

Target

Ethical Sourcing Code

Target committed to conducting and managing our business in a manner that reflects our high ethical and moral values. We expect our vendors to respect and adhere to the same philosophy in the operation and management of their businesses and reserve the right not to do business with vendors that do not share and demonstrate our commitment.

Our Ethical Sourcing Code (“Code”) sets out our minimum requirements and expectations that all vendors, including sub-contractors engaged by vendors, must comply with in order to do business with Target and its subsidiaries. In addition to complying with local laws and regulations, vendors and their sub-contractors (“factories”) must demonstrate continuous improvement towards the following standards.

1. Labour

1.1 Child Labour

Vendor will comply with the minimum employment age limit defined by national law or by International Labor Organization (ILO) Convention 138, whichever is higher. The ILO Convention 138 minimum employment age is the local mandatory schooling age, but not less than 15 years of age, subject to exceptions allowed by the ILO and national law.

1.2 Wages, Benefits, Working Hours and Transparent Record Keeping

Vendors must comply with all laws regulating local wages, overtime compensation, and legally mandated benefits. Wage and benefit policies must satisfy all applicable laws and regulations. Under ordinary business circumstances, employees must not be required to work excessive working hours per week, including overtime, and have the option of at least one day off in seven. We expect that all record keeping will be strictly accurate, complete and transparent at all times.

1.3 Forced/Bonded Labour

Factories shall not use any type of forced labour, which means any work or service performed involuntarily under threat of physical or other penalty, such as prison, indentured or bonded labour. Further, they shall respect the freedom of movement of its workers and not restrict their movement by controlling identity papers, holding money deposits, or taking any other action to prevent workers from terminating their employment.

1.4 Discrimination

All conditions of employment must be based on an individual’s ability to do the job, not on the basis of personal characteristics, such as gender, ethnic origin, religion, or personal beliefs. Factories must ensure that they provide an environment where their employees can work without distress or interference caused by harassment, discrimination or any other inappropriate workplace behaviour.

1.5 Harassment and Abuse

Workers shall be treated with dignity and respect. In particular, factories will provide a workplace free from harassment, which can take many forms, including physical, sexual, verbal or visual behavior that creates an offensive, hostile, or intimidating environment.

1.6 Freedom of Association

Vendors should respect the rights of employees to lawfully associate or not to associate with groups of their choosing, as long as such groups are legal in the country where the merchandise is manufactured. Vendors should not interfere with, obstruct or prevent legitimate related activities.

1.7 Health and Safety

Conditions in all production and residential facilities must be safe, clean and consistent with all applicable laws and regulations or industry best practices, whichever is higher in order to avoid preventable work related accidents and injuries.

2. Environment

Factories, as a minimum, will meet all relevant local and national environmental protection laws, and will strive to comply with international environment protection standards.

3. Business Integrity

Vendors must demonstrate a high degree of professionalism and have a close affinity with our business ethics. In particular, honesty, fair dealing and the proper treatment of workers are required at all times. Bribes, favours, gifts, benefits, facilitation payments, secret commission, or similar unlawful or improper payments, in cash or kind, are strictly prohibited, whether given to obtain business or otherwise.

4. Compliance with the Law

Target requires all vendors and factories to comply fully with the legal requirements of the countries in which they operate. All requirements in this Code are in addition to compliance with applicable local laws.

5. Management Systems

With a scope related to the content of this Code, vendors shall adopt or establish a management system for all its factories and vendors providing materials or labour in the manufacture of goods ordered by Target. The management system shall be designed to ensure (a) compliance with applicable laws and regulations; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code; (d) a means of reporting any suspected or actual bribery, or improper conduct. It should also facilitate continual improvement.

6. Compliance with our Ethical Sourcing Code

Target will monitor compliance with this Code, and we, or our representatives, may visit factories to ensure compliance with this policy. Any violations of our Code will be reported to the vendor for follow up and corrective action. Vendors are required to cooperate with the entire process. Where there are Zero Tolerance violations and/or the vendor/factory does not demonstrate a willingness to comply, Target reserves the right to discontinue business with the vendor/factory.