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Target Corp (TGT)
Vote Yes: Item #7 – Reduce Plastic Microfiber Shedding

Annual Meeting: June 10, 2026

CONTACT: Conrad MacKerron | mack@asyousow.org

THE RESOLUTION

Shareholders request that Target issue a report, at reasonable expense and excluding proprietary information, evaluating whether opportunities to reduce microfiber pollution from its garments will strengthen long-term value and mitigate emerging material risks.

SUMMARY

Plastic pollution has reached crisis levels. An estimated 24-34 million metric tons of plastic end up in the world's waterways annually, causing serious harm to human health and the environment - and those emissions could hit 53 million metric tons by 2030.[1] Investors are concerned about how plastic-related impacts affect company resilience and long-term value.

Target is a major textile retailer, with apparel sales comprising 15% of total revenue. Much of this apparel relies on synthetic fibers like polyester and nylon, which are derived from plastics and make up the third-largest global market for plastics. Each year, the production of 80 million tons of synthetic fibers releases an estimated 500,000 tons of microplastics into global waterways.

Plastic microfibers are tiny, thread-like strands of synthetic material, typically less than 5mm, that shed from synthetic fabrics used in apparel production, washing, and wear. Microplastics present an urgent threat to the environment because once these tiny synthetic fibers enter the water, they are virtually impossible to remove – unlike larger plastics, such as bottles. Preventing their release into the environment is critical.

Microplastic pollution is not only an environmental issue, but also a material business risk, exposing apparel manufacturers to reputational damage, evolving regulatory standards, and potential litigation.

Scientific research links microplastic exposure to cardiovascular disease,[2] cancer, Parkinson's disease, and dementia.[3] On April 2, 2026, the U.S. Department of Health and Human Services announced its

[1] https://www.sciencedaily.com/releases/2020/09/200917181303.htm
[2] https://www.nejm.org/doi/full/10.1056/NEJMoa2309822
[3] https://today.duke.edu/2025/06/microplastics-are-everywhere-heres-what-duke-research-doing-about-health-concerns

intent to combat microplastics due to their associated health concerns.[4] As evidence of health risks continues to grow, public scrutiny, concern, and stakeholder expectations are likely to intensify.

The European Union's Zero Pollution Action Plan has set a goal to reduce microplastic pollution by 30% by 2030.[5] Target has factories in Belgium, the Netherlands, and other European countries that could be affected by this plan.

There is no indication that Target has prioritized reducing fabric shedding as part of its environmental sustainability efforts. The Company has yet to join the Microfibre Consortium, an industry group leading research on how to measure and mitigate fabric shedding. Target also lags competitors by failing to establish specific fiber shed reduction goals. For example, Under Armour has committed to making 75% of its garments low shed by 2030.[6]

The requested report will allow the Board, senior management, investors, and stakeholders to better understand the growing environmental and human health risks associated with microfiber pollution, how industry leaders are researching and mitigating microfiber shedding, and how Target can prioritize this issue through new policies and programs aimed at becoming a leader in mitigation.

RATIONALE FOR A YES VOTE

1. **Target is exposed to potential economic and environmental risk as regulators call for regulation of plastic microfibers.**
2. **The Company does not participate in leading collaborative efforts to study microfiber pollution, such as the Microfibre Consortium.**
3. **Competitors have done more than Target to reduce plastic shedding in clothes.**

DISCUSSION

1. **Target is exposed to potential economic and environmental risk as regulators call for regulation of plastic microfibers.**

Textiles represent the third-largest market for plastic, consuming roughly 14% of total plastic production. Synthetic plastic fibers represent 63% of global fiber production, equal to 80 million tons, and shed large volumes of microfibers during both manufacturing and consumer use.[7] This results in an

[4] https://www.hhs.gov/press-room/arpa-h-launches-groundbreaking-144-million-program-combat-toxic-microplastics-human-body.html
[5] https://environment.ec.europa.eu/strategy/zero-pollution-action-plan_en
[6] https://about.underarmour.com/en/stories/2023/02/under-armour-announces-new-methodology-to-measure-fiber-shedding.html
[7] https://www.regulations.gov/document/NOAA-NOS-2022-0061-0002

estimated 500,000 tons of plastic microfibers from textiles entering the world's oceans each year,[8] making the textile industry one of the largest contributors to global microplastic pollution.

Scientific research links microplastic exposure to cardiovascular disease,[9] cancer, Parkinson's disease, and dementia.[10] A 2025 Ipsos poll found that 79% of respondents agree that microplastics are a threat to environmental and human health, and that mitigating action is needed now. The poll showed strong bipartisan support for policies aimed at reducing or preventing microplastic pollution.[11]

On April 2, 2026, the Advanced Research Projects Agency for Health (ARPA-H), an agency within the U.S. Department of Health and Human Services (HHS), announced STOMP: Systematic Targeting of Microplastics, a $144 million program to create "the definitive toolbox for measuring, researching, and affordably removing microplastics and nanoplastics in the human body."[12] HHS Secretary Robert F. Kennedy Jr. stated, "HHS is taking decisive action to confront microplastics as a growing threat to human health. Americans deserve clear answers about how microplastics in their bodies affect their health. Through ARPA-H's STOMP program, we will measure microplastic exposure, identify sources of risk, and develop targeted solutions to reduce it."[13] At the same time, organizations affiliated with President Trump and Kennedy's Make America Healthy Again movement called for regulation of microplastics in drinking water, making calls for regulatory action in the US increasingly bipartisan.[14]

According to the HHS press release, STOMP research "will enable individuals and healthcare providers to detect and reduce potentially harmful microplastics, particularly for vulnerable groups such as pregnant women, children, patients with chronic disease, and highly exposed workers." It adds that "with reliable, broadly available testing methods, public health authorities, regulators, and health stakeholders could guide policy, monitor interventions, and address health impacts for decades to come."

With textiles a prominent source of microfiber pollution, textile manufacturers may be subject to increasing regulatory constraints around microfiber shedding, and litigation alleging responsibility for various health impacts. The report sought by this proposal will help the Company address these risks by elevating the issue with the Board and senior management and describing internal policy options to mitigate these emerging material risks.

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[8] https://www.eea.europa.eu/en/analysis/publications/microplastics-from-textiles-towards-a-circular-economy-for-textiles-in-europe
[9] https://www.nejm.org/doi/full/10.1056/NEJMoa2309822
[10] https://today.duke.edu/2025/06/microplastics-are-everywhere-heres-what-duke-research-doing-about-health-concerns
[11] https://www.5gyres.org/microplasticfreeus
[12] https://www.hhs.gov/press-room/arpa-h-launches-groundbreaking-144-million-program-combat-toxic-microplastics-human-body.html
[13] https://www.hhs.gov/press-room/arpa-h-launches-groundbreaking-144-million-program-combat-toxic-microplastics-human-body.html
[14] https://www.plasticsnews.com/public-policy/pn-maha-seeks-plastic-permit-pause/

2. **The Company does not participate in leading collaborative efforts to study microfiber pollution, such as the Microfibre Consortium.**

There is no indication that Target has prioritized reducing fabric shedding as part of its environmental sustainability efforts. The Company makes no mention of microfiber shedding in its ESG report. As discussed below, its views on the state of microfiber research and regulation appear outdated and do not reflect the rapid evolution of scientific understanding and policy attention in this area.

Moreover, Target has not taken even basic steps to participate in industry efforts to address the issue. For example, it is not a member of the Microfibre Consortium, a leading industry group focused on advancing research and standardizing methods to measure and mitigate fabric shedding. Membership in such initiatives is widely viewed as a foundational step for companies seeking to understand and reduce their microfiber footprint and to help to shape responsible future practices.

In contrast to Target, leading apparel competitors like Gap, Lululemon Athletica, H&M, Marks & Spencer, and VF Corp. have joined the Consortium and are actively contributing to collaborative solutions.[15] Target's absence from these efforts underscores a notable gap relative to peers and suggests a lack of engagement with emerging best practices in this area.

3. **Competitors have done more than Target to reduce plastic shedding in clothes.**

Under Armour has developed new testing methodologies to measure fiber shedding at its source and has made them available for competitors to use. Under Armour has also set a goal for 75% of fabrics in its products to be made of low-shed materials by 2030.[16] Target has set no goal.

Polartec®, a division of Milliken & Co., has developed Polartec® Shed Less Fleece, a process that combines yarn construction, knitting, chemistry, and manufacturing innovations to reduce home laundry fiber fragment shedding by an average of 85%.[17]

Lululemon has partnered with the Microfibre Consortium and the Zero Discharge of Hazardous Chemicals (ZDHC) program on a joint task team to reduce fiber fragmentation in wastewater and worked with other brands to help integrate microfiber mitigation into ZDHC's wastewater guidelines, which can now be implemented upstream by company supply chains.

Together, these efforts demonstrate that practical tools, measurable targets, and collaborative frameworks to reduce microfiber shedding are already being developed and adopted across the industry. Target's lack of participation in these initiatives, and its lack of action responsive to this problem, highlights a significant gap relative to peers and underscores an opportunity to take a more proactive leadership role.

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[15] https://www.microfibreconsortium.com/signatories
[16] https://about.underarmour.com/en/stories/2023/02/under-armour-announces-new-methodology-to-measure-fiber-shedding.html
[17] https://www.polartec.com/news/polartec-power-shield-press-release

RESPONSE TO TARGET'S BOARD OF DIRECTORS' STATEMENT IN OPPOSITION

The Company's statement in opposition asserts that "pollution stemming from microfiber plastics from textiles remains an emerging field of scientific study, characterized by evolving research, inconsistent measurement approaches, and the absence of widely accepted regulatory or voluntary standards applicable across the apparel value chain." The assertion of inconsistent measurement approaches is outdated. The Mircofibre Consortium has developed a reliable method to measure fabric shedding which "enables a comparative analysis of fibre fragmentation from different fabric types to investigate root causes." The reliability and reproducibility of the method was assessed through intensive testing across 10 global laboratories and, more recently, the reliability of the test method was assessed through a research project in collaboration with Fashion for Good.[18] Further, as noted above, microfiber mitigation has been integrated into a recent update of ZDHC wastewater guidelines, which companies can now take action to implement. Target does not appear able or ready to do so.

Target asserts it is "monitoring developments in this area and engaging with industry groups to better understand potential impacts and mitigation approaches," yet it has not taken basic steps like Microfibre Consortium membership or testing of its own fabrics for shedding. While the microfiber shedding issue is developing, and measurement and reduction actions may not be perfected, that should not stop Target from moving forward in alignment with its peers to reduce microfiber shedding risks, including the risk of falling behind competitors on such a high-profile consumer issue.

Completing the requested report would elevate this issue with the Board and provide new insights and options for fabric shedding research, developing measurement processes, and initial reduction actions, including the potential for working in a pre-competitive fashion with peers to develop and refine mitigation methods.

CONCLUSION

Vote "Yes" on this Shareholder Proposal #7.

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For questions, please contact Conrad MacKerron, As You Sow, mack@asyousow.org

[18] Personal communication with Executive Director of Microfibre Consortium, Feb. 9, 2026.

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