. Cornell

Brian C. Cornell

Chair of the Board and Chief Executive Officer

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Target Corporation, a Minnesota corporation ("the Company"), for the year ended **January 28, 2023****February 3, 2024**, as filed with the Securities and Exchange Commission on the date hereof ("the Report"), the undersigned officer of the Company certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the officer's knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael J. Fiddeke

Michael J. Fiddeke

Executive Vice President and Chief Operating Officer and Chief
Financial Officer

Exhibit 97.1

TARGET CORPORATION CLAWBACK POLICY

Purpose

As required pursuant to the listing standards of the New York Stock Exchange (the "**Stock Exchange**"), Section 10D of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and Rule 10D-1 under the Exchange Act, the Compensation & Human Capital Management Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Target Corporation (the "**Company**") has adopted this Clawback Policy (the "**Policy**") to require the Company, as directed by the Board or the Committee, to recover Covered Compensation (as defined below) erroneously awarded to a Covered Officer (as defined below) in the event of an Accounting Restatement (as defined below).

Notwithstanding anything in this Policy to the contrary, at all times, this Policy remains subject to interpretation and operation in accordance with the final rules and regulations promulgated by the U.S. Securities and Exchange Commission (the "**SEC**"), the final listing standards adopted by the Stock Exchange, and any applicable SEC or Stock Exchange guidance or interpretations issued from time to time regarding such Covered Compensation recovery requirements (collectively, the "**Final Guidance**").

Covered Officers

For purposes of this Policy:

- "**Section 16 Officer**" is defined as a "Section 16 officer" of the Company within the meaning of Rule 16a-1(f) under the Exchange Act, as determined by the Board or the Committee.
- "**Covered Officer**" is defined as any current or former Section 16 Officer.

Policy Statement

Unless a Clawback Exception (as defined below) applies, the Company will recover reasonably promptly from each Covered Officer the Covered Compensation Received (as defined below) by such Covered Officer in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is

material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (each, an “**Accounting Restatement**”). If a Clawback Exception applies with respect to one or more Covered Officers, the Company may forgo such recovery under this Policy from any such Covered Officer(s).

Covered Compensation

For purposes of this Policy:

- “**Incentive-Based Compensation**” is defined as any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure (as defined below). For purposes of clarity, Incentive-Based Compensation includes compensation that is in any plan, other than tax-qualified retirement plans, including long-term disability, life insurance, and supplemental executive retirement plans, and any other compensation that is based on such Incentive-Based Compensation, such as earnings accrued on notional amounts of Incentive-Based Compensation contributed to such plans.
- “**Financial Reporting Measure**” is defined as a measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures.

- Incentive-Based Compensation is deemed “**Received**” in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant (if applicable) of the Incentive-Based Compensation occurs after the end of that period.

- “**Covered Compensation**” is defined as the amount of Incentive-Based Compensation Received during the applicable Recovery Period (as defined below) that exceeds the amount of Incentive-Based Compensation that otherwise would have been Received during such Recovery Period had it been determined based on the relevant restated amounts, and computed without regard to any taxes paid.

Incentive-Based Compensation Received by a Covered Officer will only qualify as Covered Compensation if: (i) it is Received after such Covered Officer begins service as a Section 16 Officer; (ii) such Covered Officer served as a Section 16 Officer at any time during the performance period for such Incentive-Based Compensation; and (iii) it is Received while the Company has a class of securities listed on a national securities exchange or a national securities association.

For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of erroneously awarded Covered Compensation is not subject to mathematical

recalculation directly from the information in an Accounting Restatement, the amount of such Incentive-Based Compensation that is deemed to be Covered Compensation will be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received, and the Company will maintain and provide to the Stock Exchange documentation of the determination of such reasonable estimate.

Recovery Period

For purposes of this Policy, the applicable "**Recovery Period**" is defined as the three completed fiscal years immediately preceding the Trigger Date (as defined below) and, if applicable, any transition period resulting from a change in the Company's fiscal year within or immediately following those three completed fiscal years (provided, however, that if a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year comprises a period of nine to 12 months, such period would be deemed to be a completed fiscal year).

For purposes of this Policy, the "**Trigger Date**" as of which the Company is required to prepare an Accounting Restatement is the earlier to occur of: (i) the date that the Board, applicable Board committee, or officers authorized to take action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare the Accounting Restatement or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare the Accounting Restatement.

Clawback Exceptions

The Company is required to recover all Covered Compensation Received by a Covered Officer in the event of an Accounting Restatement unless (i) one of the following conditions are met and (ii) the Committee has made a determination that recovery would be impracticable in accordance with Rule 10D-1 under the Exchange Act (under such circumstances, a "**Clawback Exception**" applies):

- the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered (and the Company has already made a reasonable attempt to recover such erroneously awarded Covered Compensation from such Covered Officer, has documented such reasonable attempt(s) to recover, and has provided such documentation to the Stock Exchange);
- recovery would violate a home country law that was adopted prior to November 28, 2022 (and the Company has already obtained an opinion of home country counsel, acceptable to the Stock Exchange, that recovery would result in such a violation, and provided such opinion to the Stock Exchange); or
- recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code and regulations thereunder. For purposes of clarity, this

Clawback Exception only applies to tax-qualified retirement plans and does not apply to other plans, including long-term disability, life insurance, and supplemental executive retirement plans, or any other compensation that is based on Incentive-Based Compensation in such plans, such as earnings accrued on notional amounts of Incentive-Based Compensation contributed to such plans.

Prohibitions

The Company is prohibited from paying or reimbursing for insurance for, or indemnifying, any Covered Officer against the loss of erroneously awarded Covered Compensation.

Administration and Interpretation

The Committee will administer this Policy in accordance with the Final Guidance, and will have full and exclusive authority and discretion to supplement, amend, repeal, interpret, terminate, construe, modify, replace and/or enforce (in whole or in part) this Policy, including the authority to correct any defect, supply any omission or reconcile any ambiguity, inconsistency or conflict in the Policy, subject to the Final Guidance. This Policy is in addition to and is not intended to change or interpret any federal or state law or regulation, the Amended and Restated Articles of Incorporation of the Company, the Amended and Restated Bylaws of the Company, or any other policy of the Company, including any other compensation recoupment policy. To the extent that this Policy provides for the recovery of Covered Compensation from a Covered Officer that the Company recovers from such Covered Officer pursuant to any other recovery obligations, including Sarbanes-Oxley Act Section 304 and any other compensation recoupment policy, the amount such Covered Officer has already reimbursed the Company may be credited to the required recovery under this Policy. The Committee will have full and exclusive authority to take any action it deems appropriate pursuant to this Policy.

The Committee will have the authority to offset any compensation or benefit amounts that become due to the applicable Covered Officers to the extent permissible under Section 409A of the Internal Revenue Code of 1986, as amended, and as it deems necessary or desirable to recover any Covered Compensation.

Each Covered Officer, upon being so designated or assuming such position, is required to execute and deliver to the Senior Vice President, Pay & Benefits an acknowledgment of and consent to this Policy, in a form reasonably acceptable to and provided by the Company from time to time, (i) acknowledging and consenting to be bound by the terms of this Policy, (ii) agreeing to fully cooperate with the Company in connection with any of such Covered Officer's obligations to the Company pursuant to this Policy, and (iii) agreeing that the Company may enforce its rights under this Policy through any and all reasonable means permitted under applicable law as it deems necessary or desirable under this Policy.

Effective Date

This Policy is effective as of December 1, 2023.

Disclosure

This Policy, and any recovery of Covered Compensation by the Company pursuant to this Policy that is required to be disclosed in the Company's filings with the SEC, will be disclosed

as required by the Securities Act of 1933, as amended, the Exchange Act, and related rules and regulations, including the Final Guidance.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

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