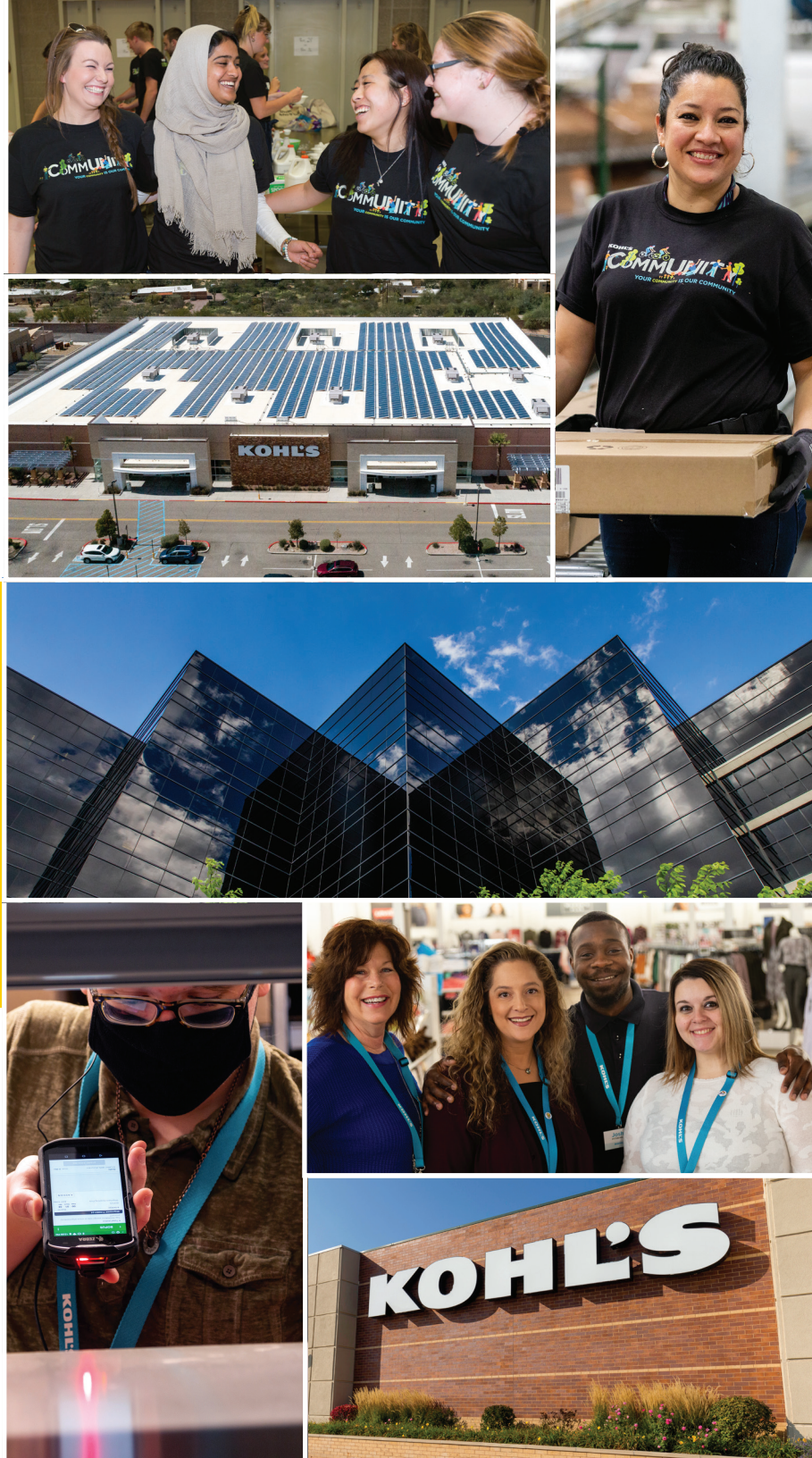


KOHL'S®

Environmental, Social & Governance REPORT 2020



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Welcome



MICHELLE GASS
Chief Executive Officer

Dear Stakeholders,

2020 will always be associated with the COVID-19 pandemic and I am incredibly proud of how Kohl's associates stepped up to face this unprecedented challenge with innovation, creativity, speed, agility and empathy. I continue to draw inspiration from the way our organization has responded to help slow the spread of the virus for the benefit of our customers, associates and the communities we serve all across the country.

In the midst of this national emergency, our teams seamlessly adjusted to maintain Kohl's long-standing focus on environmental, social and governance (ESG) stewardship. As presented in this report, we have continued to take strides to ensure Kohl's leaves a smaller footprint on our world while also making a positive difference in the lives of families nationwide. We remain committed to the highest standards of integrity and performance and are dedicated to fostering a best-in-class workplace that celebrates transparency, opportunity and appreciation.

During fiscal 2020, racial equity was also an issue brought more prominently to the forefront in the country and being part of meaningful progress will continue to be a priority for Kohl's. As a large company — and one that serves millions of families from diverse backgrounds

— Kohl's acknowledges pervasive injustices in the country and has committed to actions and behaviors that will help to make our company, stores and the world a better place. While we know there is much more to do, we are driven by the progress we have made and the promise of more to come.

Kohl's shared our new diversity and inclusion strategy in 2020 focused on Our People, Our Customers and Our Community and our mission to empower more families through equity, diversity and inclusion. We also developed our Pledge for Progress, which is outlined in this report, and we will be utilizing future reports as we hold ourselves accountable by measuring results.

As a purpose-led organization, dedicated to inspiring and empowering families to lead fulfilled lives, ESG stewardship will continue to be an integral piece of Kohl's culture and an important component of the company's new strategic vision to be the most trusted retailer of choice for the active and casual lifestyle.

We appreciate you being a part of this journey.

A handwritten signature in black ink that reads "Michelle Gass". The signature is fluid and cursive, with a large, stylized "M" and "G".

Michelle Gass
Chief Executive Officer

Environmental, Social & Governance Stewardship at Kohl's

Our purpose — to inspire and empower families to lead fulfilled lives — guides how we work with partners, how we approach philanthropy, how we consider the environment and how we touch the lives of our customers, associates and communities. These efforts extend to the Environmental, Social and Governance (ESG) areas of our business. ESG stewardship is a key component of [our strategy](#) and our vision: to be the most trusted retailer of choice for the active and casual lifestyle. We believe ESG stewardship is important to building a more sustainable future for all and creating long-term shareholder value.



About this report

This report aims to share information with our partners, shareholders, customers and associates regarding our ESG progress annually.

Reporting Period

This ESG report covers the fiscal year 2020 (February 2, 2020, to January 30, 2021) unless otherwise indicated.

More Information

For more information about our history, business, sales growth, stores and more, see our Fact Book on [Corporate.Kohls.com](https://www.kohls.com/factbook).

To learn more about our commitment to the environment, our associates, customers, community, partners and shareholders, visit Corporate.Kohls.com.

*This report has not been audited by a third party.

COVID-19 Response



COVID-19 Response

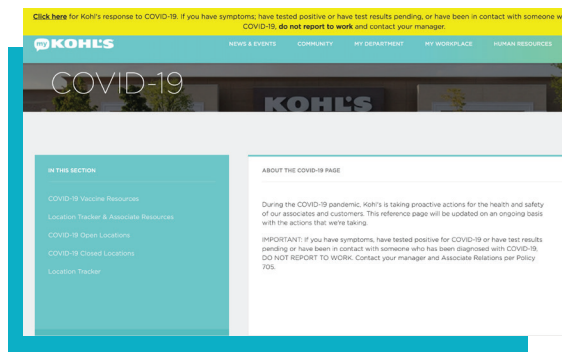
As 2020 unfolded, Kohl's committed to doing its part to support the efforts underway to help slow the spread of COVID-19 for the benefit of our customers, associates and the communities we serve across the country. At the outset of the pandemic, we established two priorities to guide our decision-making: first, prioritizing the health and safety of our associates and customers, and second, preserving our financial position.

Priority One: The Health and Safety of Our Associates and Customers

Our Associates

Keeping Associates Informed

From an operational perspective, a cross-functional team established a frequent cadence of touchpoints to help ensure key internal stakeholders were kept informed about ongoing developments related to our COVID-19 response. These touchpoints also provided a consistent forum to share the latest updates from leading health authorities, including the Centers for Disease Control (CDC) and the World Health Organization (WHO).



More broadly, frequent and transparent communication with our associates, especially in the early days of the pandemic, was particularly important. We quickly created a COVID-19 resource hub on our internal website for store and corporate associates to address frequently asked questions and provide additional transparency on our response to COVID-19. This information hub also offered a variety of other resources, including the latest updates from our leadership team, easy access to information about support services and company benefits and tips and best practices for associates working remotely.

From a leadership perspective, we also enhanced the frequency of our communications to increase clarity in company decisions to navigate the pandemic. For example, CEO Michelle Gass created weekly and biweekly video messages to share decisions and business updates directly with associates. These communications were made available to all associates, including furloughed store teams while stores were closed for a period of seven to 17 weeks, to keep all associates updated on return-to-work details.

This increase in associate communications throughout the year demonstrated a heightened focus on sharing information within and across all teams. While transparent communication has been a part of our culture, these incremental efforts helped our teams navigate new and unusual challenges resulting from the pandemic.



COVID-19 Response

Priority One: The Health and Safety of Our Associates and Customers

Our Associates

Associates Return to Work With a New Focus on Safety

In early May of 2020, we announced a phased reopening of our stores. In preparation for a safe reopening, we made significant enhancements to the store environment and operations to prioritize the health and safety of customers and associates. These included limited store hours, social distancing measures and numerous cleaning and sanitization measures, as well as wellness and temperature checks, safety training and the use of masks for our associates.

We took an informed and measured approach to reopen stores to prioritize a safe and healthy environment. We also consulted with industry peers as well as the Retail Industry Leaders Association (RILA) and National Retail Federation (NRF) with regard to health and safety enhancements to allow for safe reopenings.

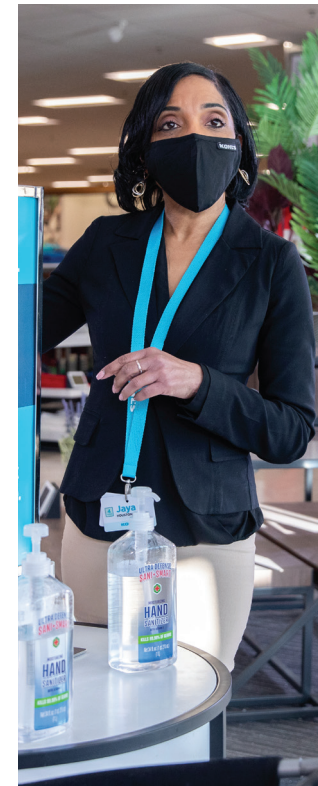
As a result of these safety measures, we received an “A” grade from Shop Safely, an organization that scores retailers on the safety of their shopping experience during the COVID-19 pandemic through metrics that measure convenience, safety protocols and returns.

Specifically, measures that were put in place for our store associates included the following:

- **We reduced the number of associates in the store** at one time and adjusted associate placement within the store as necessary to adhere to social distancing guidelines.
- **We physically rearranged break rooms, training rooms and offices** to encourage proper social distancing.
- **We set up several associate sanitation stations** to provide easy access to hand sanitizer and cleaning supplies.
- **We continued to encourage healthy behaviors** in accordance with CDC guidelines, such as thorough hand washing, regular usage of hand sanitizer and cleaning measures for surfaces.
- **We performed daily wellness screenings.**



At our corporate facilities, we maintained a flexible approach to allow associates to work from home for those with roles that could be completed remotely. For those who preferred to work outside of the home, maintaining a healthy and safe office environment remained a priority. Numerous safety measures were put in place, including mandatory face coverings when associates were outside of enclosed work areas. Before entering corporate buildings, associates also participated in wellness screenings consisting of a symptom self-check and temperature reading.



COVID-19 Response

Priority One: The Health and Safety of Our Associates and Customers

Our Customers

Continuing to Serve Customers Safely

While stores were closed, our teams continued to serve the millions of families who shopped through Kohls.com as well as the Kohl's App. Customers were able to shop digitally 24 hours a day and have purchases shipped directly to their homes.

Within just two weeks of temporarily closing our stores, we launched a new Drive Up service. Drive Up ensures limited contact between our customers and associates. An associate will bring a customer's order out, verify the order through their car window and place it directly in the backseat or trunk. Customers are not asked to get out of their car.

This contactless, free service is now available at most stores nationwide, delivering the ease and convenience of shopping in a new way to customers during an unprecedented time.



As we reopened our stores, we also took significant measures to prioritize the health and safety of our customers.

Specifically, measures that were put in place for our customers included the following:

- Signage and floor decals were placed throughout the store to encourage six feet of social distancing, with a particular focus on high traffic areas, including customer service and checkout.
- In-aisle fixturing was removed to increase space for customers to pass through the aisles while adhering to social distancing guidelines.
- Protective barriers were installed at all registers and offered touchless payment through Kohl's Pay on the Kohl's App to make the checkout experience contactless as possible.
- Checkout lanes were cleaned by an associate after each customer transaction, including the sanitation of the PIN pad and counter.
- Adjustments were made to the returns process to minimize contact between the customer and associate. We continued to accept Amazon Returns, and to support social distancing, assigned these return centers to be in a separate location within the store.



COVID-19 Response

Priority One: The Health and Safety of Our Associates and Customers

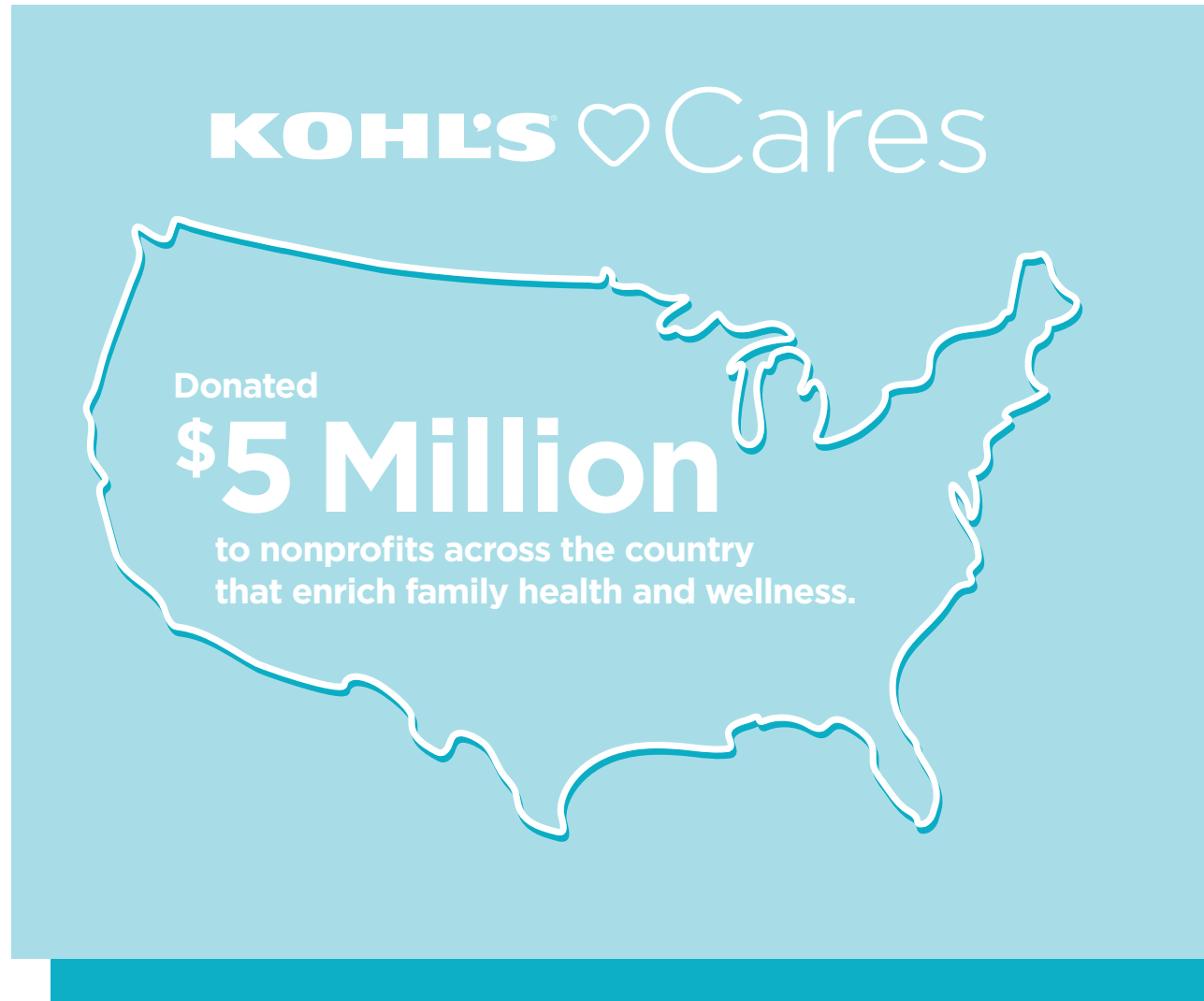
Our Communities

In addition to taking measures to prioritize the health and safety of our associates and our customers, we worked to support the communities we serve.

To celebrate families and communities during the holiday season, we donated \$5 million in grants through Kohl's Cares to nonprofits across the country that enrich family health and wellness. Benefiting organizations included local chapters of Alliance for a Healthier Generation, American Cancer Society, American Heart Association, American Red Cross, Boys & Girls Clubs of America, Mental Health America, National Alliance on Mental Health and National Park Foundation, as well as local hospitals and food banks all across the country.

For the health and safety of our associates and communities, we chose to temporarily suspend our traditional team-based volunteer program, which has provided more than \$180 million in corporate rewards to charities since 2001. Instead, we created a temporary hourly volunteer program, with fewer group gatherings and more flexibility for virtual volunteering, which allowed our associates to continue to volunteer and provide financial support for eligible nonprofit organizations in their communities.

Learn more about these efforts in the Philanthropy section of this report.



COVID-19 Response

Priority Two: Preserving Our Financial Flexibility

Our other priority throughout the pandemic was preserving our financial position. To that end, we took numerous actions, including the following:

- **Managed inventory receipts meaningfully lower and negotiated extended payment terms**
- **Significantly reduced expenses across all areas of the business**
- **Reduced capital expenditures by 61% in fiscal 2020**
- **Temporarily suspended share repurchases (reinstated in 2021)**
- **Temporarily suspended dividends (reinstated in 2021)**
- **Meaningfully increased our access to credit**

These actions, among others, were critical to helping maintain our financial liquidity and flexibility as we navigated through the pandemic.



Looking Ahead: Our Vision for Future Success

In October 2020, we shared a new strategic framework, encompassing many initiatives to help keep us positioned for future growth and long-term success. As part of this strategy, we have set a new vision:

**To be the most
trusted retailer of
choice for the active
and casual lifestyle.**

Our new strategy, which was accelerated by the COVID-19 crisis, builds on our strong foundation of 65 million customers, industry-leading loyalty and charge card programs, more than 1,160 stores and a large and growing digital business.

Looking ahead, these efforts will be supported by and will benefit from our long-standing organizational focus. We will remain dedicated to fostering a culture of agility, accountability and experimentation, while also further amplifying our ESG efforts, which includes a substantial focus on Diversity & Inclusion.

**Learn more about these efforts in the
Diversity & Inclusion section of this report.**





Environmental Sustainability

Environmental Sustainability

At Kohl's, we believe that incorporating sustainable solutions in the way we do business will help build better futures for families.

With such a large retail footprint, we are in a unique position to make resounding impacts on the planet and have set goals to ensure that impact is positive. Our sustainability strategy is guided by leveraging business practices and decisions that enhance the objectives of the United Nations Sustainable Development Goals.

Beginning in 2020, we established criteria within our chief executive officer's (CEO) performance evaluation objectives that are tied to our environmental performance, including promoting an effective sustainability agenda.

Management team members are incentivized to reduce costs and increase operational efficiencies that result in resource conservation and footprint reduction (e.g., reductions in energy costs, decreased emissions, increased use of solar and wind energy, increased recycling and other operational material controls).



Public Goals and Progress

In 2019, we set sustainability goals, including quantitative targets focused on three key areas: climate action, waste and recycling and sustainable sourcing. We are committed to monitoring and reporting performance and progress against these goals.

GOAL -- IN BLACK

2020 Progress BLUE

Climate Change

Our climate action goals are focused on the reduction of greenhouse emissions and the increase of renewable energy use.



Reduce combined scope 1 and scope 2 greenhouse gas emissions in Kohl's-owned operations by 50% versus 2014 baseline by 2025

50% reduction in scope 1 and 2



Reduce energy consumption by 30% at Kohl's facilities by 2025 versus a 2008 baseline

39% reduction in energy consumption since 2008



Expand renewable energy platforms by building off of the company's existing 161 solar and wind locations

164 solar and wind locations



Support the transition to a low-carbon transportation system, building off of the company's existing 96 locations offering electric vehicle (EV) charging

101 locations offered EV charging

Waste and Recycling

Our waste and recycling goals are focused on the management of all wastes, reducing waste generation and promoting relevant recycling information to customers.



Divert 85% of Kohl's U.S. operational waste from landfills by the end of 2025

85% of waste was diverted from landfills



Label 100% of Kohl's-owned branded packaging with the How2Recycle® label by 2025

95% of shipping bags and boxes

100% of in-store shopping bags

100% of private/exclusive shoeboxes



Reduce the amount of plastic and cardboard in Kohl's-owned branded packaging

We continue to reduce the amount of packaging we use by eliminating duplicative elements and evaluating size

Sustainable Sourcing

Our sustainable sourcing goals are focused on the efficient use of natural resources and environmentally sound management of chemicals within Kohl's-owned branded products.



Achieve 100% sustainably sourced cotton for Kohl's proprietary brands by 2025

18% of cotton was sustainably sourced



Require 50% of products containing polyester to be made with recycled materials in Kohl's proprietary brands by 2025

5.7% of styles contain recycled polyester



Require all approved facilities producing Kohl's private- and exclusive-branded products to complete the Higg Index Environmental Module by 2025

80% of facilities have completed the Higg Index Environmental Module



Utilizing the Higg Index, drive substantial water reduction use in the production of Kohl's-owned branded products by 2025

Reporting in progress



Emphasize the elimination and reduction of chemicals in Kohl's-owned branded products and strive for a zero-discharge supply chain of hazardous chemicals, building off of the company's existing chemical sustainability program

By 2022, for our private and exclusive products, we will align our Restricted Substance List (RSL) with Apparel and Footwear International RSL Management (AFIRM) standard

By 2022, our Manufacturing Restricted Substance List (MRSL) will be aligned with the Zero Discharge of Hazardous Chemicals (ZDHC)

Awards and Partnerships

We are proud to share the following awards and key partnerships, demonstrating our commitment to implementing our environmental sustainability initiatives.

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CMA

We were named to the Dow Jones Sustainability Index (DJSI) North America listing for the third consecutive year (2018-2020), acknowledging the company's sustainability performance and ESG commitments. The DJSI evaluates a company's impact on people, communities and the planet for socially conscious investors.

Sustainability Yearbook
Member 2021
S&P Global

We were recognized as a global leader in sustainability and were included in S&P Global's Sustainability Yearbook for the first time in 2021. We were one of only two U.S. retailers listed and one of just 16 from around the world. The annual yearbook includes companies that rank in the top 15% of their industry for sustainability performance and environmental, social and governance (ESG) commitments as part of the S&P Corporate Sustainability Assessment.

TOP
100
BARRON'S
Most Sustainable
Companies
2020

In 2020, we were named to Barron's list of the Top 100 Sustainable Companies for the second time. We were recognized for our strong commitment to environmental, social and corporate governance practices.

CDP
DISCLOSURE INSIGHT ACTION

We report emissions data and climate management strategies annually to CDP. We achieved a Leadership level A- for the second consecutive year on the 2020 Climate Change disclosure.

Better Buildings
CHALLENGE
U.S. DEPARTMENT OF ENERGY

As a participant in the U.S. Department of Energy's Better Buildings Challenge, we reached our goal of 20% energy reduction by 2020 two years early. We are one of only three retailers to become a Better Building Challenge Achiever.

EPA
GREEN
POWER
PARTNER

We have been an active member of the EPA's Green Power Partnership since 2006 and have been named on EPA's Green Power Top 30 Retail list since 2014.

SEIA
Solar Energy
Industries
Association

We are proud to be ranked as one of the Top 25 Corporate Users by Solar Energy Industries Association® (SEIA) for our continued prioritization of on-site solar installations.

ENERGY STAR
AWARD 2020
PARTNER OF THE YEAR
Sustained Excellence

As an EPA ENERGY STAR® partner since 1998, we were selected as a 2020 ENERGY STAR® Partner of the Year winner for Sustained Excellence, an honor reserved for partners demonstrating outstanding leadership year over year.

SmartWay
Transport Partner
Getting There With Cleaner Air

As a shipper partner, we were recognized with the EPA SmartWay® 2020 Excellence Award as an industry leader in freight supply chain, environmental performance and energy efficiency.

EPA
WasteWise
2020 Partner

In 2019, we were honored with the EPA WasteWise Regional award for excellence in waste management. We have been a voluntary partner and active participant of the EPA's WasteWise program since 2006.

U.S. GREEN BUILDING COUNCIL
MEMBER

As a member of the U.S. Green Building Council (USGBC), we use the Leadership in Energy and Environmental Design™ (LEED®) green building program rating systems to guide the design, construction and operation of our stores.

Sustainable
Apparel Coalition

We are one of the founding members of the Sustainable Apparel Coalition (SAC) and maintain an active membership. The coalition works together to standardize sustainability measures in the apparel and footwear supply chain.

Higg
Index

The Higg Index is a tool that enables companies to evaluate materials, products and facilities based on key environmental impacts and ratings. We use it to benchmark against our peers and make more sustainable choices.

Wisconsin
Sustainable Business Council

We actively serve on the advisory board of the Wisconsin Sustainable Business Council (WSBC) and received the Green Masters Award in 2020 for our performance across multiple initiatives.

Member of
How2Recycle

We became an active member of the How2Recycle® label program in 2019. How2Recycle® is a standardized labeling system that clearly communicates recycling instructions to the public.

Climate Change

We are committed to managing climate risks and taking action.

We are committed to managing climate risks and are taking action. We demonstrated our support for action on climate change and for The Paris Agreement by signing the American Business Act Pledge on Climate Change in 2015. In 2019, we set public quantitative targets focused on the reduction of greenhouse emissions and energy consumption.

We integrate climate-related issues into our annual risk assessments. The Chief Risk and Compliance Officer is responsible for overseeing our Climate Change strategy and the Board of Directors reviews our progress on addressing climate-related risks at least annually.

Risks related to the transition to a lower-carbon economy include carbon pricing along with heightened policies and legislation for emission reporting. In addition to these transition risks, we also see firsthand how physical risks related to climate change affect our business. Unusual and potentially long-term shifts in climate patterns such as rising temperatures, storm intensity and rising sea levels can shift consumer shopping patterns and cause physical damage to our properties as well as to the communities we operate in.

Disaster Relief

Since 2010, we have donated more than \$6.5 million to support the American Red Cross with disaster relief efforts across the country. We have a long track record of keeping our customers and associates safe and helping families and our communities rebuild and recover together after natural disasters.

Business Continuity

We have a business continuity team dedicated to supporting the well-being of associates and customers in times of natural disaster, crisis and unplanned incidents. To navigate through the incident management lifecycle, the team ensures preparedness, supports impacted locations, leads cross-functional exchanges of information and suggests actions to mitigate risk across the business.

For more, visit the Business Continuity, Crisis Management & Disaster Preparedness section of this report.



Climate Change

Leadership Level CDP Ranking

Since 2007, we have disclosed emissions data to CDP. Our CDP Climate Change response includes detailed information on our strategy and performance, enabling us to measure and manage our environmental impacts.

As a result of our continuing efforts, we were awarded CDP's A- ranking in 2020. This is the second consecutive year we have been recognized at the CDP's Leadership Level, demonstrating a significant acknowledgment of our continued commitment to climate action.

Greenhouse Gas Emissions

Our greenhouse gas emissions are regularly audited and data is third-party verified annually. The following charts showcase emissions data and carbon intensity verified to the International Organization for Standardization 14064-3:2019.

GOAL



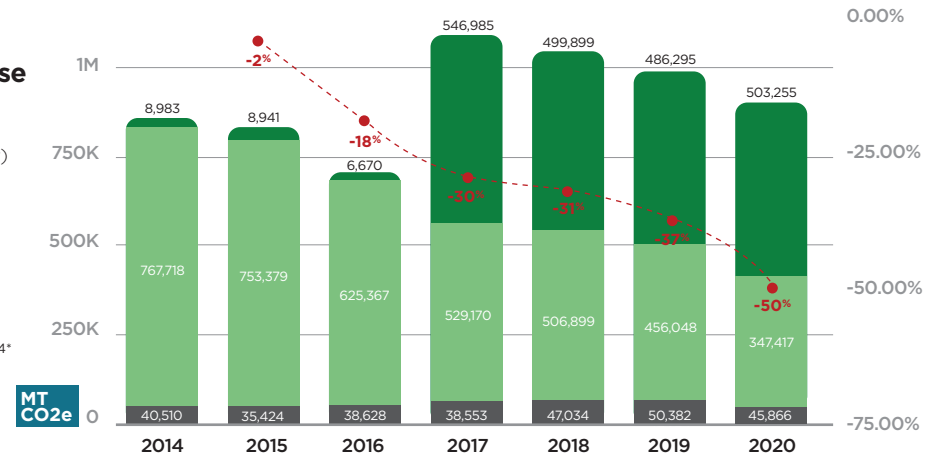
Reduce combined scope 1 and scope 2 greenhouse gas emissions in Kohl's-owned operations by 50% versus 2014 baseline by 2025

Annual Greenhouse Gas Emissions

(Calendar Year)

- SCOPE 1
- SCOPE 2
- SCOPE 3

● % Change vs 2014*

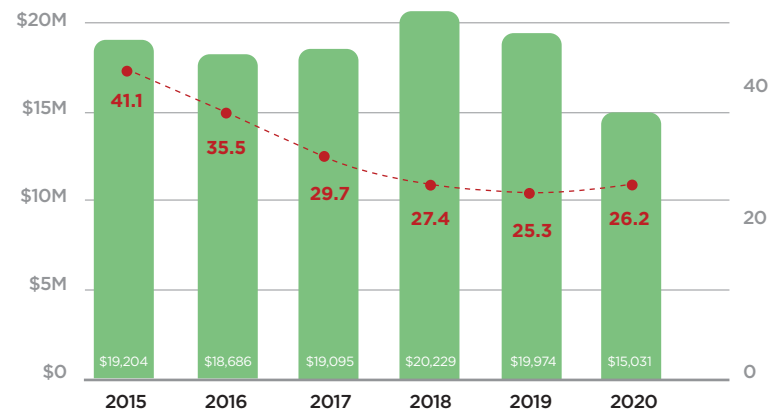


■ Scope 1: Emissions generated from Kohl's facilities.
 ■ Scope 2: Emissions from energy we purchase to power Kohl's facilities.
 ■ Scope 3: Emissions generated from the entire supply chain, such as the creation of the products and services we sell.
 In an effort to better capture overall emissions, we added measures for new calculations of scope 3 beginning in 2017.
 *Change in scope 1 and 2 emissions from 2014 baseline
 *Greenhouse gas emissions during 2020 were significantly lower than a typical year due to COVID-19 disruptions

Carbon Intensity

(Scopes 1 & 2)

- Carbon Intensity Scopes 1 & 2 (Mt CO2e/\$M)
- Total Annual Revenue (\$M)



Energy Efficiency

We have the power to make a significant impact with the right energy solutions.

GOAL



Original Goal: Reduce energy consumption by 20% at Kohl's facilities by 2020 versus a 2008 baseline

New Goal: Reduce energy consumption by 30% at Kohl's facilities by 2025 versus a 2008 baseline

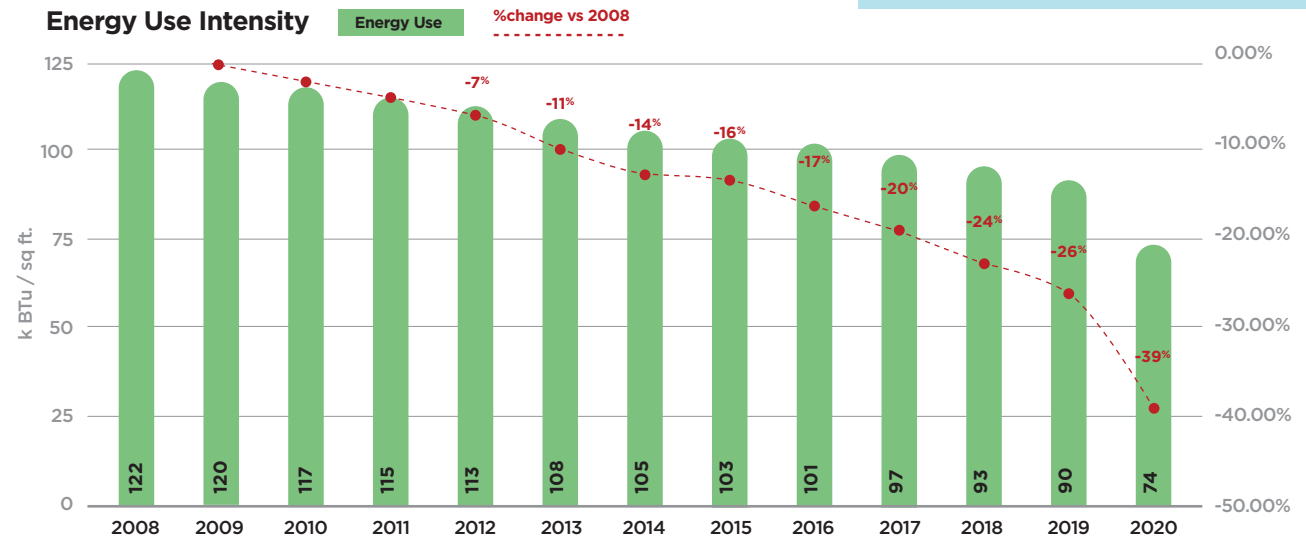
Better Buildings Challenge Achiever

As a participant in the **U.S. Department of Energy's Better Building Challenge**, we reached our goal of 20% energy reduction by 2020 two years early, achieving a total of 24% reduction based on a 2008 baseline at the end of 2018. We are one of only three retailers to become a **Better Building Challenge Achiever**.

EPA ENERGY STAR®

Our cooperating partnership with the **EPA ENERGY STAR®** program has remained consistent since 1998. We rely on the EPA ENERGY STAR® program for emerging tools and technical information to protect the climate and improve efficiency. The program helps us continually assess building performance and set future goals. We were selected as a 2020 **ENERGY STAR® Partner of the Year** winner for Sustained Excellence for the ninth consecutive year; an honor reserved for ENERGY STAR® partners demonstrating outstanding leadership, year over year. As of 2020, more than 90% of our stores are ENERGY STAR® certified, including two stores newly certified in the calendar year.

Commercial buildings that have earned the ENERGY STAR® label use, on average, 35% less energy than similar buildings and generate one-third less carbon dioxide.



Energy consumption during 2020 was significantly lower than a typical year since COVID-19 disruptions resulted in temporary building closures and reduced occupancy for much of the year.

Beyond the buildings themselves, ENERGY STAR®-rated equipment and appliances like refrigerators, copy machines, televisions and computers are used to help reduce energy consumption and affect our carbon footprint.

Lighting and Heating, Ventilation and Air Conditioning (HVAC) Upgrades

To further increase energy efficiency at all stores, we installed central energy management systems that operate most of the interior and exterior lighting and heating and cooling systems.

Light-emitting diode (LED) fixtures light the way at many of our locations. We continue to retrofit stores with high-efficiency lighting to reduce emissions and save electricity. In 2020, we converted more than 45 stores to LED, which will save more than 10 million kilowatt-hours (kWh) per year. Additionally, 73 stores received an HVAC system replacement for optimum efficiency.

Renewable Energy

With over 50 MW of solar energy installed, we are among the leading retailers increasingly turning to solar to power operations.

Using renewable clean energy mitigates risks to the planet and our communities while conserving natural resources. Illustrating our commitment to leveraging renewable energy resources and technologies that provide the highest environmental benefit, we have been an active member of **EPA's Green Power Partnership** since 2006 and have been named on **EPA's Green Power Top 30 Retail list** since 2014. We are also proud to be ranked as one of the **Top 25 Corporate Users by Solar Energy Industries Association® (SEIA)** for our continued prioritization of onsite solar installations. We continue to explore renewable energy projects both on and off-site.

In 2020, an estimated 60,736 megawatt-hours (MWh) of solar energy was used, meaning more than 7% of the electricity we used to power our business came from renewable sources. Many of our stores get up to 50% of their energy from solar. We currently host 163 solar arrays around the country, totaling more than 200,000 solar panels and nine solar trees. Solar trees track the sun and rotate throughout the day, allowing each solar tree to potentially generate between 25,000 to 35,000 kilowatt-hours of power annually. They are equipped with EV charging stations and one solar tree could generate enough power to charge six electric vehicles daily. Each solar tree shades six parking spaces, providing shade-cooled parking spots for associates and guests.

Additionally, there are two wind turbines installed at our Findlay, Ohio distribution center. The solar trees and wind turbines are a visible statement of our commitment to energy efficiency.

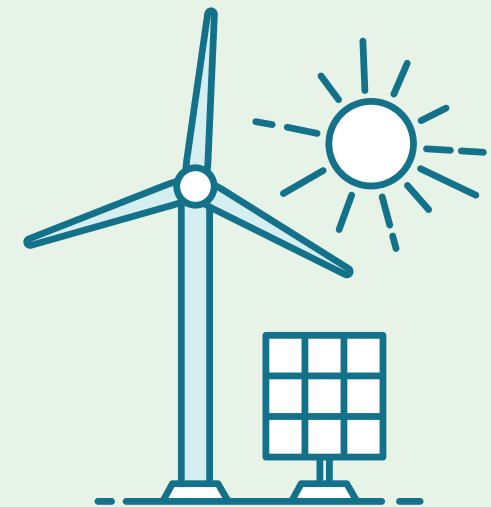
We also maintain a commitment to renewable energy use through the purchase and production of renewable energy credits (RECs). In 2020, we secured RECs totaling approximately 73,820 MWh, including 24,240 MWh from our on-site solar arrays, where we retain or own the RECs. These RECs resulted in the offset of 24,841 metric tons of carbon.



GOAL



Expand renewable energy platforms by building off the company's existing 161 solar and wind locations



In 2020, an estimated 60,736 megawatt-hours (MWh) of solar energy was used

Electric Vehicle Charging

As we work to reduce our environmental footprint, we want to enable our customers to do the same.

We currently have more than 230 electric vehicle charging spots spread across more than 100 locations.

These stations provide more than 36,500 charging sessions per year to our customers and associates. By maintaining our solidarity with electric vehicle owners, the charging we provide powers nearly 275,000 miles of driving and saves more than 12,000 gallons of gasoline annually.



GOAL



Support the transition to a low-carbon transportation system, building off of the company's existing 96 locations offering electric vehicle charging



230+ electric vehicle charging spots



36,500+ charging sessions



powered nearly 275,000 miles of driving



more than 12,000 gallons of gas saved

Logistics

Providing families with the products they love requires a complex network of shipping logistics.

The global supply chain network is also an opportunity to work toward sustainable outcomes and continue to build upon our environmental performance.

By saving miles, reducing packaging and being ultra-efficient with the way we supply our stores, we strive to contribute to a more sustainable future and are focused on improving environmental performance.

Kohl's Fleet

Our fleet is managed by vendor partners who are held to high standards through vetting and studying their sustainable practices.

We are a shipper partner of the **U.S. EPA SmartWay® Transport Program**. SmartWay® Partners share a vision to move materials, supplies and goods in ways that protect the environment, enhance our nation's energy security and foster economic vitality.

EPA's SmartWay® membership is both sought after and encouraged for all vendors. In 2020, 100% of our domestic miles were with SmartWay® members. Our transportation data is constantly analyzed to uncover heightened efficiencies while reporting back to the EPA. SmartWay® tools are used to measure our emissions footprint and find ways to reduce fuel costs. This analysis allowed us to reduce more than 28.5 million highway miles needed to serve our customers in 2020.

We are proud to have been honored for these efforts with the **SmartWay® 2020 Excellence Award**. This marks the fifth time we have been recognized as an industry leader in freight supply chain, environmental performance and energy efficiency. We are one of 17 shipper and logistics companies to receive this distinction in 2020. Our exceptional performance moving goods in the cleanest and most energy-efficient way possible ultimately leads to cleaner and healthier communities.

Fleet Performance

To cut down on vehicle emissions, we continually work to improve the environmental performance of our fleet.

Drop-and-Hook:

Idle time for trucks is drastically reduced by utilizing drop-and-hook methods at the origin and destination of shipments. Our fleet is nearly 100% drop-and-hook at store destinations.

California Air Resources Board:

Our California fleet is compliant with California Air Resources Board, all tires are low-rolling resistant and all required trailers have airfoils installed in the undercarriage.

Rail:

We also rely heavily on rail transport. Current rail usage stands at nearly 45% of truckload freight. On average, rail produces 75% fewer carbon emissions than an average truckload delivery.



Logistics

Future Fleet

We choose to work with transportation vendors with an eye on the future. Emerging technologies will make future fleets more efficient. Already, several of our carriers have placed orders for hydrogen fuel cell trucks, electric trucks and high-performance diesel trucks. The proliferation of airfoils, trailer skirting, rear foils, cab airflow diverters and wheel covers are making our fleet more efficient every day.

International Carriers

Our ocean carriers are engaged through membership in the Business for Social Responsibility (BSR) Clean Cargo Working Group. More than 97% of our cargo travels on a BSR ship providing up-to-date emissions data in order to gain a deeper understanding of our supply chain footprint. Our carriers belong to environmental programs that benchmark sustainability goals.

Shipping Partners

We are proud to partner with carrier brands that actively promote sustainability efforts and that volunteer for membership in associations whose missions reflect the care we have toward the environment.

Expeditors

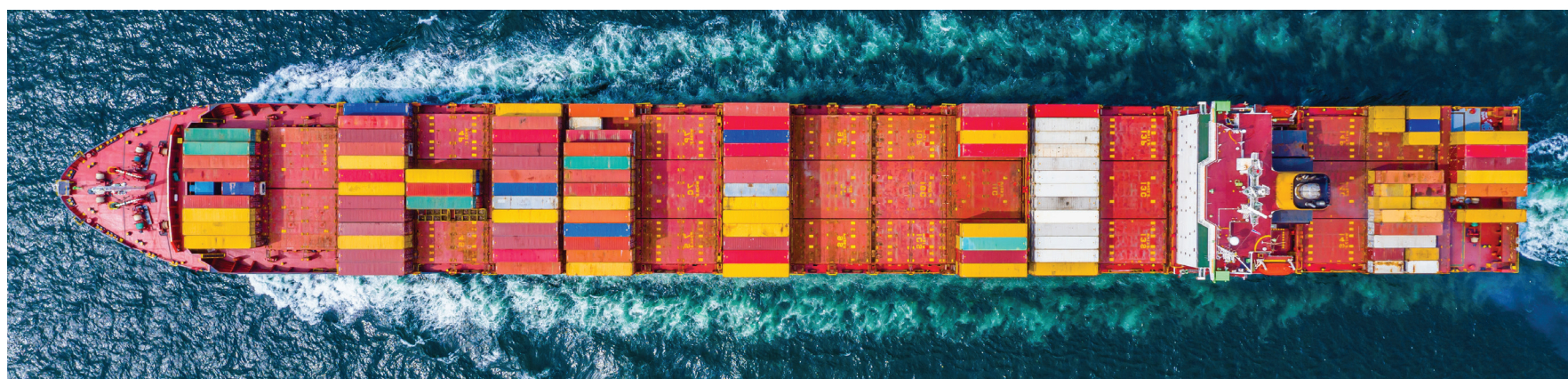
Expeditors are a group of carriers who share a concern for transparency, freight transportation efficiency and the mitigation of harmful greenhouse gases from our business. This group belongs to SmartWay®, Transporte, Limpio, Clean Cargo Working Group and Washington Business for Climate Action.

Evergreen

Evergreen Marine Corp. launched green bonds to raise capital for green initiatives. These bonds will fund improved energy efficiencies, preventing and controlling pollution and sustainable environmental development for all its operations.

Orient Overseas Container Line

Orient Overseas Container Line (OOCL) provides an online carbon calculator to assist us in measuring carbon dioxide emissions. New vessels on this line have the distinction of being 45% less than the International Maritime Bureau baseline for the Energy Efficiency Design Index and operate 20% more fuel-efficient than similar-sized vessels. OOCL maintains membership in the World Wildlife Fund, Climate Change Business Forum and Clean Cargo Working Group, which were all voluntarily joined. They also hold Qualship 21 certification from the U.S. Coast Guard, which promotes the most rigid safety and environmental standards in the world for non-U.S. flagged vessels.



We are committed to the management of all wastes, reducing waste generation and promoting relevant recycling information to customers and associates.

We have been a voluntary partner and active participant in the United States **Environmental Protection Agency's WasteWise** program since 2006, an organization that helps businesses apply sustainable materials management practices. We are a recognized leader in waste management by WasteWise and we were honored with WasteWise's Regional award for excellence in waste management, leading large businesses in preventing waste and promoting recycling in order to achieve both environmental and economic benefits.

Our solid waste management policy governs how we manage waste and recycling in stores and at our corporate facilities. The separation of cardboard, paper and plastic is a key company-wide practice, and the disposal of consumables and durable goods has the goal of recycling as much material as possible.

Our regulated materials management program utilizes authorized and compliant disposal and recycling methods while keeping the environment top of mind. Methods are specific to each waste stream and are determined by our service providers, which include beneficial reuse, recycling, incineration with energy recovery and use of authorized landfills.

Through initiatives such as plastic and cardboard recycling and beauty product and fabric scrap repurposing, we achieved an 85% diversion rate.

Year	Tons Recycled	Tons Landfilled	Diversion Rate
2015	133,765	26,309	84%
2016	131,786	30,750	81%
2017	167,233	34,101	83%
2018	132,787	27,736	83%
2019	141,632	27,736	84%
2020	110,489	129,816	85%



Divert 85% of our U.S. operational waste from landfills by the end of 2025

Waste Management

Our associates and customers play a key role as we work to increase our diversion rate. We ensure teams are equipped to take action with training opportunities, regular and strategic communication on our recycling commitments and rewards for high-performing locations. Our customers are provided with recycling resources in our stores and can opt for paperless receipts and credit statements.

Plastic Recycling & Reduction

In 2020, we recycled nearly 4 million pounds of plastic film, bags and wrap. When a customer leaves our store, the plastic bags they're holding are made from 30-50% recycled, unbleached plastic. Customers can also drop plastic bags in the in-store recycling bins and leave their hangers with us to reuse and recycle. Stores in select markets have eliminated the use of plastic bags at checkout and now offer paper bags. While our plastic bags are fully recyclable through our store take-back program, paper bags can be recycled in customers' curbside bins. Customers can find out how to recycle their bags by referencing the How2Recycle® label on each of our bags.

In 2020, we made it even easier for customers to cut back on their plastic waste by offering reusable bags for sale in all stores. Our reusable bags will be updated quarterly with new prints to excite and engage our customers into becoming more sustainable.

In 2019, we stopped selling all plastic water bottles at corporate, credit and customer service centers' food-service locations and vending machines, eliminating 150,000 plastic bottles annually. Associates are encouraged to use reusable water bottles. Filtered water and ice water stations in each building are available and most beverage vendors offer aluminum substitutes.

Beauty Product Repurposing

Select products that were once destined for landfills now find a second life. Some beauty products, which may include fragrance testers, nail polish and soaps, are recycled into paints, floor cleaners and deodorizing sprays.

Fabric Scraps

The business of influencing fashion yields thousands of fabric scraps. Associates in fabric-cutting locations are sorting scraps and recycling them. Depending on the scrap size and design print, material is reused or turned into things like building or automobile insulation. In 2020, we recycled 177 pounds of fabric scraps from our New York and Milwaukee locations.

Paperless Options

We also reduce waste by reminding Kohl's Card holders they can opt for paperless billing. Since 2014, we have issued more than 300 million electronic credit card statements. More than one-third of all cardholders now receive their statements electronically. Additionally, all customers can opt-in to receiving e-receipts when they shop in store.

GOAL



Reduce the amount of plastic and cardboard in Kohl's-owned branded packaging



Label 100% of Kohl's-owned branded packaging with the How2Recycle® label by 2025

Packaging

Product packaging can have a significant impact on the environment and we are taking steps to reduce our impact. Starting at the design stage, we consider the entire lifecycle of a package and incorporate sustainable solutions whenever possible. We strongly encourage our suppliers to offer recyclable, recycled or reusable materials and we have a bias towards sourcing those materials.

As an active member of **How2Recycle®**, we empower our customers to recycle our packaging correctly. **How2Recycle®** provides a standardized labeling system that communicates recycling instructions on packaging where space allows.

We improved our product packaging and print production process by transitioning towards the use of certified paper on private and exclusive brands. We continue to reduce the amount of packaging we use by eliminating duplicative elements and evaluating size and paperweight.

Our merchant and logistics teams are working to reduce the amount of packaging used for each shipment of product to our stores and distribution centers. This effort also helps control costs by requiring less handling during the shipping process.

Ongoing Exploration

We are constantly exploring ways to eliminate waste and empower our associates and customers to recycle.

Auto-Haul Program

In 2015, we began testing an auto-haul program, pre-scheduled cardboard and trash compactor pickups, in more than 100 high-volume stores. The program reduces instances of cardboard compactors becoming full, leading to cardboard being thrown into the trash. This reduction increases recycling and lowers expenses. Due to successful results, the test was expanded to more than 650 stores in 2019. We implemented an all-store rollout in 2020, with 93% of our stores now on the auto-haul program.



93% of our stores now on auto-haul program

Textile Recycling

The average U.S. citizen throws away 70 pounds of textiles every year and the EPA estimates only 15% is donated or recycled. We are exploring ways to help customers keep their used products from landfills with a test and learn approach.



Gift Cards

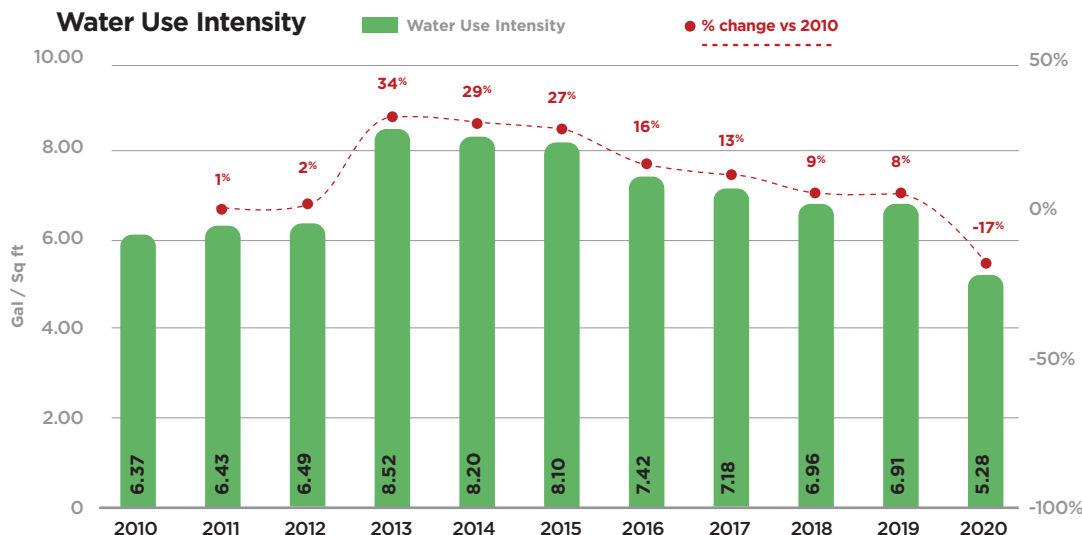
We are currently exploring the elimination of plastic gift cards and moving towards paper gift cards. With paper being recyclable, this will eliminate more than 20 tons of plastic from landfills. Our [e-gift cards](#) are also a convenient zero-waste option for customers.



Paper gift cards would reduce 20 tons of plastics from landfills

Water Stewardship

Since 2010, we have improved our water performance by 17% across our portfolio. Water consumption during 2020 was significantly lower than a typical year since COVID-19 disruptions resulted in temporary building closures and reduced occupancy for much of the year.



Green Building Design

Leadership in Energy and Environmental Design™ (LEED®)

We are a member of the U.S. Green Building Council and we use the Leadership in Energy and Environmental Design™ (LEED®) green building program rating systems to guide the design, construction and operation of our stores. Commercial buildings that are LEED® certified use, on average, 25% less energy than similar buildings and generate one-third less carbon dioxide emissions. We continue to emphasize LEED®, where appropriate, and our portfolio stands as a testament to the steps we have taken to reduce our environmental impact and provide customers with a positive and healthy shopping environment. Our buildings meet LEED® criteria because of our investment in the following aspects of design and construction:

Building Materials - Low Volatile Organic Compound (VOC) materials such as wall coverings, carpet and ceiling tiles are used in the interior. We also employ the use of pre-and post-recycled content throughout our buildings.

Heat Island Effect - Reflective roofing material is often used to reduce the “heat island effect” that occurs when air and surface temperatures rise. These materials contribute to lowering a building’s energy demands.



Sustainable Sourcing

We're working to ensure Kohl's-owned branded products are sustainably sourced. We are focused on bringing this to life through efforts in our supply chain management, chemical management and raw material sourcing.

Environmental Impacts on our Supply Chain

We're working to ensure Kohl's-owned branded products are sustainably sourced. We are focused on bringing this to life through efforts in our supply chain management, chemical management and raw material sourcing. We are one of the founding members of the Sustainable Apparel Coalition (SAC) and maintain an active membership. The SAC is a group of apparel manufacturers, retailers, brands and non-government organizations working together to standardize supply chain sustainability measures.

Higg Index

In an effort to make meaningful improvements and more sustainable choices when it comes to protecting the well-being of factory workers, local communities and the environment, we use the Higg Index. The Higg Index is a suite of tools that accurately measures several environmental and social impacts, delivering a holistic overview of supply chain factory compliance and sustainability performance. We require all approved facilities producing private- and exclusive-branded products to complete the Higg Facility Environmental Module (FEM). The Higg FEM assesses energy use, greenhouse gas and air emissions, water use, wastewater, waste management, environmental management systems and chemical management. In addition, our strategic suppliers are required to complete the Higg Brand and Retail Module (BRM) as well as the Higg Facility Social and Labor Module (FSLM).



GOAL



Require all approved facilities producing Kohl's private- and exclusive-branded products to complete the Higg Index Environmental Module by 2025

80% of facilities have completed the Higg Index Environmental Module



Utilizing the Higg Index, drive substantial water-use reduction in the production of Kohl's-owned branded products by 2025

Reporting in progress

Chemical Management

Our chemical management strategy actively works to identify, prevent, eliminate and reduce the use of chemicals in Kohl's-owned branded products and within our corporate, retail and distribution operations whenever possible.

Chemical Management

Our chemical management strategy actively works to identify, prevent, eliminate and reduce the use of chemicals in Kohl's-owned branded products and within our corporate, retail and distribution operations whenever possible. We look to phase out potentially harmful chemicals or chemicals of concern, where possible, that may impact human health or the environment and identify and transition to safer alternatives.

Our chemical management requirements apply to all raw materials, component parts, chemicals, packaging and other goods used during the manufacturing of our private label and direct import products. Every product manufactured for and sold to us meets standards and specifications on chemical safety as required pursuant to our Purchase Order Terms and Conditions. Our vendors and suppliers are required to undergo third-party testing to ensure all products are produced, processed, manufactured and tested in full compliance with all applicable laws.

We maintain a public Restricted Substance List (RSL) of 100 chemicals, which is in addition to, not in lieu of, all applicable laws. In some cases, we have chosen to set standards and specifications that are stricter than what is required around the use of formaldehyde and flame retardants.

Importantly, by 2022, for our private and exclusive products, we will align our RSL with Apparel and Footwear International RSL Management (AFIRM) standards. Additionally, we will ensure that our Manufacturing Restricted Substance List (MRSL) will be aligned with the Zero Discharge of Hazardous Chemicals (ZDHC).

Currently, 100% of our proprietary brand towels and sheets are MADE IN GREEN by OEKO-TEX®. These certifications are communicated on product packaging as well as on Kohls.com in the product details section.

GOAL



Emphasize the elimination and reduction of chemicals in Kohl's-owned branded products and strive for a zero-discharge supply chain of hazardous chemicals, building off of the company's existing chemical sustainability program



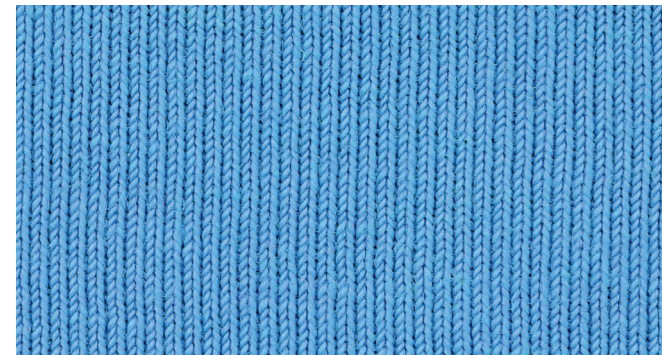
STANDARD 100 by OEKO-TEX®

STANDARD 100 by OEKO-TEX® is an independent certification system for textiles from all stages of production that have been tested for harmful substances. The certificate is awarded when all elements of an item fulfill the annually updated requirements.



MADE IN GREEN by OEKO-TEX®

MADE IN GREEN by OEKO-TEX® is a label for products made with materials tested for harmful substances and produced in environmentally friendly facilities under socially responsible working conditions. The unique product identification provides consumers a transparent way to learn more about its manufacturing journey.



Raw Material Sourcing

To deliver on our commitment to a more sustainable future for families, we strive to incorporate materials into our products that are better for people and the planet.

As a pillar of our sourcing strategies, we have partnered with several key players behind some of the world's largest and most innovative sustainability initiatives, including Canopy's Protecting Forests campaign and REPREVE® Recycled Fiber.

With cotton being our single largest commodity and textile fibers increasingly contributing to ocean plastic pollution, we have set public goals and are committed to use more recycled polyester and more sustainable cotton. Our product development, design and sourcing teams are all aligned with our goals and empowered to drive progress.

Canopy

Canopy works to support partner companies to reduce their environmental impact by making informed procurement choices that reduce the risk of sourcing man-made rayon, viscose or lyocell products from ancient and endangered forests globally.

REPREVE® Recycled Fiber

Plastic bottles are sorted, washed and chopped into flakes. The clean flakes are blended, melted and turned into Repreve recycled chips. The REPREEVE® chips are transformed into fibers used in apparel and home products. REPREEVE® content claims are verified through accredited standards.

GOAL



Achieve 100% sustainably sourced cotton for Kohl's proprietary brands by 2025



Achieve 50% of products containing polyester to be made with recycled materials in Kohl's proprietary brands by 2025

Sustainable Brand Stories

Shopping both in store and online, customers can use our sustainability icon system to discover several products within our private and exclusive brands that support our sustainable sourcing goals.

Shopping both in store and online, customers can use our sustainability icon system to discover several products within our private and exclusive brands that support our sustainable sourcing goals. Icons communicate sustainability features and may be found on product packaging as well as on Kohls.com in the product details section. With our private and exclusive brands representing 34% of our business and with categories across home, accessories, footwear and apparel, we aim to grow our offering of sustainable products. Learn more at [Kohls.com/sustainability](https://www.kohls.com/sustainability).

	Sustainably Sourced
	Water Conscious
	Cleaner Solutions
	Organic

Little Co. by Lauren Conrad

Little Co. by Lauren Conrad is a collection of baby and toddler clothing introduced in 2020. With mix-and-match pieces made out of 100% organic cotton, this collection is a favorite for mothers and kids alike.

FLX

In October 2020, we announced a new private label, specialty athleisure brand FLX, which launched in select stores and online at Kohls.com in March 2021. Designed for premium comfort and style, the entire FLX collection was made using sustainable methods and materials.

The Beauty Checkout™

Launched in 2019, The Beauty Checkout™ features a rotating selection of beauty products to inspire and connect with customers. The assortment features clean, paraben-free and vegan-friendly products.



Diversity & Inclusion



Diversity & Inclusion

Living a fulfilled life is different for each and every one of us.

Understanding and embracing differences for Kohl's associates, customers and community is not just the right thing to do; it is critical in creating an inclusive workplace and brand experience, as well as in driving growth for the organization. We're committed to empowering more families through equity, diversity and inclusion.

Our Commitment to Diversity & Inclusion

In 2020, we shared our commitment to a renewed Diversity & Inclusion (D&I) strategy focused on Our People, Our Customers and Our Community and our mission to empower more families through equity, D&I. While this has always been part of our culture, our evolved strategy accelerates how we are embedding D&I throughout our business by being intentional holding ourselves accountable by measuring results and progress.

The work is rooted in our **Core Beliefs**:

- **We believe embedding equity, diversity and inclusion in everything we do** requires an ongoing journey of listening, learning and taking action.
- **We believe civil rights are human rights** and that anti-racism and our commitment to nondiscrimination are critical to upholding our core values, ethical practices and Code of Ethics.
- **We believe we can create lasting change** by addressing inequities to positively affect our people, customers and community.
- **We believe we are accountable** for inspiring empathy, creating an environment of belonging and identifying and addressing bias.



Our D&I Framework & Pillars

Led by our D&I team, influenced by our cross-functional D&I task force and championed by our D&I council and Business Resource Groups (BRGs), in 2020 we established a new D&I framework, which includes a number of key initiatives across three pillars.

Our People

We strive to be purposeful in attracting, growing and engaging more diverse talent while giving associates equitable opportunities for career growth. Along this journey, we're championing the value and strength of our differences to foster a workplace of inclusion and belonging.



Our Customers

We strive to celebrate our differences and help more customers see themselves reflected in our brands. Along this journey, we're working to offer culturally-relevant products, designs and storytelling that is meaningful to diverse customers.



Our Community

We strive to drive economic empowerment through conversations, programs and partnerships that improve quality of life in underserved communities. Along this journey, we're embracing opportunities to address racial disparities.



Our Pledge for Progress

In 2020, we made a Pledge for Progress, which outlines how we'll take action to deliver meaningful change for the good of Our People, Our Customers and Our Community. We invested more than \$13.5M toward these plans in 2020.



Our People

We pledge to take action to increase diversity across our associate population to better reflect our customers and our country. We'll accomplish this by:

- **Expanding our talent attraction practices** to make more meaningful connections with underrepresented professionals, with a specific focus on partnering with Historically Black Colleges and Universities (HBCUs), the Hispanic Association of Colleges and Universities, as well as building relationships with Black and Hispanic professional associations.
- **Enhancing our hiring practices**, leveraging new recruitment tools and expanding our search parameters to require diverse candidate slates at every level of the organization.

We pledge to increase representation of women and Black, Indigenous and People of Color (BIPOC) across our leadership ranks. We'll accomplish this by:

- **Formally reviewing the composition of leadership** on a quarterly basis and taking action to drive significant change.
- **Offering new development, mentorship and sponsorship** opportunities for underrepresented talent across our organization.

We pledge to maintain strong inclusion and address opportunities to **strengthen belonging** among underrepresented associate groups who experience lower engagement. We'll accomplish this by:

- **Requiring ongoing training** to drive inclusive leadership, manage bias and appreciate the value of differences.
- Embedding D&I as a **required component of individual leadership goals**, ensuring our leaders understand they are accountable for behaviors and actions that build equity and belonging.
- Committing to listening sessions, leadership presentations and BRG engagement that serve to **maintain an ongoing dialogue** while championing the value of D&I.
- **Evaluating and improving our policies and practices to drive equity** across our business practices and people processes, including (but not limited to) talent management, performance, development, engagement, compensation and benefits. Our policies must directly connect to our inclusive values and our ethical standards. We will not tolerate language, behaviors and actions that are divisive, marginalizing or disrespectful of the inclusive culture we value.

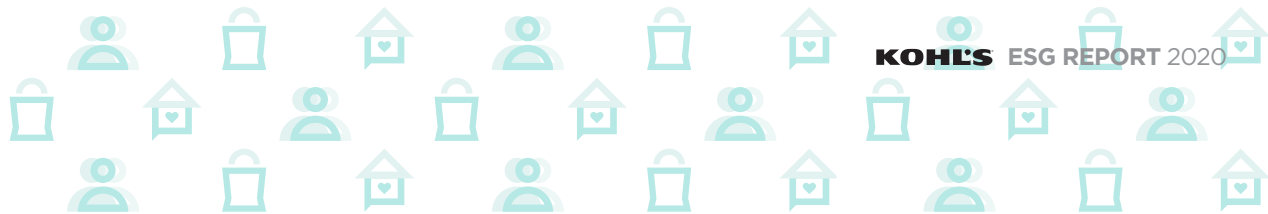
Our Pledge for Progress

Our Customers

We pledge to increase relevancy among Black and Hispanic customers. We'll accomplish this by:

- Launching and leveraging an ***in-house Diversity Design Council*** to develop, purchase and/or curate culturally relevant products.
- Leveraging our scale, resources and expertise to ***empower diverse creators and businesses.***
- Creating a brand voice and amplifying cultural moments to ***deliberately include, reflect and celebrate the diversity*** of Black and Hispanic families.
- ***Enhancing the diverse representation of Black and Hispanic families*** across all marketing and storytelling channels.
- ***Partnering with influencers and ambassadors*** who lend their voices to racial equality.
- ***Driving a consistent environment of belonging for Black and Hispanic customers*** through meaningful messaging, relevant product offerings and a welcoming omnichannel experience that inspires and speaks directly to unique cultural interests and needs.





Our Pledge for Progress

Our Community

We pledge to invest more to support the unique needs of diverse, underserved communities with a focus on addressing disparities in career development, family support, housing and wellness. We'll accomplish this by:

- Working with all charitable partners supporting family health and wellness, as well as nonprofit organizations who engage in our volunteer program, to **identify, enhance and report our charitable support of BIPOC, LGBTQ+, women and People with Disabilities.**
- **Enhancing equity, economic empowerment and quality of life for women, along with Black and Hispanic communities,** with an elevated focus on our hometown of Milwaukee, including enhanced partnerships with organizations like Milwaukee Urban League, Employ Milwaukee, Acts Housing, Safe & Sound and Boys & Girls Clubs of Greater Milwaukee.

We pledge to double our spending among diverse suppliers by 2025. We'll accomplish this by:

- Creating a Supplier Diversity team to **embed and activate supplier diversity best practices across our supply chain processes.**
- Creating reporting tools and technology to **assess and track progress in supplier diversity growth.**



2020 Awards & Recognition

In 2020, we continued as signatories of the CEO Action for Diversity & Inclusion™ pledge and Metropolitan Milwaukee Association of Commerce (MMAC) Region of Choice Corporate Pledge, showcasing our commitment to advance D&I in the workplace and increase diverse representation in our hometown of Milwaukee. We also received the following recognitions:



Human Rights Campaign Corporate Equality Index (HRC CEI) - 2020 Best Places to Work for LGBTQ+ Equality

The HRC CEI is the roadmap and benchmarking tool for U.S. businesses in the evolving field of lesbian, gay, bisexual, transgender and queer equality in the workplace. Criteria for the CEI are rigorous, fair and transparent, identifying emerging best practices that improve the experiences of LGBTQ+ employees of participating businesses.



2020 DiversityInc Noteworthy Company

The DiversityInc Top 50 Companies for Diversity Process began in 2001 and is the leading assessment of diversity management in corporate America. The results are derived exclusively from corporate survey submissions from companies with at least 1,000 employees in the U.S. Companies are evaluated within the context of their own industries. The noteworthy company list is comprised of companies whose data indicates they have the potential to make The DiversityInc Top 50 in the coming years.



AnitaB.org 2020 Top Companies for Women Technologists Program Participant

Top Companies for Women Technologists is a national program from AnitaB.org that identifies key trends around the equity of women technologists in the workforce. First launched in 2011, the program helps organizations identify areas where they can improve and signals a commitment to diversity, equity and inclusion that women look for in an employer. Top Companies is the only benchmarking program that looks specifically at technical employees and awards companies that are making the most progress toward equity.



Wisconsin LGBT Chamber of Commerce BRG of the Year

This award is given to a BRG that works to support and build a culture of inclusion and acceptance. Our #PrideAtKohls group has been a leader in creating a welcoming business environment. The group supports its national partner, The Trevor Project, as well as Courage MKE locally. It also participates in the LGBTQ+ Workplace Alliance and helps advocate and support the development of Pride clothing, making a positive impact on the community and within the company.

Our People

We believe we can do more to ensure our workforce better reflects our marketplace, and to create more opportunities for career growth for all underrepresented groups.

Racial Justice

As people across the country and the world came together to protest the long-standing and systemic issues of racism, discrimination and injustice in 2020, we stood with them. As a large company — and one that serves millions of families from diverse backgrounds — we acknowledge pervasive injustices in the country and committed to actions and behaviors that will make our company, stores and the world a better place, as outlined in our D&I Pledge for Progress. In 2020, CEO Michelle Gass created a D&I task force in partnership with our D&I team, to better understand what opportunities we have, and to hold ourselves accountable for the long term. This accelerated our D&I strategy and continues to influence how we embed D&I across the business.

Talent Attraction Practices

In 2020, to further improve our effectiveness and relatability, all of our recruiters completed Unconscious Bias, Influencing, Diversity Sourcing and Diversity 101 training. We strengthened our recruiting efforts focusing on education, training and sourcing strategies for increasing our diverse talent pipeline.

This included expanding campus recruiting to include Historically Black Colleges and Universities, Hispanic Serving Institutions and having BRG members act as our representatives at campus events. We also expanded our outreach by utilizing various channels to enhance exposure to and recruiting of diverse talent, such as diverse-centric job boards, recruiting agencies, sororities and fraternities.

In the face of a virtual world in 2020, we created and executed a strategy engaging diverse external partnerships as a conduit to broaden exposure and connections in reaching diverse candidates. Partners include the African American Chamber of Wisconsin, The Harbor Institute, Hispanic Professionals of Greater Milwaukee, National Association of Black Accountants, Prospanica and Social X.



Our People

Leadership Development

We invest in executive coaching, leadership assessments, internal programs, external courses and peer networks, with a focus on identifying opportunities designed to meet the personal and professional needs of our underrepresented talent across the organization.

In 2020, we took a closer look at our leadership development programs to ensure diversity in the participant makeup. This will support our efforts to increase representation across leadership by empowering career growth and preparing more associates for leadership roles.

Performance Goal Integration

For the first time in 2020, all people leaders were required to include actions that support and strengthen our D&I efforts in their annual performance goals, to ensure our values are embodied throughout our organization and to drive real change for our people, customers and community.

D&I Training

In late 2019, we began rolling out an unconscious bias workshop to all leaders. As part of our commitment to overcoming racial injustice and fostering a diverse and inclusive workplace, we launched the required training to the full company in fiscal 2020. The learning experience was designed to help associates understand and manage blind spots and build stronger connections with colleagues, customers, partners and communities. The training is the foundation of annual required D&I training that will equip associates to continue to develop a diverse and inclusive workplace.

Additionally, in 2020, we partnered with external organizations for learning opportunities that will equip leaders on their journey to foster inclusion, manage bias and appreciate the value of differences.



Our People

Ongoing Dialogue

We're committed to listening sessions, leadership presentations and BRG engagement that serve to maintain an ongoing dialogue while championing the value of D&I.

We're Listening Sessions

To foster an open and transparent culture, it's important that leaders create a safe space for discussion and feedback. We're Listening meetings are a valuable forum for leaders to connect with associates on important topics, including D&I. Our Operating Committee facilitated sessions on D&I throughout the year and has committed to listening, learning and taking action going forward to ensure associates feel seen, heard and valued.



Brave and Courageous Conversations

Throughout 2020, our Brave and Courageous Conversations series came to life in a variety of formats to help meet the evolving needs of our associates, providing safe spaces for authentic and honest dialogue coupled with educational learning sessions led by internal and external subject matter experts. We continue to build upon our list of curated resources for our leaders and team members in an ongoing effort to support our individual and collective D&I journey both inside and outside of the organization.



D&I Resources

In 2020, we developed a D&I resource hub on our internal website for store and corporate associates to provide updates on our D&I strategy, showcase progress, empower associates to play a role in our journey and offer learning and development resources.



Our People

Business Resource Groups

We have eight BRGs with 7,500 members focused on driving business by recognizing and championing D&I in its multiple forms. In 2020, we extended the opportunity to join BRGs to all of our store associates, in addition to our existing Corporate and Distribution Center/E-Fulfillment Center associates.

The BRGs make an impact across the organization with a focus on our three D&I pillars. From a People perspective, they support our organization's cultural celebrations and offer opportunities for diverse talent to grow in their careers with leadership and mentoring opportunities. From a Customer perspective, they support our business strategy by acting as consultants and serving as focus groups for various business units across the organization. From a Community perspective, they work directly with nonprofits that connect with their communities and counsel leaders on how to make a meaningful impact in our underserved communities.



Asian Pacific BRG (2019)



Black Professionals BRG (2019)



diverseAbilities BRG (2019)



Hispanic y Latino BRG (2015)



Pride BRG (2015)



Veterans and Military BRG (2015)



Women's BRG (2018)



Young Professionals BRG (2015)

Our Customers

We believe we must be intentional about welcoming and serving diverse customers, including the products we offer, stories we tell and experiences we provide.

Launch of Diversity Design Council

In 2020, we launched an in-house Diversity Design Council to develop, purchase and curate culturally relevant products. The council consists of associates from across our Product Development and Merchandising teams and is led by our Senior Vice President of Design and Brand Management. Members are both allies and individuals whose lived experiences represent the diverse customers we aim to reach.

Marketing Agency Partnership

In 2020, we began a partnership with an agency with specific expertise in cultural consumer-facing dynamics. Leveraging their highly diverse team, we partner on multicultural insights, strategy and creative marketing solutions to continually build lasting customer relationships and strengthen our brand with multicultural audiences and the general marketplace overall.



Our Customers

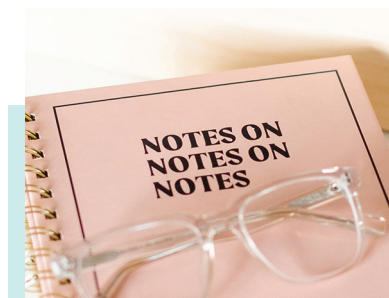
Empowering Women- & Black-Owned Businesses

As we work to reach diverse customers, we're committed to leveraging our scale, resources and expertise to empower diverse creators and businesses. In 2020, we launched nearly a dozen diverse-owned brands featuring sustainable cards; women's, men's and baby apparel; beauty and grooming products; and more through initiatives like Curated by Kohl's and Kohl's Wellness Market.

Curated by Kohl's and Kohl's Wellness Market are shop-in-shop experiences in select store locations and on Kohls.com, introducing customers to a respective revolving set of emerging brands and a selection of brands focused on health and wellness. Curated by Kohl's and Kohl's Wellness Market have enabled us to invest in diverse-founded and diverse-owned emerging businesses and help to ensure our shoppers can see themselves and their communities represented through the brands in our store.

Furthermore, our partnerships with diverse-founded and diverse-owned businesses provide an opportunity for these emerging brands to reach millions of our customers across the country.

CURATED by KOHL'S



Pretty Please Teethers



Our Customers

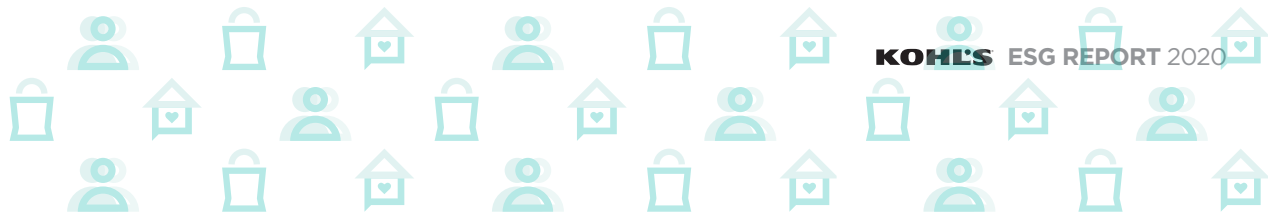
Celebrating Cultural Moments

In a year where everything was different, we made sure to celebrate key cultural moments throughout the year. We introduced product assortments to support the many customers and communities we serve, including an assortment for Pride month for customers to show their support of the LGBTQ+ community, Americana-themed products in support of military personnel and their families, adaptive clothing to make stylish, quality apparel accessible to all and a collection celebrating Hispanic Heritage. Additionally, Kohl's offers a 15% in-store discount for military personnel, veterans and their families every Monday all year long, along with an increased discount for Veterans Day weekend.

T-Shirt Collection Celebrates Togetherness

In support of the many diverse customers and communities we serve, we were proud to offer a collection of family tees that featured messages of togetherness in support of racial equality. We partnered with Milwaukee-area Black-owned business Cream City Print Lounge to design and supply a portion of the collection, which was available online at Kohls.com and in select stores nationwide. The assortment included a selection of tees from Cream City Print Lounge and other vendors across men's, women's and kids' categories.





Our Community

We believe we can help improve quality of life by supporting more equitable health and economic outcomes in our diverse and underserved communities.

Supplier Diversity

In 2020, we created a Supplier Diversity team to embed and activate supplier diversity best practices across our entire supply chain to support our pledge to double our spending among diverse suppliers by 2025.

We developed a charter that includes objectives centered on the learnings from supplier diversity organizations, best-practice webinars and industry discussions with best-in-class corporate programs. To drive charter goals, we established cross division councils for both merchandise and non-merchandise divisions to drive consistency in best practices across the entire company.

After surveying and validating the diverse status of our primary suppliers, we developed report analytics to continuously collect and measure inclusion efforts, which will enable us to set multi-year goals to drive toward a best-in-class program.

We joined external organizations that support diversity in commerce, covering businesses owned by minorities, women, LGBTQ+, veterans and people with diverse abilities. Benefits include access to best-in-class program management and support, attendance at regional and national trade fairs and access to supplier databases with thousands of diverse companies. These

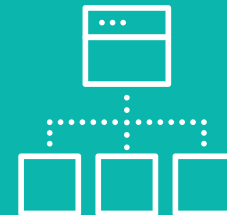
databases are used to proactively find and ensure the inclusion of diverse suppliers for opportunities in all of our sourcing events. To align with our mission of impacting the economic advancement of the communities we serve, we sponsored annual meetings for both the Regional and National Minority Supplier Diversity Council (NMSDC), further illustrating our commitment to diversity.



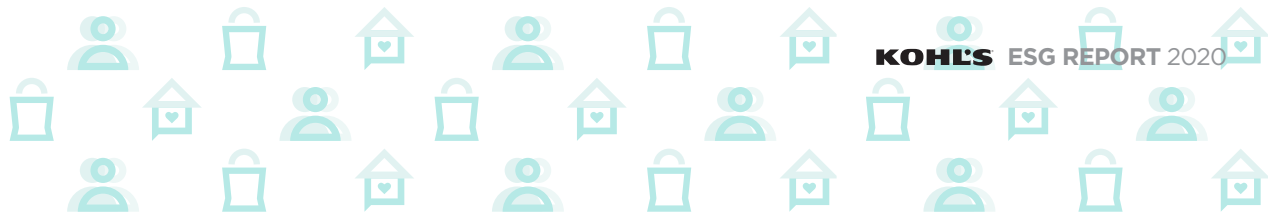
Supplier Diversity Team



Diversity in Commerce



Diverse Supplier Database



Our Community

Philanthropy

Starting with a focus in our hometown of Milwaukee, in 2020, we strengthened our commitment to the Milwaukee community with an additional \$1 million donation to five nonprofit organizations that serve diverse communities. The five benefiting nonprofits include three new hometown partners —



The Milwaukee Urban League, Employ Milwaukee and Acts Housing — and a renewed commitment to two of our existing hometown partners — Safe & Sound and Boys & Girls Clubs of Greater Milwaukee.



The partnerships reflect our joint commitment with area nonprofits to improve equity and economic empowerment for Black and Hispanic residents in underserved communities in the Milwaukee area. In addition to financial contributions, we support the nonprofit organizations through associate volunteerism, leadership engagement and creating opportunities for a talent pipeline.

This incremental donation supplements our existing efforts to support diverse communities nationwide. Through our partnerships with Alliance for a Healthier Generation, Boys & Girls Clubs of America and many local nonprofit organizations across the country, we are working to support more equitable outcomes for underserved communities.

Partnerships

In addition to our philanthropic commitments, we are contributing to the Milwaukee community through business and industry partnerships. We are continuing our commitment to the Milwaukee Metropolitan Association of Commerce (MMAC) in support of the organization's mission to improve metro Milwaukee as a place to invest capital, grow business and create jobs.

In early 2020, we signed the MMAC's Region of Choice Pledge commitment to increase the number of African-American and Hispanic/Latino employees in Metro Milwaukee by 15%, and the number of African-American and Hispanic/Latino managers in Metro Milwaukee by 25%, by 2025. The company is also a continuing member of the Greater Milwaukee Committee (GMC) in support of its mission to ensure Milwaukee is the best place to live, learn, work, play and stay, and was an early signer of the GMC's 2020 statement on racism and systemic inequities.



Workplace Benefits & Our Commitment to Associates



Workplace

Kohl's commitment to inspiring and empowering families to lead fulfilled lives starts within our walls. We operate with great clarity and an unwavering sense of purpose. We seek out talent that shares our values and we strive to support their journey toward fulfillment at work, at home and within our communities.

Attracting Top Talent

Behind our success are great teams of talented individuals who embody our values. We are committed to attracting, growing and engaging diverse talent who will drive our purpose.

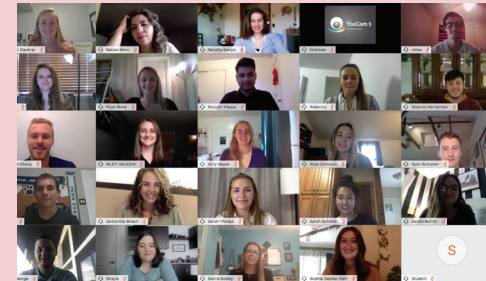
Intern Program

Many of our top performers have come to us through our nationwide intern program, where we actively recruit students from more than 150 colleges and universities. Our 2020 intern program saw nearly 500 college students bring energy and new thinking to our business. Many students transitioned into full-time roles, with 60% being hired to departments like Merchandising, Marketing, Store Management, Finance, Human Resources, Technology and Logistics.



Our 2020 Virtual Intern Program

As the country adjusted to a new normal in the summer of 2020, inclusive of social distancing guidelines and fewer in-person interactions, we were excited to be able to continue our internship program for students across the country who were seeking to explore a career in retail. We took an innovative approach and developed a virtual program to ensure interns could have a meaningful and fulfilling experience that supported their career path and our business. The seven-week paid internship program hosted 280 corporate interns from 28 states across the country virtually. That was in addition to the more than 200 interns working in stores.



Workplace

Our Commitment to Associates

Associates are the heart of our organization. We foster a workplace that champions inclusion and belonging, appreciation, everyday development and transparency. The investment we make in our associates' professional development is of critical importance. We work to keep associates feeling empowered and engaged so they can bring their whole selves to work each and every day and do their best work.

Talent Management

Our talent management team brings synergy to performance management, talent assessment, succession planning and career planning. This team provides tools, resources and best practices to ensure we have the right talent in the right roles at the right time. We are able to achieve our goals because we invest in our associates' ability to achieve theirs.



Associate Training and Team Development

From initial onboarding to high potential leadership development, we believe in training and career growth for our associates. We make efforts to stay ahead of the competition by leaning into new technologies and encouraging our associates to keep their skills fresh through our learning management system, which includes more than 600 online and in-person courses. We also provide opportunities for associates to grow together as a team through in-person or virtual courses tailored to their team needs.

Leadership Development

We invest in executive coaching, assessments, internal programs, external courses, peer networks and more. Every few years, we bring all managers from the company together to take part in Kohl's Conference. This two-day event celebrates the teams' successes and shares future innovations and priorities from top leaders of the company.



A Culture of Appreciation

Acknowledging accomplishments bolsters engagement and helps associates focus on their career paths. Our Recognizing Greatness platform is an easy-to-use tool to give shout-outs to individuals and teams who have gone above and beyond. We have received more than 2 million of these submissions since the program launched in 2015.



Workplace

Benefit Offerings

All of our associates are seen as contributors to our business success. All eligible associates receive a 100% match (up to 5% of pay) in Kohl's 401(k) Savings Plan after one year of employment. Full-time associates are offered medical, dental, vision, prescription drug, disability and life insurance coverage. Associates are also offered paid time off, including a vacation buy program. Associates are also provided a merchandise discount.

We provide a wide range of voluntary programs, such as accident protection, hospital indemnity and critical illness plans, to help associates protect and save money in the event of unexpected medical expenses. Part-time associates are offered dental, vision and supplementary life insurance. They are also offered a merchandise discount.

Our support doesn't stop there. We're proud of the ways we contribute to our associates' total well-being year-round because when they're at their best, they can bring their best to work.

Healthy Rewards

Associates can take ownership of their personal health and reduce their medical premiums by participating in our Healthy Rewards program. All associates, as well as their family members, are encouraged to participate in well-being activities throughout the year.

Wellness Centers

Our Wellness Centers are a unique benefit provided to associates at corporate locations, distribution centers, e-commerce fulfillment centers and credit and customer service centers. Preventive exams, lab services, physical therapy, health coaching and treatment for routine illnesses are administered by compassionate and experienced health care professionals. Additionally, uniquely offered at our corporate wellness center, we have pediatric care and an on-site child care center that can support up to 450 children of our associates. More than 30,000 visits were made to our Wellness Centers in 2020.

In order to respond to the changing environment, we launched a virtual care option in each of our Wellness Centers.

Partnerships

Since 2012, associates have had the opportunity to take advantage of subsidized WW (Weight Watchers reimagined) memberships to help achieve their wellness goals.



**weightwatchers
reimagined**

Total Well-Being

We empower our associates' work-life balance by giving them access to a full range of professional resources. This indispensable help comes in the form of access to certified financial planners, legal guidance, financial assistance for college and help to locate child care. Our distribution centers, e-commerce fulfillment centers and credit and customer service centers have a dedicated life resource provider to help associates address a wide range of personal concerns.



Workplace

Prioritizing Mental Health

We offer a wide variety of useful resources to support mental health, an important part of total well-being for individuals, families and communities. Offerings include:

- **Employee Assistance Program (EAP) —**
Our EAP offers confidential counseling to address mental and emotional concerns, a mental health toolkit and more.
- **Counseling Coverage —**
Our medical coverage includes in-person or virtual counseling services.
- **Mental Well-Being Activities —**
Our partnership with a digital health platform offers tips and resources on topics including managing stress and anxiety, appreciating life and more.
- **Webinars —**
Our EAP partners host a variety of webinars on mental health topics, including coping during uncertain times.
- **Business Resource Groups —**
Our Business Resource Groups share information on mental health resources that meet the specific needs of our diverse communities.
- **Support Groups —**
We offer support groups for associates, led by associates, to connect with others going through similar life situations. Examples include parenting groups for infertility and parents of children with special needs.





Philanthropy

Philanthropy

Kohl's believes healthy communities help support healthy families, so we give back to our communities with grants, resources, talent and time. In 2020, we worked to strengthen our long-standing philanthropic commitment to family health and wellness in the communities we serve.

2020: Our Response to COVID-19 and Supporting Racial Justice and Underserved Communities

Due to the unprecedented circumstances of 2020, we worked diligently to support our partners and communities as we all navigated through the impacts of COVID-19 and the national reckoning for racial justice. As every organization and nonprofit worked to adjust to the unique demands of 2020, we provided flexibility to each of our nonprofit partners to shift Kohl's grant funding to support urgent needs as events unfolded. For many partners, this included shifting to a virtual platform to ensure they could continue to provide much-needed resources for families. For others, funding was reallocated to new programs.

COVID-19

Throughout the year, we donated bottled water, N-95 masks, hand sanitizer and other cleaning supplies to various organizations, including local first responders, Boys & Girls Clubs of Greater Milwaukee, local Habitat for Humanity chapters, various food banks and Good360. In total, more than \$1.8 million worth of products were donated in 2020.

We also temporarily suspended our traditional team-based volunteer program and instead created a temporary hourly [volunteer program](#), with fewer group gatherings and more flexibility for virtual volunteering, which allowed our associates to continue to volunteer and provide financial support for eligible nonprofit organizations in their communities. Finally, we [donated \\$5 million in grants](#) through Kohl's Cares to nonprofits across the country that enrich family health and wellness.

Learn more about these philanthropic efforts throughout this section of this report.



Visit the **COVID-19** section of this report to learn more.

As the pandemic caused unprecedented financial challenges for the American Cancer Society (ACS), we worked with ACS to shift our programming funding to support the immediate needs of cancer patients and their families, including:

- **Supporting operations at the ACS National Cancer Information Center (NCIC).** In March of 2020, 80% of the calls to the NCIC were related to COVID-19.
- **Providing transportation grants to improve patients access to their cancer treatment.**
- **Supporting the establishment of a statewide cancer roundtable** in Wisconsin that allowed health providers to share strategies with the goal of increasing cancer screening amidst COVID-19.



Philanthropy

Racial Justice and Supporting Underserved Communities

As part of our larger commitment to D&I, we are working with Kohl's charitable partners supporting family health and wellness, as well as nonprofit organizations that engage in our volunteer program, to identify, enhance and report our charitable support of BIPOC, LGBTQ+, women and People with Disabilities. In addition, we are striving to enhance equity, economic empowerment and quality of life for women, along with Black and Hispanic communities, with an elevated focus on our hometown of Milwaukee as part of our D&I Pledge for Progress.

For more information on our response to racial injustice, visit the Diversity & Inclusion section of this report.

Kohl's Philanthropic Governance Committee

Our philanthropic giving is overseen by an internal Governance Committee from Community Relations, Risk and Compliance, Merchandising, Legal, Audit, Human Resources, Finance and Stores and is chaired by a member of our senior leadership team. This group of individuals provides oversight and guidance to ensure our giving reflects our values as an organization.

Kohl's Cares®

Since its inception more than 20 years ago, 100% of the net profit from the sale of Kohl's Cares® books and plush toys has been given to various nonprofits that support the health and wellness of families in our communities.

In 2020, we raised more than \$11 million for local communities across the U.S. and, since the inception of the program, have raised nearly \$385 million through Kohl's Cares® merchandise. We have our customers to thank for making this difference. Read on for a few highlights on the partners and nonprofits who benefit from Kohl's Cares®.



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National Partners

In 2019, we announced new partnerships with two national organizations, Alliance for a Healthier Generation and Boys & Girls Clubs of America to develop and implement critical programming aimed at improving the physical and emotional well-being of children and families. Since our partnerships launched, Alliance for a Healthier Generation and Boys & Girls Clubs of America have been able to achieve strong outcomes for children and their families as they navigate their wellness journeys. We are particularly proud of the work each organization is doing to not only support children's physical health but their social and emotional wellness as well.



Alliance for a Healthier Generation is using our gift of \$2 million over two years to run an innovative family health and wellness initiative, Kohl's Healthy at Home, which encourages families to prioritize a healthy lifestyle through evidence-based activities and resources. Since April 2019, Healthier Generation's programming has reached more than 12,000 schools, representing 6.7 million students.

Additionally, Kohl's Healthy at Home initiatives have reached more than 3.4 million families across the country. Healthier Generation worked with school health experts who understand the unique challenges faced by students and families this year to develop various social-emotional resources that families, parents and caregivers can use to manage stress, regulate emotions and maintain strong relationships.

On the [Feeling Healthy at Home website](#), families could explore a back-to-school toolkit, family bonding activities and self-care tips for parents and caregivers. It offered many more resources to provide families with simple ideas and inspiration to help kids feel confident while in the classroom, either in person or virtually.



Boys & Girls Clubs of America (BGCA) is using our gift of \$3 million over three years to provide comprehensive social and emotional development training to staff. BGCA has begun integrating social-emotional development into Boys & Girls Club programming curricula and staff practices that will reach 4.6 million individuals through 4,700 Club locations.

In addition to our support of Boys & Girls Clubs of America, stores across the country support local Clubs as well.

Local Giving

While we are dedicated to our long-term partnerships, we also continually look for ways to support the needs of local nonprofits that serve the well-being of our communities.

Hospital Partners

Kohl's Cares® has supported children's hospitals for decades. In 2020, we donated more than \$11 million to our hospital partners to promote healthy development, safety, wellness, chronic disease management and mental health, with much of the funding going to underserved communities.



\$11M

donated to our
Hospital Partners in 2020

A Community with Heart

Through the A Community with Heart program, store leaders across our organization identified nonprofits that are making an impact on health and wellness in their local community. The chosen nonprofits received a grant ranging from \$10,000 to \$100,000 from Kohl's Cares®. In total, Kohl's Cares provided \$5 million in grants to more than 100 nonprofits in 2020. All of these donations were a surprise to the nonprofits and a much-needed supplement to ensure their vital work continues for the communities they serve.

**A COMMUNITY
WITH**
heart

KOHL'S
Cares 



Hometown Support

Our Milwaukee-area roots are a source of pride.

We started in Milwaukee almost 60 years ago and the area remains the home of our corporate headquarters.

We believe it's vital to help make a difference in this important community. Our efforts in our hometown touch a wide range of causes, from art and culture to health and social services.

Throughout our history, we've given more than \$140 million to Milwaukee nonprofits. In 2020, we strengthened our commitment to the Milwaukee community with a \$1 million donation to five nonprofit organizations that serve diverse communities.

For more information on our response to racial injustice, visit the Diversity & Inclusion section of this report.

Hometown Partners



Volunteer Program

Community volunteering is a source of pride for Kohl's and our associates.

As an organization, we celebrate associates who donate their time to make a difference. Prior to COVID-19, in support of our associates' volunteerism, each eligible nonprofit organization received a \$500 volunteer reward for every five associates that volunteered three hours at each event.

In prioritizing our associates' health and safety during the pandemic, we made the difficult decision to temporarily suspend the program in March due to social distancing guidelines. In August, we introduced an hourly volunteer program that provided associates with safe and flexible ways to volunteer individually or in small groups while still rewarding the benefitting nonprofit with a monetary reward.

In 2020, our associates volunteered nearly 75,000 hours for more than 1,200 charities.



Volunteer Program: Giving Back During COVID-19

Thousands of volunteers were committed to giving back to their local communities. Below are just a few examples of the needed volunteer work our teams safely executed:



Social Supply Chain



Social Supply Chain Management

At Kohl's, the vendors we choose must live up to the standards defined in our social compliance process, so we have and maintain responsible sourcing. They must share our convictions, abide by our policies and operate according to our universally applied standards regarding ethics and fairness.

Responsibly sourcing products requires the collaboration of internal and external business partners. Our Product Development and Merchant departments identify product categories for proprietary brands, develop individual product styles and negotiate the purchase transaction with suppliers. The Factory Compliance team works with agents, vendor partners and facilities to assess working conditions to help ensure the fair and ethical treatment of workers and a safe and healthy work environment.

Terms of Engagement

We are committed to respecting human rights across our activities and operations. We hold ourselves to high ethical standards to create a positive social impact and we expect the same from our business partners. We require our merchandising vendors to adhere to our Terms of Engagement. The Terms of Engagement, which are posted at [Corporate.Kohls.com](https://www.kohls.com/corporate), reflect our high standards and seek to protect the human rights of workers who manufacture products procured for sale in our stores and online.

Our Terms of Engagement align with internationally recognized human rights principles developed by the United Nations, Core Conventions of the International Labour Organization (ILO) and other respected international organizations to promote and maintain fair business practices and put ethics and safety at the forefront of our business decisions.

Our vendor partners are strictly held to our Terms of Engagement, which outlines our requirements and expectations of social compliance regarding wages and benefits, working hours, prohibited use of child or forced labor (which includes, without limitation, prison, slave, or bonded labor, or human trafficking), discrimination, disciplinary practices, women's rights, legally protected rights of workers to free association, health and safety issues, environmental requirements and more.

Zero-Tolerance Policy

Our compliance philosophy focuses on continuous improvement; however, we enforce a zero-tolerance policy for certain violations of our Terms of Engagement, which will result in immediate termination of our business relationship with the facility.

In certain circumstances, merchandise produced under the following conditions will not be accepted:

- Forced labor, child labor, prison labor, bonded labor, slavery or human trafficking
- Physical or sexual abuse
- Nonpayment of wages
- Unauthorized subcontracting
- Unethical business practices: attempted bribery of social compliance, Customs Trade Partnership Against Terrorism (CTPAT), environmental or quality assurance auditors
- Trans-shipment or altering/tampering with country-of-origin markings

Our zero-tolerance policy for certain violations of our Terms of Engagement is communicated to vendor partners during meetings and through business correspondence to ensure awareness and understanding of these critical issues in an effort to eliminate human rights risks in our supply chain and ensure our goods are responsibly sourced.

Identifying Human Rights Risks

We recognize that the publication of our Terms of Engagement is only one part of achieving continuous improvement and that active assessment, auditing and training is required.

Vendor partners must share our commitment to the principles contained in our Terms of Engagement. They understand we will monitor their compliance efforts and exercise our ability to take corrective action when necessary. We work closely with our vendor partners to identify challenges and address them in a responsible manner that considers the needs and expectations of the affected vendor partner, its suppliers, workforce and our shareholders. We closely monitor social compliance and encourage our vendor partners to protect the health, safety and human rights of workers.

Proprietary Brand Vendor Partner Compliance Program Performance

Vendor and facility consolidation combined with improved facility compliance has meant fewer unannounced follow-up monitoring visits are needed. Our social compliance audit program has remained consistent for over two decades.

One key component is comparing year-to-year results to determine if progress is being made.

Non-core audit steps have been adjusted over the years to address rising human rights risks. The past five years of facility audit results have shown progress with significant declines in the number of facilities that have been deemed unauthorized to produce for us.

Our program, including vendor education, facility monitoring, remediation efforts and training, has resulted in improved and consistent social compliance at facilities producing our proprietary products.

	Compliant facilities	Noncompliant facilities	Inactive facilities	Still being monitored	Facilities visited	Monitoring visits	Factory visits not announced
2020	992	3	81	39	1,116	1,297	285 (23%)
2019	1,119	15	86	149	1,370	1,668	434 (26%)
2018	1,072	28	137	145	1,382	1,826	632 (35%)
2017	1,120	41	82	149	1,392	1,960	804 (41%)
2016	1,239	57	155	113	1,564	2,308	1,046 (45%)

Social Monitoring Visits Explained

We rely on three professional, independent, third-party audit firms to evaluate vendor partner compliance with our Terms of Engagement.

These auditing professionals are able to speak the language of the workers and management and have extensive experience monitoring social compliance on behalf of international customers. Facilities are evaluated for compliance on a regular basis. Completion of our full audit program requires a minimum two-day visit. Follow-up audits are completed in one day.

We reserve the right to review vendor partner facilities and conduct unannounced on-site inspections. Using a risk-based approach, once a facility is deemed compliant with our Terms of Engagement, we assign a risk level to determine if the facility is subject to more regular audits. Risk assessment is based on the following factors:

- Social conditions in the geographic location of the facility
- Facility management commitment toward social compliance
- Historical audit results of both vendor partner and facility (social, sustainability and CTPAT performance, as applicable)
- Open-source information
- Potential issues reported via public media

The Facility Audit Process Explained

When our auditors arrive at a facility, they conduct an opening meeting with management to review our Terms of Engagement. If access to the facility is denied, the auditor immediately notifies us. The Factory Compliance team researches facility management's reason for denying access and determines whether the facility will be granted another visit. If so, the Factory Compliance team plans an unannounced visit. After the opening meeting, the facility is toured with workers randomly selected to be interviewed. Worker interviews are conducted privately in their local language.

The content of worker interviews is kept strictly confidential from the facility and vendor partner(s). In addition, a detailed review of the facility payroll is conducted and other business records are reviewed to evaluate compliance with each provision of our Terms of Engagement. In particular, age verification documentation is reviewed for selected workers to ensure that facility management does not employ child labor.

Worker time records and wage payments are closely scrutinized to validate compliance with our Terms of Engagement. During each facility visit, our independent auditor documents all deficiencies related to our Terms of Engagement.

At the conclusion of a facility audit, the auditor summarizes and discusses each deficiency with facility management to facilitate immediate corrective action. The audit report is sent to the Factory Compliance team for review and we work with our vendor partners and facility to implement corrective actions. Third-party follow-up audits are performed, as needed, to monitor the deficiency remediation process.

Appropriate action is taken if we identify noncompliance with our Terms of Engagement. Depending on the severity, actions may include working with our vendor partner and facility to ensure adequate steps are taken to address deficiencies, canceling affected orders or even terminating the business relationship. Whenever possible, we work toward improvement and attempt to bring noncompliant facilities into compliance rather than terminating the business relationship.

Automating the Process

Upon conclusion of a facility audit, an online Corrective Action Plan (CAP) is created for the facility management, vendor partner, agent (if applicable) and Kohl's to update as deficiencies are remediated by the facility. All business partners can submit questions, make comments on deficiencies and upload pictures to support their corrections.

We track the collaborative efforts of our business partners and work to ensure corrective actions occur without delay. CAPs are designed to drive improved compliance performance and provide visibility throughout the audit process. Since the implementation of the automated CAP process in spring 2018, the CAP completion rate has more than exceeded 95%.

Abiding Practices

Doing business with us means abiding by all of the laws that govern our industry. We require our merchandise partners to adhere to laws and treaties, both domestic and international, and our Terms of Engagement that align with internationally recognized human rights principles developed by the United Nations, Core Conventions of the International Labour Organization (ILO) core labor standards and other respected international organizations. We enforce compliance with independent, professional third parties and diligently monitor our supply chain.

To manage industry trends and consumer demands, we continue to implement policies and programs into our supply chain to help ensure that our human rights commitments are met. In the past several years, we have taken steps to consolidate our vendor and facility base so that we partner more closely with like-minded vendors and facilities regarding the commitment to human rights and fair, safe working conditions. Vendor and facility compliance with our Terms of Engagement is a threshold determination whether or not the production of our proprietary goods may be placed at a facility. We review production capacities and working conditions prior to placing production in order to support our commitment to human rights. To align with rising social challenges, we updated our Terms of Engagement and released the updated version to all vendor partners and facilities in 2020.

Forced Labor/Human Trafficking

Our business partners must not use any type of forced, prison, bonded or indentured, or labor acquired through slavery or human trafficking in the purchasing of raw materials, production materials, manufacturing or finishing of products.

This includes labor that is provided under duress, financial obligation or improper oversight. Working must be voluntary and workers must be free to leave work and terminate their employment or other work status at any time. Workers must not be required to pay any fees, make any monetary deposits or surrender any original identification documents as a condition of employment.

To support responsible recruitment efforts established by the Fair Labor Association (FLA), our partners must ensure fair treatment of foreign and migrant workers in facilities by eliminating conditions that can lead to the exploitation of this vulnerable population. It is the expectation of the vendor and facility partners to provide transparency and apply additional due diligence to prevent forced labor in any form within our supply chain.

Forced Labor – Cotton

We do not knowingly carry products that are made, in whole or in part, using cotton originating from any country that condones the use of child or forced labor. Our vendor partners and their suppliers are prohibited from using child or forced labor to produce goods in accordance with Kohl's Terms of Engagement.

As part of our commitment to zero tolerance of forced and child labor within our supply chain, our vendor partners have been reminded that sourcing from regions that utilize forced labor is strictly prohibited and, to that end, are required in writing to confirm that they are not sourcing from these regions. We will continue to monitor and assess the risk associated with high-risk raw materials and regions of production to ensure compliance with our Terms of Engagement.

Facility Sustainability and the Higg Index

Our commitment to sustainability is grounded in the belief that we need to actively address the challenges facing our industry and the world in which we live.

We are dedicated to reducing our environmental footprint and upholding workers' fundamental rights within the facilities producing our goods and our supply chain.

To assist us in driving facility social and environmental improvements, we use the Higg Index. The Higg Index is a suite of tools that accurately measures sustainability performance and assists us with making more-sustainable choices when it comes to supply chain and facility performance. It delivers a holistic overview that empowers us to make meaningful improvements that protect the well-being of factory workers, local communities and the environment.

We use the Higg Index to benchmark ourselves and the sustainability efforts of the facilities involved in the production of our goods. We require all approved facilities producing private and exclusive branded products to complete the Higg Facility Environmental Module (FEM). The Higg FEM assesses energy use, greenhouse gas and air emissions, water use, wastewater, waste management, environmental management systems and chemical management.

In addition, in 2021, our strategic suppliers are required to complete the Higg Brand and Retail Module (BRM) and the Higg Facility Social and Labor Module (FSLM). When the facilities that produce our goods operate more sustainably, they are also operating more efficiently using less water, energy, chemicals and creating less waste.

For more information on our sustainability efforts, please refer to the Environmental Sustainability section of this report.



Conflict Minerals

We expect all vendor partners to ensure that merchandise sold to us is free of any conflict minerals.

Conflict minerals are tin, tantalum, tungsten, or gold sold to finance conflict in the Democratic Republic of Congo or an adjoining country. We have put in place policies, a due diligence framework and management systems to help ensure our vendor partners' compliance with this expectation and to enable us to comply with the reporting requirements of the Security and Exchange Commission's Conflict Minerals Rule.

We have engaged an outside firm with specialized expertise in mapping and tracing supply chains to support our conflict minerals compliance program. We expect vendor partners to establish their own due diligence programs to ensure conflict-free supply chains and take any other steps necessary to abide by our policies and the contractual commitments provided to us. View the Kohl's Policy on Conflict Minerals and [Kohl's Conflict Minerals Report](#) for further details.

We are a member of the Responsible Minerals Initiative (RMI), which helps companies make informed choices about conflict minerals in their supply chains. RMI membership provides access to Reasonable Country of Origin Inquiry, country of origin information associated with facilities that are validated through the Responsible Minerals Assurance Program and access to the latest information and insight about developments on regional issues, sourcing initiatives and regulatory schemes in support of responsible sourcing.

Clean Diamond Trade Act

On July 29, 2003, the Clean Diamond Trade Act was implemented, requiring rough diamonds imported or exported from the United States to be controlled through an internationally recognized certification system that guarantees diamonds as conflict-free, the Kimberley Process Certification.

All diamond jewelry suppliers must verify that the merchandise they sell to us is legitimately sourced and meets the requirements of the Clean Diamond Trade Act and the Kimberley Process Certification and ensure that merchandise sold does not contain diamonds involved in funding conflict.

California Transparency Supply Chain Act

Our Terms of Engagement further require compliance with the California Transparency in Supply Chains Act. The Act, implemented in January 2012, requires large retail sellers and manufacturers doing business in California with annual worldwide gross receipts that exceed \$100 million to provide disclosures about their "efforts to eradicate slavery and trafficking in their direct supply chains for tangible goods offered for sale."

Our Terms of Engagement strictly prohibit the use of any type of forced, prison, bonded, or indentured labor in the purchasing of raw materials, production materials, manufacturing or finishing of the products we order, including without limitation, prison and slave labor or human trafficking.

Training Vendors in Kohl's Compliance

Our social compliance team works with vendors, finished goods facilities, subcontractors and key raw material suppliers and engages both management and workers to review performance and drive improvements.

We work closely with supply chain partners to go beyond regulatory compliance to create a positive impact on workers' lives. We provide training to and regularly communicate with our partners regarding our Terms of Engagement and expectations of compliance.

Vendor training sessions provide a forum for two-way communication regarding requirements and country-level political, cultural, social and economic issues faced by the facilities. Our vendor partners are invited to training based on their identified risk level, newness to our organization or historical audit results. We focus our initiatives on building capacity with proprietary brand vendors and facilities but do include national brand vendors if circumstances warrant.

Our training sessions cover a number of topics, including:

- Expectations for suppliers
- Terms of Engagement definitions
- Best practices
- Site verification methods
- Indicators of noncompliance
- Facility assessment reporting
- Remediation methods
- Compliance improvement
- Sustainability efforts
- CTPAT minimum security criteria

Training sessions to reinforce our Terms of Engagement and our commitment to human rights are also conducted by our main buying agent, incorporating input from our Factory Compliance team. In 2020, training sessions were limited due to COVID-19 travel restrictions, but virtual training was offered to vendors and facilities over COVID-19 workplace safety, modern slavery, responsible recruitment and Higg FEM and VFEM.

We encourage our vendor partners to develop their own internal social, CTPAT and sustainability compliance functions to raise awareness and drive performance improvements. In addition, facilities approved to produce our proprietary goods must have our Terms of Engagement, which includes a grievance channel available for workers to raise complaints or concerns, posted on their wall in a readily accessible location, in the language of the workers, to ensure awareness of our expectations.

It's also key that our associates understand the importance of our Terms of Engagement. Social, CTPAT and sustainability compliance training are available to all associates. We regularly conduct instructor-led training sessions for Product Development and Merchant associates regarding our Terms of Engagement requirements.

For relevant associates who have direct responsibility for supply chain management, we provide targeted training on human trafficking, slavery, child labor and forced, prison or indentured labor, particularly with respect to identifying and mitigating risks within our supply chain.

Social Responsibility Committee

Our Social Responsibility Committee guides the direction, assessment and continuous improvement of our social compliance program. The Committee is composed of executives, including our Chief Executive Officer, Chief Merchandising Officer, Chief Risk and Compliance Officer and senior leadership from departments with responsibility for business operations, including Merchants, Product Development, Legal and Risk & Compliance. The Social Responsibility Committee gathers biannually to discuss governance, strategic initiatives and ensure partner compliance with our social requirements.

Communication on Industry Issues

Retailers face varied challenges throughout their supply chains. Our Terms of Engagement are clearly communicated to our partners during vendor meetings, through business correspondence and through our vendor portal. New proprietary brand vendors receive new vendor documentation, including a Certification of Compliance with All Legal Obligations form, to be signed and returned by a principal of the vendor partner. In addition, our Terms of Engagement and Purchase Order Terms and Conditions set forth the contractual framework to emphasize the importance of the topics described in this report. As new human rights concerns arise, supplementary certifications are required.

Our Social Compliance Team

Social, economic, environmental and risk management considerations are integrated into our purchasing processes. Our human rights policy commitments are approved and communicated at the Board of Directors level and the Audit Committee has oversight of these policies.

Our Chief Risk and Compliance Officer, who reports to our Chief Executive Officer, has oversight of Factory Compliance and implementation of our human rights commitments.

The Social Compliance Team includes a Senior Manager of Factory Compliance, who leads a dedicated team of highly experienced compliance associates responsible for the day-to-day administration of the social, CTPAT and sustainability compliance program. This team is independent of the Product Development and Merchandising departments.

Therefore, day-to-day decisions regarding the social compliance status of facilities used to produce our proprietary brand merchandise are made by associates not involved in purchase negotiation to prevent potential conflicts of interest and promote good governance. Our governance policies and business strategies include risk management activities to help provide the consistent, efficient and socially compliant supply chain necessary to achieve our long-term financial performance goals.

Partnering for the Common Good

Social responsibility is an integral part of our business. To deliver and create real change in the industry, we recognize the need to work in partnership with others. Forging partnerships to drive change is an essential part of our ESG strategy. These alliances offer a common benchmark to assess our own decisions and they also provide the entire industry with the critical mass needed to enact meaningful change.

Supplier Compliance Audit Network

Supplier Compliance Audit Network (SCAN) is an organization of U.S. and Canada-based importers with a common goal of facilitating international supply chain security compliance and endorsing the efforts of U.S. Customs and Border Protection (CBP), Customs Trade Partnership Against Terrorism (CTPAT) and Minimum Security Criteria (MSC).

We have been a member of SCAN since August 2018. SCAN provides invaluable assistance in helping to standardize supply chain security audits to prevent multiple audits from being conducted over the same facility. SCAN members, including many of the world's top importers, can now participate in a "shared audit" to help reduce duplicative audits at facilities. SCAN has performed more than 12,840 supply chain security audits in 63 countries and has identified more than 18,658 shared facilities within the SCAN Audit Sharing Network.

Kohl's Participation in Better Work Programs

We participate in the International Labour Organization's (ILO) Better Work Vietnam (BWV), Better Work Nicaragua (BWN) and Better Work Indonesia (BWI) programs that cooperate with facilities to improve human rights performance and strengthen labor standards in export garment industries.

Better Work assesses facilities and provides advisory services to improve compliance with ILO core labor standards and national laws regarding compensation, contracts, occupational health and safety, and working hours. Select facilities are monitored by BWV, BWN and BWI to minimize audit fatigue from our own scheduled visits. This process allows facility management more time to focus on corrective action and sustainable, continual improvement.

Nirapon

Founded in 2019, Nirapon built upon the work of the Alliance for Bangladesh Worker Safety ("Alliance"), supported by 21 brands and serving over 600 factories. As a founding member of the Alliance and commitment to sustaining the culture of facility safety in Bangladesh, we joined Nirapon.

Nirapon is committed to helping the facilities from which its members source develop a sustainable culture of safety through safety oversight, partnering with well-respected training providers, remediation, capacity building and maintaining an effective helpline.

Values, Ethics, Human Rights & Governance



Kohl's ESG efforts derive from our strong values

This is reflected in our Code of Ethics, Global Human Rights Policy, Business Partner Code of Conduct and Corporate Governance Guidelines.

Our Values

The values we share as an organization remind us of how we conduct business and connect with people daily. Our four core values are known throughout the organization.



We put customers first.

We see customers as a constant source of inspiration and guidance. We take a “yes we can” approach to everything we do and are passionate about supporting the communities and causes our customers and associates care about.



We build great teams.

We actively promote the empowerment, engagement and the continuous development of all associates. We communicate openly and embrace diverse perspectives. We support a culture of recognition and celebrate greatness across all teams.



We act with integrity.

We earn trust by living up to our commitments. We treat others with respect and fairness, and we make decisions that support the organization's reputation.



We drive results.

We work with a sense of urgency and accountability. We seek out information to make smart decisions and we offer up new ideas and solutions beyond the status quo.

Ethics

We are committed to the highest integrity standards and maintain a Code of Ethics to guide ethical decision-making for associates. As a company of integrity, we expect our associates to be honest and accountable. We require associates to take annual ethics training, which is refreshed each year to cover relevant topics. The training helps connect ethics to an associate's day-to-day job responsibilities and promotes honesty, integrity and fairness.

We encourage our associates, customers, business partners and stakeholders to raise concerns through [Kohl's Integrity Hotline](#). Anonymous reporting is available and we prohibit retaliation against any party for raising concerns in good faith.

Additionally, we have established a Business Partner Code of Conduct to assist our third-party contractors in identifying ethical issues that may arise. We expect our business partners to conduct business in a lawful, ethical manner and to report any concerns or potential violations.

To learn more about our Ethics program, visit Corporate.Kohls.com.



A World's Most Ethical Company

For the past two years, we have been recognized as one of the World's Most Ethical Companies by the Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practices. In 2020, 130 honorees were recognized, spanning 21 countries and 51 industries.

We were one of only two honorees in the retail industry. We were among honorees recognized for being a driving force for improving communities, building a capable and empowered workforce and fostering a corporate culture focused on ethics and a strong sense of purpose.

Global Human Rights Policy

We are built on a foundation of integrity that we uphold and exemplify every day. These values are more than a commitment to those we serve; they are fundamental to every aspect of our business. Our intention will always be to act and make decisions that are in accordance with our purpose and with our values. We are committed to embedding respect for human rights throughout our entire business, including our associates, those in our supply chain and the communities in which we operate. Our Human Rights Policy applies to our workforce, our suppliers, our partners and our customers.

We continuously evaluate our operations and value chain to identify, assess and address salient human rights risks, engage key stakeholders and prioritize key areas where we have the greatest opportunity to have a positive impact on people and communities. The Chief Risk and Compliance Officer and Chief People Officer are responsible for overseeing Kohl's Human Rights Policy. The implementation of the policy is overseen by senior executives and led by a cross-functional team. The Board of Directors reviews our progress on human rights at least annually. We are committed to periodically reporting on human rights impacts in this report.

We implement our responsibility to human rights through our existing commitments laid out in our Purpose and Values statements, Code of Ethics, Business Partner Code of Conduct, Terms of Engagement (TOE) and business programs covered in this report. Our approach on human rights is guided by internationally recognized principles as articulated in United Nations

Guiding Principles on Business and Human Rights, Core Conventions of the International Labour Organization (ILO), ILO Declaration on Fundamental Principles and Rights at Work, UN Universal Declaration of Human Rights, International Bill of Human Rights, United Nations Women Empowerment Principles and UNICEF's Children's Rights and Business.

We communicate the expectations of this Kohl's Human Rights Policy and provide training to our associates and business partners on topics covered within our Code of Ethics, Business Partner Code of Conduct and TOE, including how to submit anonymous complaints to Kohl's Integrity Hotline. We are committed to providing our associates and business partners with appropriate access to grievance mechanisms and remedial action. Anyone who violates or fails to report a violation of our policies, regulations or the applicable laws intended to respect human rights is subject to disciplinary action, up to and including termination. All instances will be fully investigated and resolved in a fair, unbiased manner.

Our associates and business partners are free to report violations or concerns through one of several channels available to them without fear of reprisal, as detailed in our existing commitments. Retaliation against anyone who reports a concern in good faith will not be tolerated and is a violation of our Code of Ethics. The Kohl's Integrity Hotline is available to our entire value chain for reporting concerns.

Governance

Responsible corporate citizenship is an important part of our company's values and we are committed to incorporating socially responsible principles into our daily business activities. Our governance practices form the foundation for how we manage risk, ensure accountability and provide transparency to our stakeholders. To learn more about our practices and review our governance documents, please visit Corporate.Kohls.com.



Workforce Safety, Health & Well-Being



Workforce Safety, Health & Well-Being

Feeling safe and secure is important to the total well-being of Kohl's associates and customers. We lead initiatives that ensure the way we communicate, work and develop our product enables our customers and associates to shop, work and engage in a safe environment.

2020 Recognition

Risk Innovator Award

We are a current recipient of the Risk Innovator Award. First recognized in 2019 by Riskconnect, a leading provider of Risk Management Information Systems, the award honors Risk Management programs that are on the cutting edge of technology and innovation. We were recognized as being at the forefront of technology use in identifying problems and creating solutions to make a safer place for associates to work and our customers to shop.

Theodore Roosevelt Workers' Compensation and Disability Management Award

We are a current recipient of the Theodore Roosevelt Workers' Compensation and Disability Management Award, the Teddy Award. First awarded in 2019, this honor recognizes well-rounded programs that take a holistic approach to workers' compensation, injury prevention and disability management.



Workforce Safety, Health & Well-Being

Safety is part of our culture. We take the safety of our associates, customers and vendors seriously. Our associates participate in a robust, customized training curriculum that covers common compliance topics and educates associates on key elements that will help drive safe behaviors in our buildings. Associates also participate in a variety of safety initiatives designed at improving overall associate well-being.

We recognize how much time our distribution associates spend on their feet and how important it is that they have a quality pair of shoes. To that end, we teamed up with one of our key vendor partners, Skechers, to offer our associates a great quality shoe at a reduced cost. Since the program's inception, more than 6,500 associates have taken advantage of the offer. We have seen a 39% decrease in associate claim rates year over year.

To help improve safety and risk mitigation, the Risk Management team collaborates with leaders across the organization to ensure that safety stays at the forefront of business decisions.

Because our continued efforts to identify and eliminate risks, customer and associate injury claims have decreased by more than 18% over the past five years. According to a 2019 benchmark study by AON, we continue to show lower workers' compensation and customer accident loss costs when compared to the big box and department store business segments.

Additionally, our injury and illness rate of 2.64 also compares favorably to the national average of 3.70 for department stores, as published by the Bureau of Labor Statistics.

We continue to make enhancements to the way our stores are built and operated in an effort to create a safer shopping experience for our customers. We also continue to pursue innovative ways to educate our teams on safety. Associates at our stores, distribution and e-fulfillment centers receive specialized training to enhance our safety culture and reduce associate accidents.

Enhancing Associate Health and Recovery

Along with our customers, we put our associates' health and well-being first.

To keep our workforce healthy, we support our distribution and e-fulfillment centers with on-site Wellness Centers to provide medical care, wellness checks and immediate on-site treatment should one of our associates become injured.

Additionally, in all of our locations across the country, we provide our associates with medical assistance for work-related injuries through a 24/7 nurse triage line. This nurse line gives every associate immediate access to medical professionals.

Beyond providing our associates with medical resources and peace of mind at the beginning of an injury, we have revamped our nurse program to make sure that the same level of care carries through the duration of an associate's claim. Through our nurse partnership with Paradigm, we created a nursing model specific to Kohl's with dedicated telephonic case managers and a designated nurse advocate. Our nurses understand our values and make sure they treat all of our associates in the best way possible. Treating our associates with dignity and acting with integrity is an integral part of our workers' compensation process.

Between our Wellness Centers, nurse line and nurse program, preferred medical provider program and overall treatment options, our greatest success is in helping our associates recover and get back to work as appropriate. We will accommodate injured associates regardless of restrictions, and we have revised our guidelines and best practices to ensure an associate is going into the Transitional Program only if they cannot be accommodated in a regular position. As such, we can assist our associates to get back to work in their regular roles much faster. This creates a feeling of goodwill for the associate and helps the company to be more productive for our customers.



Product Safety



Product Safety

We scrutinize our proprietary-branded products through our corporate testing program to make sure they hold up to our product safety and quality standards. We also conduct rigorous product testing at independent third-party laboratories. Our Product Integrity and Quality Assurance departments work tirelessly to deliver a safe, quality product to our customers.



Cybersecurity & Privacy



Cybersecurity & Privacy

As part of our vision to be the most trusted retailer of choice for the active and casual lifestyle, we believe trust is critical to our brand. An important part of that trust is how we treat the personal information we collect.

Privacy

We understand that customers, associates and business partners entrust their personal information with us, and we have a responsibility to those individuals to respect their privacy rights. Our Privacy Policy provides transparency into the information we collect, how we use that information and our commitment to follow all applicable laws governing that information. Additionally, our privacy program ensures individuals' privacy rights are fulfilled to the extent required by law. Our cross-functional Privacy Committee is responsible for identifying and managing privacy risks, with oversight from senior leaders in Risk and Compliance, Technology, Financial Services, Marketing and Legal.

[Privacy Policy](#)

Cybersecurity

We consider all personal information as a critical asset and have a robust cybersecurity program to protect those assets accordingly. Our information cybersecurity program is tied to industry frameworks, requires training for all associates and includes a comprehensive breach response plan.



Business Continuity, Crisis Management & Disaster Preparedness



Business Continuity, Crisis Management & Disaster Preparedness

We have a business continuity function dedicated to supporting the well-being of associates and customers in times of natural disaster, pandemic, civil unrest, active threat and other unplanned incidents. Our crisis management team also facilitates annual exercises to ensure disaster plans are comprehensive and resilient.

Business Continuity

Our business continuity team is led by our Chief Risk and Compliance Officer, who reports directly to our Chief Executive Officer. To navigate through the incident management life cycle, the team ensures preparedness, supports impacted locations, leads cross-functional exchanges of information and suggests actions to mitigate risk across the business.

Active Threat

Each year, training sessions occur to prepare associates for business disrupting incidents. All associates are required to complete active threat training which provides strategies for personal safety and response in alignment with the US Department of Homeland Security guidelines. A mass notification system is used to alert associates on building closures, provide operational updates, and check on their safety and well-being.

Crisis Management and Disaster Preparedness

Our crisis management team is made up of senior leadership and provides guidance throughout crises. Additional preparation for natural disasters, including hurricanes, tornadoes, wildfires and earthquakes, is performed annually.

To see how this team supported our response to the global pandemic, visit the COVID-19 Response section of this report.