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JOHN C. LIU
COMPTROLLER

June 26, 2013

Gregg W. Steinhafel
Chairman, Chief Executive Officer and President
Target Corporation
1000 Nicollet Mall
Mail Stop TPS-2670
Minneapolis, Minnesota 55403

Dear Mr. Steinhafel:

Target is facing a critical juncture as it seeks to mitigate risks posed by unsafe conditions at apparel suppliers in Bangladesh, where recent factory tragedies highlight the failure of industry efforts to date. Having participated in a global effort to forge an effective response, Target has apparently decided to reject the resulting Accord on Fire and Building Safety in Bangladesh ("Accord") and instead embrace a vaguely-defined, non-binding alternative being developed by a group of North American retail trade associations.

On behalf of the New York City Pension Funds ("NYC Funds"), I urge Target to sign the Accord, a binding, multi-stakeholder collaboration supported by more than 50 global brands and retailers. The NYC Funds have $138 billion in assets and are long-term Target shareowners, with 1,774,546 shares and a recent history of productive engagement with the company in response to our shareowner proposal on supply chain risks and transparency.

The horrific tragedies in Bangladesh are a stark manifestation of these risks and have prompted an unprecedented, multi-stakeholder response. Like other signatories to the recent Joint Investor Statement Regarding Recent Events in Bangladesh, we believe the resulting Accord has the potential to meaningfully strengthen worker safety in Bangladesh's garment factories and protect long-term shareowner value for the brands that source from them.

Some supporters of the non-binding trade association initiative have cited unspecified legal concerns that the binding terms of the Accord create for U.S. companies. We are unable to assess these concerns, but note that other major US retailers, including Abercrombie & Fitch and PVH (Tommy Hilfiger, Calvin Klein), have signed the Accord. Moreover, we question how a voluntary agreement that is not legally enforceable and lacks meaningful participation by unions and civil society will adequately protect the long-term interests of Target and its shareowners, particularly given the failure of past voluntary efforts.

The trade associations developing the competing agreement defend their effort by asserting that "there is no simple 'one-size-fits-all' solution" to "the complex problems in Bangladesh." Their posture strikes us as disingenuous and counterproductive. In fact, it is the complexity of the problems that necessitates a unified, global response and is the impetus for the Accord. By supporting the trade associations' competing, voluntary agreement, Target, and the other U.S. retailers that follow its lead, risk diluting the effectiveness of the Accord.

Consistent with Target's interest in managing supply chain risks, we urge the company to promptly sign the Accord.

Sincerely,

John C. Liu