

Faegre Drinker Biddle & Reath LLP
2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, Minnesota 55402
+1 612 766 7000 main
+1 612 766 1600 fax

February 9, 2024

VIA STAFF ONLINE FORM

SEC Division of Corporation Finance
Office of Chief Counsel
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

**Re: Target Corporation – Notice of Intent to Exclude from 2024 Proxy Materials
Shareholder Proposal of Legal and General Investment Management America,
Inc.**

Ladies and Gentlemen:

This letter is submitted on behalf of Target Corporation, a Minnesota corporation ("Target" or the "Company"), pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934 (the "Exchange Act"), to notify the Securities and Exchange Commission (the "Commission") of the Company's intention to exclude from its proxy materials for its 2024 Annual Meeting of Shareholders (the "2024 Proxy Materials") a shareholder proposal (the "Proposal") and statements in support thereof from The Shareholder Commons submitted on behalf of Legal and General Investment Management America, Inc. (the "Proponent"). The Company requests confirmation that the staff of the Division of Corporation Finance (the "Staff") will not recommend an enforcement action to the Commission if the Company excludes the Proposal from its 2024 Proxy Materials in reliance on Rule 14a-8.

Pursuant to Rule 14a-8(j) and Staff Legal Bulletin No. 14D (November 7, 2008) ("SLB 14D"), we have (i) submitted this letter and its exhibit to the Commission within the time period required under Rule 14a-8(j) and (ii) concurrently sent copies of this correspondence to the Proponent as notification of the Company's intention to exclude the Proposal from its 2024 Proxy Materials.

Rule 14a-8(k) and SLB 14D provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or Staff. Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

The Proposal

The Company received the Proposal on December 30, 2023. A full copy of the Proposal, including the accompanying supporting statement (the “Supporting Statement”), is attached hereto as Exhibit A. The resolution of the Proposal reads as follows:

BE IT RESOLVED, shareholders ask that the board and management exercise their discretion to establish Company wage policies that are consistent with fiduciary duties and reasonably designed to provide workers with the minimum earnings necessary to meet a family’s basic needs, because Company compensation practices that fail to provide a living wage are harmful to the economy and therefore to the returns of diversified shareholders.

Basis for Exclusion

We hereby respectfully request the Staff concur in our view that the Proposal may be excluded from the Company’s 2024 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal relates to the Company’s ordinary business.

Analysis

The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because It Relates To The Company’s Ordinary Business.

A. Background of Rule 14a-8(i)(7)

Rule 14a-8(i)(7) permits a company to exclude a shareholder proposal if it “deals with a matter relating to the company’s ordinary business operations.” According to the Commission, the term “ordinary business” refers to matters that are not necessarily “ordinary” in the common meaning of the word, but instead the term “is rooted in the corporate law concept providing management with flexibility in directing certain core matters involving the company’s business and operations.” Exchange Act Release No. 34-40018 (May 21, 1998) (the “1998 Release”). The underlying policy of the ordinary business exclusion is “to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting.” *See* 1998 Release. The Commission has provided two central considerations for determining whether the ordinary business exclusion applies. The first consideration, related to the subject matter of the proposal, recognizes that “[c]ertain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that [it] could not, as a practical matter, be subject to direct shareholder oversight.” The second consideration “relates to the degree to which the proposal seeks to ‘micromanage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” 1998 Release.

B. The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because It Relates To The Company's General Employee Wage Policies.

The Proposal may be excluded under Rule 14a-8(i)(7) because the subject matter of the Proposal relates to general employee wages, which falls within the ordinary business operations of the Company. In *United Technologies Corp.* (Feb. 19, 1993), the Staff provided examples of shareholder proposal topics that may be excludable as relating to a company's ordinary business operations, including "employee health benefits, *general compensation issues not focused on senior executives*, management of the workplace, employee supervision, labor-management relations, employee hiring and firing, conditions of the employment and employee training and motivation" (emphasis added). The Staff affirmed its position on this issue in Staff Legal Bulletin No. 14A (July 12, 2002) ("SLB 14A"), in which it explained that "[s]ince 1992, [the Staff has] applied a bright-line analysis to proposals concerning equity or cash compensation" under which companies "may exclude proposals that relate to general employee compensation matters in reliance on [R]ule 14a-8(i)(7)."

The Proposal asks the Company to establish general wage policies. In *Yum! Brands, Inc.* (Feb. 24, 2015), the company received a proposal requesting that a report of executive compensation policies include a comparison of senior executive compensation and "store employees' median wage." In permitting exclusion of the proposal on the grounds of Rule 14a-8(i)(7), the Staff noted that the proposal related to the company's ordinary business because it "relates to compensation that may be paid to employees and is not limited to compensation that may be paid to senior executive officers and directors." As in *Yum! Brands, Inc.*, the Proposal is not limited, or at all directed, to the compensation of senior executives, but rather relates to the Company's general compensation issues regarding all employees.

In addition to *Yum! Brands, Inc.* and *United Technologies Corp.*, the Staff has consistently permitted exclusion of proposals that concern a company's general compensation issues as implicating the company's ordinary business matters. See *Amazon.com, Inc.* (Apr. 8, 2022) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting a report assessing the distribution of stock-based incentives throughout the company's workforce) and *The Home Depot, Inc.* (Mar. 1, 2017) (permitting exclusion under Rule 14a-8(i)(7) of proposals requesting that the company adopt and publish principles for minimum wage reform on the basis that the proposals relate to general compensation matters and "[do] not otherwise transcend day-to-day business matters").

Consistent with the foregoing precedent, the Proposal's focus on the Company's establishment of general "living wage" policies directly implicates the Company's general employee compensation issues and, thus, its ordinary business matters.

C. The Proposal Does Not Raise A Significant Social Policy Issue For Purposes Of Rule 14a-8(i)(7).

In the 1998 Release, the Commission noted that shareholder proposals concerning ordinary business operations but "focusing on sufficiently significant social policy issues...generally would

not be considered to be excludable, because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote.”

However, in Staff Legal Bulletin No. 14L (Nov. 3, 2021) (“SLB 14L”), the Staff provided clarity on its process for evaluating proposals that raise significant social policy issues. Whereas previously it would focus on the determination of a “nexus between a policy issue and the company,” the Staff stated that, going forward, it will consider whether the policy issues raised in a proposal have “a broad societal impact, such that they transcend the ordinary business of the company.” SLB 14L. The Staff has consistently indicated that the mere mention of an issue with a broad societal impact cannot transform a proposal that is otherwise excludable as relating to ordinary business.

As discussed above, the Proposal’s core focus is general employee compensation. The Proposal does not raise a significant policy issue having a “broad societal impact” that “transcend[s] the ordinary business of the company” as contemplated in SLB 14L. In Staff Legal Bulletin No. 14C (June 28, 2005), the Staff noted that, in determining whether a proposal’s focus is a significant social policy, it “consider[s] both the proposal and the supporting statement as a whole.” Staff responses to no-action requests have established a precedent that proposals referring to topics that might raise significant social policy issues, but which do not focus on or have only tangential implications for such issues, are not transformed from an otherwise ordinary business proposal into one that transcends ordinary business. Such precedent includes proposals relating to wage reform and wage inequality, similar to the Supporting Statement’s mention of paying a “living wage” to “prevent contributing to inequity and racial/gender disparity,” indicating that inequity and racial/gender disparity are not the focus of the Proposal.

For example, in *The Home Depot, Inc.* (Mar. 1, 2017), the company received a proposal requesting the company “adopt and publish principles for minimum wage reform.” The proposal’s resolution also stated that “this proposal [does not] seek to address the company’s internal approach to compensation, general employee compensation matters, or implementation of its principles for minimum wage reform.” The proponent, in a response letter to the company’s no-action request, asserted that the proposal’s focus was on the “public policy debate over minimum wage reform” rather than on “the company’s internal approach to compensation.” Despite this assertion, the Staff permitted exclusion of the proposal under Rule 14a-8(i)(7) and noted that “the proposal relates to general compensation matters, and does not otherwise transcend day-to-day business matters.” Moreover, in *Dollar Tree, Inc.* (May 2, 2022) the Staff permitted the exclusion of a proposal under Rule 14a-8(i)(7) that requested a report explaining how the company’s business strategy and incentives “will enable competitive employment standards, including wages [and] benefits” particularly in regard to the company’s “lowest paid employees.” Similar to the Supporting Statement here, the supporting statement in *Dollar Tree* raised general socio-economic concerns. See also *The TJX Companies, Inc.* (Mar. 8, 2016) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company adopt minimum wage reform principles, noting that the proposal “relates to general compensation matters”); *Apple, Inc.* (Nov. 16, 2015) (permitting exclusion of a proposal requesting that the company’s compensation committee “adopt new compensation principles responsive to America’s general economy, such as unemployment, working hour[s] and wage inequality” as relating to the company’s ordinary business operations); and *Repligen Corporation* (Apr. 1, 2022) (permitting exclusion of a proposal where, despite the

supporting statement's focus on "racial and gender wealth gaps" and the proposal's "benefit [to] shareholders, employees and the economy," the Staff concluded that the proposal "relates to, and does not transcend, ordinary business matters").

As in the foregoing examples, the Proposal's Supporting Statement references wealth inequality and racial/gender disparity. However, the main focus of the Proposal and majority of the Supporting Statement remains the general employee compensation issues of the Company and does not implicate a significant social policy issue under Rule 14a-8(i)(7). Accordingly, consistent with the precedent discussed above, the Proposal may be excluded under Rule 14a-8(i)(7) because the subject matter of the Proposal relates to the ordinary business of the Company and does not implicate a significant social policy issue which transcends the Company's ordinary business matters.

Conclusion

Based upon the foregoing analysis, the Company respectfully requests that the Staff confirm that it will not recommend any enforcement action to the Commission if the Company excludes the Proposal from its 2024 Proxy Materials pursuant to Rule 14a-8. We would be happy to provide any additional information and answer any questions regarding this matter.

Should you have any questions, please contact me at Amy.Seidel@FaegreDrinker.com or (612) 766-7769.

Thank you for your consideration.

Regards,

FAEGRE DRINKER BIDDLE & REATH LLP



Amy C. Seidel
Partner

cc: Minette Loula
Assistant General Counsel
Target Corporation
Email: [REDACTED]

Sara E. Murphy
The Shareholder Commons
PO Box 1268
Northampton, MA 01061
Email: [REDACTED]

John Hoeppe
LGIM America
71 South Wacker Drive, Suite 800
Chicago, IL 60606
Email: [REDACTED]

EXHIBIT A

Proposal
[See Attached]



Via electronic mail

December 30, 2023

Target Corp.

1000 Nicollet Mall, Mail Stop TPS-2670

Minneapolis, MN 55403

Via: [REDACTED]

Attn: Don Liu, EVP, Chief Legal & Compliance Officer, and Corporate Secretary

RE: Rule 14a-8 shareholder proposal for 2024 Annual Shareholder Meeting

Dear Mr. Liu,

The Shareholder Commons (“TSC”) is filing a shareholder proposal on behalf of Legal and General Investment Management America, Inc. (the “Proponent”), shareholder of Target Corp. (the “Company”), for action at the next Company annual meeting. The Proponent submits the enclosed shareholder proposal for inclusion in the Company’s 2024 proxy statement, for consideration by shareholders, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. The Proponent may be joined by other shareholders as co-filers.

A letter from the Proponent authorizing TSC to act on its behalf is enclosed. TSC will attend the stockholders’ meeting to move the resolution on behalf of the Proponent as required.

The Proponent and I are available to meet with the Company via teleconference on January 16, 2024, at 10:00 a.m. or 10:30 a.m. CST. In [SLB 14L Section F](#), SEC Staff “encourages both companies and shareholder proponents to acknowledge receipt of emails when requested.” Please acknowledge receipt of this proposal, and kindly indicate whether you wish to accept either of our proposed meeting times.

The Proponent can be reached at [REDACTED]. I can be contacted at [REDACTED] or [REDACTED]. **Please address any future correspondence regarding the proposal to me.** I am available to discuss this issue and would welcome the opportunity to engage.

Sincerely,

Sara E. Murphy

cc: Andrew J. Neuharth [REDACTED]



20 December 2023

Target Corp.
1000 Nicollet Mall, Mail Stop TPS-2670
Minneapolis, MN 55403
USA

Via: [REDACTED]

LGIM America
71 South Wacker Drive
Suite 800
Chicago, IL 60606
www.lgima.com

Attn: Don Liu, EVP, Chief Legal & Compliance Officer, and Corporate Secretary

Dear Mr. Liu,

I hereby authorize The Shareholder Commons to file a shareholder resolution on Legal and General Investment Management America, Inc.'s ("LGIMA") behalf for the Target Corporation ("Target" or the "Company") 2024 annual shareholder meeting. The proposal specifically requests that the Company pay a living wage.

We support this proposal because it would help to curb activities on the part of the Company that may undermine the value of our broader portfolios. I give The Shareholder Commons full authority to engage with Target on my behalf regarding the proposal and the underlying issues, to negotiate a withdrawal of the proposal as The Shareholder Commons sees fit, and to present the proposal at the Company's annual shareholder meeting.

LGIMA intend to hold the number of shares required by Rule 14a-8 through the Company's 2024 annual meeting. Verification of this ownership will be sent under separate cover.

I understand that LGIMA may be identified on the corporation's proxy statement as the filer of the aforementioned resolution.

Sincerely,

Kristina St. Charles
General Counsel

Cc: Andrew J. Neuharth [REDACTED]

[Target Corporation: Rule 14a-8 Proposal, December 20, 2023]

[This line and any line above it – Not for publication.]

ITEM 4*: Set compensation policy that optimizes portfolio value for Company shareholders

BE IT RESOLVED, shareholders ask that the board and management exercise their discretion to establish Company wage policies that are consistent with fiduciary duties and reasonably designed to provide workers with the minimum earnings necessary to meet a family's basic needs, because Company compensation practices that fail to provide a living wage are harmful to the economy and therefore to the returns of diversified shareholders.¹

Supporting Statement:

Target increased its minimum hourly wage to \$15 in 2020, and announced a new "starting wage range" of \$15-\$24 in 2022.² While that is good progress, the living wage in 2022 was \$25.02 per hour per worker annually for a family of four (two working adults).³ The highest wages in Target's range are reportedly reserved for high-cost markets such as New York City,⁴ but the living wage there was \$30.79 in 2022. Target's CEO, meanwhile, makes 680 times more than the Company's median employee. While people of color compose 54 percent of Target's U.S. workforce, they account for only 29 percent of leadership team roles,⁵ indicating they make up a disproportionate number of employees not earning a living wage.

Such inequality and disparity harm the entire economy. For example, closing the living wage gap worldwide could generate an additional \$4.56 trillion annually through increased productivity and spending,⁶ translating to a more than 4 percent increase in annual GDP. A 2020 report found that had four key racial gaps for Black Americans—wages, education, housing, and investment—been closed in 2000, \$16 trillion could have been added to the U.S. economy. Closing those gaps in 2020 could have added \$5 trillion to the U.S. economy over the ensuing five years.⁷

By paying so many of its employees below a living wage, Target may believe it will increase margins and thus financial performance. But gain in Company profit that comes at the expense of society and the economy is a bad trade for Company shareholders who are diversified and rely on broad economic growth to achieve their financial objectives. The costs and risks created by low wages and inequality will directly reduce long-term diversified portfolio returns because a drag on GDP directly reduces returns on diversified portfolios.⁸

¹ <https://theshareholdercommons.com/case-studies/labor-and-inequality-case-study/>

² <https://corporate.target.com/press/release/2022/02/target-to-set-new-starting-wage-range-and-expand-a>

³ <https://livingwage.mit.edu/articles/103-new-data-posted-2023-living-wage-calculator>

⁴ <https://www.acorns.com/learn/earning/target-minimum-wage-increase/#:~:text=Workers%20at%20Target%20could%20start,competitive%20markets%20like%20New%20York.>

⁵ <https://corporate.walmart.com/purpose/belonging-diversity-equity-inclusion/belonging-diversity-equity-and-inclusion-report>

⁶ <https://tacklinginequality.org/files/introduction.pdf>

⁷

<https://ir.citi.com/%2FPRxPvgNWu319AU1ajGf%2BsKbjJjBSaTOSdw2DF4xynPwFB8a2jV1FaA3ldy7vY59bOtN2lxVQM=>

⁸ <https://www.epi.org/publication/secular-stagnation/>

This proposal asks the Board to set a Company compensation policy of paying a living wage to prevent contributing to inequality and racial/gender disparity. Target could achieve this Proposal's objective by securing Living Wage for US Employer certification.⁹ Additionally, MIT has an online living wage calculator, or Target can work within frameworks promulgated by organizations such as IDH Sustainable Trade Initiative or The Living Wage Network. Target should use such frameworks in a manner that allows shareholders to gauge compliance and progress, while providing Target with discretion as to how to achieve the living-wage goal.

Please vote for: Set compensation policy that optimizes portfolio value for Company shareholders –
Proposal 4*

[This line and any below are not for publication]
Number 4* to be assigned by the Company

⁹ <https://livingwageforum.org/becoming-certified/>