

**K**♥**HLS** cares

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2023 REPORT

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**Tom Kingsbury**

Chief Executive Officer, Kohl's

## DEAR STAKEHOLDERS,

At Kohl's, caring about our customers, associates, and communities is at the heart of what we do. We take our responsibility as a strong corporate citizen seriously and we are proud to share our progress in this year's Kohl's Cares Report.

Throughout company history, we've given more than \$875 million to nonprofits nationwide supporting family health and wellness. In 2023, we continued to focus on mental health programming. We are proud of our major national partners including: Boys & Girls Club of America; Alliance for a Healthier Generation; and the National Alliance on Mental Illness (NAMI). In 2023, we renewed our partnership with NAMI and announced a \$3 million commitment to Children's Wisconsin that will support the opening of three mental health walk-in clinic locations in Wisconsin.

Our support goes beyond funding. Our associates continue to show how they care for their communities through our Kohl's Volunteer Program. Last year alone, associates volunteered more than 90,000 hours for more than 2,000 nonprofit organizations. We also have our customers to thank for helping raise more than \$14 million through our Kohl's Cares Goods for Good™ program, which donates 100% of the net profit to nonprofits that support family health and wellness.

As an employer, we are committed to cultivating a great work environment for our Kohl's associates. We want to attract, develop and retain talented associates who work together in service of taking care of our customers. We foster a workplace where respect, empathy and inclusion thrive.

Through collaboration with our associates, vendors and customers, we continue to support our sustainability initiatives across the key areas of climate action, waste and recycling, and responsible sourcing. I'm proud to share that Kohl's was once again recognized as one of the World's Most Ethical Companies by the Ethisphere Institute, included on the Dow Jones Sustainability North America Index, and honored for our Climate Change Response at the CDP's Leadership Level.

As we look forward, we will continue to evolve and adapt our processes in all of these efforts. It takes all of us to make a positive impact, and I'm grateful for the associates and customers who continue to help make this work come to life.

A handwritten signature in black ink that reads "Tom Kingsbury". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Chief Executive Officer, Kohl's

**OUR PURPOSE AT KOHL'S**

# to take care of families' realest moments

To do this, we provide incredible value and great products for every families' needs. We also invest in our customers' well-being by continuing to make progress towards our environmental, social and governance (ESG) commitments, and by giving back to the communities we serve. At Kohl's, our values are built around something we do extremely well – we CARE. We are Customer-First, Accountable, Resourceful, and Empathetic. As a leading retailer with a large national footprint, Kohl's is committed to keeping care at the center of everything we do. These values that we share as an organization determine how we conduct our business.



## ABOUT THIS REPORT

This report provides information for our partners, shareholders, customers, and associates regarding our ESG progress. Our reporting includes internal measurements and, in several cases, our reporting is guided by industry-recognized standards and frameworks including the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD), United Nations Sustainable Development Goals (SDG) and the Carbon Disclosure Project (CDP) Climate Disclosures.

In defining our reporting boundary, we consider operational control to ensure comprehensive coverage of the contents of this report. This includes facilities and operations where Kohl's has significant control over day-to-day management and decision-making processes (stores, distribution centers, and eCommerce fulfillment centers with locations across 49 states, excluding Hawaii).

Please visit our [Investor Relations website](#) for more information about Kohl's SDGs, SASB Index, TCFD Report and EEO-1 Component 1 report.

## REPORTING PERIOD

This report covers the fiscal year 2023 (January 29, 2023 to February 3, 2024) unless otherwise indicated.

## MORE INFORMATION

For more information about our history, business, sales growth, stores and more, see our 2023 Fact Book at [Corporate.Kohls.com](#).

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



# Awards & Highlights

More than **\$14M**

**raised for local communities** across the U.S. through Kohl's Cares Goods for Good™

**\$6M**

**commitment** over three years to National Alliance on Mental Illness (NAMI)

More than **92K** hours

**volunteered by associates** for more than 2,000 nonprofit organizations

**96%**

of our stores are **ENERGY STAR®** certified as of CY 2023

**229**

**LED retrofits completed** in CY 2023

**10K**

**Business Resource Group (BRG) members**



**23**

**diverse- or women-owned or founded brands launched**

as part of our limited-time curated assortment featuring women's, men's, and baby apparel, beauty and grooming products, and more



**6th** consecutive year  
Member of **Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA

named to the Dow Jones Sustainability Index (DJSI) North America listing

**5th** consecutive year  


receiving an A- CDP Ranking

**5th** consecutive year

AnitaB Top Companies for Women Technologists



**4th** consecutive year

DiversityInc Top 50





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# Family Health and Wellness

# Philanthropy

Kohl's believes healthy communities help support healthy families, so we give back to our communities with grants, resources, talent, and time.

In 2023, we worked to strengthen our long-standing philanthropic commitment to family health and wellness, including mental health, in the communities we serve.



**\$875+**  
**million**

given throughout  
company history

## KOHLS cares goods for good

Since its inception more than 20 years ago, 100% of the net profit from the sale of Kohl's Cares Goods for Good™ books and plush toys has been given to various nonprofits that support the health and wellness of families in our communities. In 2023, we raised more than \$14 million for local communities across the U.S. and, since the inception of the program, have raised more than \$425 million through Kohl's Cares Goods for Good 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 Goods for Good.



# National Partnerships



## NATIONAL ALLIANCE ON MENTAL ILLNESS

In 2023, we renewed our national partnership with National Alliance on Mental Illness (NAMI) with a commitment of \$6 million over three years to expand mental health support groups and provide additional mental health programming and resources for individuals across the country. Through this grant, NAMI will continue to broaden its reach through new support groups with a focus on serving diverse communities, training and outreach programs, and educational campaigns. Including the 2023 partnership renewal, Kohl's Cares has committed \$8 million total to NAMI since 2021.



## SESAME WORKSHOP

To further showcase our support of mental health awareness, in 2023 Kohl's Cares committed \$1 million over two years to support Sesame Workshop's emotional well-being initiative and focus on mental health for the whole family, including the creation of a video series. In addition to Sesame Workshop's distribution on their website and social media channels, we shared the videos internally with associates and their families.



BOYS & GIRLS CLUBS OF AMERICA



## BOYS & GIRLS CLUBS OF AMERICA

In 2023, we continued our partnership with Boys & Girls Clubs of America, which began in 2019. Our partnership is rooted in Kohl's Cares \$10 million commitment over three years to support the development and delivery of trauma-informed training to BGCA staff. As part of the partnership, Kohl's is also a Signature Sponsor of BGCA's annual Youth of the Year program, further illustrating the company's support of youth across the nation.



## ALLIANCE FOR A HEALTHIER GENERATION

Now in the third year of our grant with Alliance for a Healthier Generation, they continue to expand and scale their innovative family health and wellness initiative, *Kohl's Healthy at Home*. Kohl's Cares made a \$5 million commitment to Alliance for a Healthier Generation in 2021 across three years. The initiative, which launched in 2019, is rooted in health equity and works closely with schools and community partners to inspire families to prioritize a healthy lifestyle. Consisting of a multimedia hub of proven tips, activities, and resources designed for parents and caregivers, *Kohl's Healthy at Home* helps to make healthy choices easier for families.



# Giving Programs

## KOHL'S HOMETOWN GIVING PROGRAM

Kohl's Hometown Giving Program allows Kohl's to broaden its support of impactful organizations that make a difference in the Greater Milwaukee and Waukesha communities, expanding upon traditional hometown partnerships. Through this program, we awarded more than \$500,000 in total donations to more than 25 deserving nonprofit organizations. Through the Kohl's Hometown Giving Program, which launched in 2017, the company has donated more than \$3 million to more than 100 nonprofit organizations in the Milwaukee and Waukesha areas.

## KOHL'S NATIONAL GIVEBACK INITIATIVE

In celebration of the holidays and the season of giving, we donated \$5 million to 200 nonprofits across the country through our National Giveback Initiative in support of improving family health and wellness. Each nonprofit was encouraged to apply by a Kohl's associate and received a \$25,000 grant. In total, Kohl's Cares has donated more than \$29 million to nonprofits through this giving program since 2018. In addition to a number of local chapters from our national partners at Boys & Girls Clubs of America and the National Alliance on Mental Illness, a few of the other organizations receiving funding include:



## LUV MICHAEL, NEW YORK

Luv Michael is dedicated to training, educating, and employing autistic adults and improving the lives of those in the autistic community. This grant will help support their partnership with Surfers Healing, which is an initiative dedicated to enriching the lives of individuals with autism through the therapeutic benefits of surfing.

## LOS ANGELES REGIONAL FOOD BANK, CA

The Los Angeles Regional Food Bank's critical hunger-relief programs serve food-insecure individuals and families in Los Angeles County. With this grant, the LA Regional Food Bank will support underserved communities through direct programs and its network of more than 600 partner agencies.

## KIDZ K'NECT RESOURCE CENTER, TEXAS

Kidz K'nect provides resources that build, empower, and support kids, families and communities to overcome educational, economic, social, financial, and physical challenges. Through this grant, Kidz K'nect will expand their math and reading, music and muscles, and gardening programs.

## GIGI'S PLAYHOUSE ROCKFORD, ILLINOIS

GiGi's Playhouse Rockford is dedicated to inspiring and empowering individuals with Down syndrome to succeed in life. With a lifelong commitment of 100% free support and services tailored to address the universal challenges of individuals with Down syndrome, they offer educational, therapeutic-based and career development programs that encourage participants to make purposeful progressions and allow them to become their "Best of All." This grant will help fund the nearly 20 year-round programs that operate at the Rockford Playhouse.

## ADDITIONAL SUPPORT & OVERSIGHT

### IN-KIND DONATIONS

Through in-kind donations, Kohl's simultaneously reduces waste and supports family health and wellness nonprofits in the community. Over the past year, Kohl's has donated a surplus of brand and beauty merchandise to nonprofits in our communities. In total, Kohl's donated products with a retail value of more than \$9 million to local nonprofits, Kohl's hometown partners, Project Glimmer, and Good360.



To view the full list of nonprofits receiving Kohl's National Giveback Initiative grants by state, [please click here](#).

### KOHL'S PHILANTHROPIC GOVERNANCE COMMITTEE

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

# Hometown Support



Our hometown roots are a source of pride. We started in the Milwaukee area more than 60 years ago, and it continues to be the home of our corporate headquarters today. 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 arts and culture to health and social services. Throughout our history, we've committed more than \$160 million to Milwaukee nonprofits, including more than \$7 million in 2023 to the following organizations:



### DISCOVERY WORLD

Kohl's funding helps maintain and enhance the Kohl's Design It! Lab, which welcomes summer campers to explore STEAM (Science, Technology, Engineering, the Arts and Mathematics) programming firsthand. For museum guests, Kohl's Design It! Lab is included in the price of admission. When school is in session, Discovery World delivers a range of educational programs to participating groups and supports school curriculum with age-appropriate projects. It is also relaunching outreach efforts to better serve communities where they are by bringing a tangible presence to neighborhoods.

### AMERICAN CANCER SOCIETY

Kohl's funding supports the *Kohl's Healthy Families* program, which removes barriers to cancer prevention, screening, diagnosis, and treatment of cancer for communities bearing a disproportionate cancer burden in Southeastern Wisconsin.

### MILWAUKEE PUBLIC MUSEUM

Kohl's grant supports Kohl's Thank You Thursday, which offers free admission to every visitor on the first Thursday of each month; so far, more than 30,000 people have been served annually.

### CHILDREN'S WISCONSIN

Kohl's support builds on the organization's continued work to raise awareness, remove barriers, and make critical mental health services more accessible to youth and families across the state. Funding, which was made possible through Kohl's Cares Goods for Good, will allow Children's Wisconsin to open three additional mental health walk-in clinic locations in Wisconsin.



### COA YOUTH & FAMILY CENTERS

Kohl's support expands Kohl's Explore Your Future events for teens and provides daily programs for youth so they have a safe environment during hours when school is not in session. Additional opportunities are also being funded for youth and teens to engage in STEM programming and gain a greater understanding of STEM opportunities and college/career paths.



### HUNGER TASK FORCE

Kohl's funding will strengthen the organization's mission of ensuring everyone in the Milwaukee community has access to nutritious food. The grant, which is a continuation of Kohl's and Hunger Task Force's 15-year partnership, will address current food donation shortages and help ensure an average of 31,000 individuals a month have access to free, healthy food options. Support will be directed to Hunger Task Force's network of 68 food pantries, homeless shelters, senior dining sites, and soup kitchens, and providing children free meals this summer through the Milwaukee Summer Meals program.

# Volunteer Program

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

Kohl's associates support their communities year-round by volunteering their time with local nonprofits. In recognition of their efforts, Kohl's donates \$25 in rewards to the nonprofit for every approved volunteer hour. In 2023, our associates volunteered more than 92,000 hours for more than 2,000 nonprofit organizations.

Periodically throughout the year, associates are encouraged to double their impact by supporting company-wide initiatives. During the 2023 April Spring into Service initiative, associates volunteered more than 21,000 hours nationwide and grants were doubled for every hour volunteered. Additionally, to support the company's DEI goals and commitments, our Business Resource Groups sponsored a month-long volunteer initiative in July in which rewards were also doubled, providing even more support for their community.



**HONOR FLIGHT  
BLUEGRASS  
CHAPTER**

Honor Flight Bluegrass is an Honor Flight Network Chapter based in Louisville, Ky., created to honor America's WWII, Korean, and Vietnam War veterans for all their sacrifices.

On September 5, 2023, our volunteers helped with welcoming veterans home, pushing wheelchairs, and providing support to Honor Flight to create a memorable experience for all.

**MOOSE  
CHARITIES**



Moose Charities has the primary goal of providing the necessary resources for the continued support and maintenance of the Mooseheart Child City & School and the Moosehaven retirement community in Mooseheart, Ill.

On April 22, 2023, volunteers came to the Mooseheart Child City campus to help with groundskeeping and campus beautification.



**UTAH  
FOOD  
BANK**

Utah Food Bank has the objective of serving those in need throughout the state of Utah. They work tirelessly with community partners and volunteers to continue making an impact and fulfilling their mission of Fighting Hunger Statewide.

On July 11, 2023, Kohl's associates helped sort food donations to get them ready to deliver to the facilities. Volunteers sorted and boxed public food donations into categories. Their efforts resulted in roughly 1,500 pounds of food that was boxed and sent to food pantries across the Salt Lake Valley.

**LETTUCE  
WORK  
FOUNDATION**



Lettuce Work Foundation is a social enterprise dedicated to helping young adults with autism make a successful transition from high school into the workplace in New Albany, Ohio.

On April 28, 2023, Kohl's volunteers helped with various garden and nursery tasks.

**LIBERTY  
MANOR FOR  
VETERANS**



Liberty Manor provides housing to disabled and homeless veterans who do not suffer from any addictions yet have fallen victim to homelessness in Tampa, Fla.

On April 19, 2023, Kohl's volunteers helped with many different activities such as landscaping, house cleaning, and grilling.



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# Diversity, Equity and Inclusion

# Diversity, Equity and Inclusion

At Kohl's, we believe that understanding and embracing our differences is fundamental to creating an inclusive environment for all. It's not just the right thing to do; it is critical in driving a diverse workforce and enhancing the brand experience, which drives business success. This work is not about some of our associates, it is about and for all of them.

## OUR COMMITMENT TO DIVERSITY, EQUITY AND INCLUSION

We are committed to our Diversity, Equity and Inclusion (DEI) strategy focused on Our People, Our Customers, and Our Community. This strategy guides how we are embedding DEI throughout our business by being intentional about our programs and practices and holding ourselves accountable by measuring our results and progress.



## AWARDS & RECOGNITION

In 2023, we received the following national recognitions:



### DiversityInc Top 50:

Leading assessment of diversity management in corporate America. **(4th year recognized)**



### AnitaB Top Companies for Women Technologists:

Recognizes companies committed to building workplaces where women in technology can thrive. **(5th year recognized)**



### Seramount Top Companies for Executive Women:

Evaluated everything that impacts working mothers, including parental leave, phasing back, fertility, benefits, adoption, child- and dependent -care benefits, flexible scheduling, mentoring, sponsorship and opportunities for advancement. **(3rd year recognized)**



### Seramount Inclusion Index:

Assesses corporate efforts to hire and promote under-recognized groups, measures efforts to create inclusive cultures, and holds leaders and managers accountable for results. **(2nd year recognized)**

### Newsweek's America's Greatest Workplaces for LGBTQ+:

This award assesses an organization's ability to create an environment where all employees feel valued and respected, regardless of their sexual orientation or gender identity. **(1st year recognized)**

### Newsweek's America's Greatest Workplaces for Women:

This award evaluates companies on metrics including gender equality, compensation and benefits, work-life balance and proactive management of diversity. **(1st year recognized)**

# 2025 Goals and Progress

Our DEI strategy helps drive our business and supports our associates.



## OUR PEOPLE

We strive to be purposeful in attracting, growing, and engaging a more diverse workforce to better reflect our customer base. Along this journey, we're championing the value and strength of our differences to foster a workplace of inclusion and belonging.

**GOAL: Measure Kohl's total workforce population demographics and strive to reflect diversity across the organization**

**PROGRESS:** Kohl's reports total workforce population demographics in its EEO-1 report

**GOAL: Provide enhanced internal programs and practices that support diversity, inclusion and representation in our director-and-above roles**

**PROGRESS:** Our talent pipeline has allowed us to maintain BIPOC representation and increase female representation in our director-and-above roles. In 2023, females represented more than 46% of director-and-above roles.

**GOAL: Achieve an ongoing 80+ engagement score among our BIPOC associate group and BRG members**

**PROGRESS:** Kohl's 2023 BIPOC associate and BRG member engagement score was slightly above 80

1 BIPOC includes Asian, Native Hawaiian/Pacific Islander, Black/African American, Hispanic and Latino, Native American/Alaska Native, and individuals of two or more races

## 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.

**GOAL: Increase our BIPOC customer count by 5%**

**PROGRESS:** BIPOC customer count increased by 2.7% last year

**GOAL: Increase customer satisfaction with BIPOC shoppers**

**PROGRESS:** While overall BIPOC customer satisfaction remained the same year over year, we did see progress with Hispanic customers

## OUR COMMUNITY

We strive to drive economic empowerment through conversations, programs, and partnerships that improve the quality of life in the communities we serve.

**GOAL: Increase our spend with diverse suppliers**

**PROGRESS:** Increased our spend with diverse suppliers by 5% compared to last year and nearly doubled since 2019

Increased our diverse supplier count by 29% compared to last year and tripled since 2019

**GOAL: Commit \$20 million to diverse communities from 2022 to 2025, specifically Asian American, Native Hawaiian and Pacific Islander (AANHPI), Black, Indigenous and People of Color (BIPOC), LGBTQIA+, people with disabilities, veterans and active military members, and women**

**PROGRESS:** Since 2022, Kohl's Cares has committed more than \$10 million of our \$20 million goal, putting us well on track to meet our 2025 goal

# Our People

To help drive our business, we want our team of associates to reflect our diverse customer base.

## To do this, we will:

- ▶ To take action to reflect diversity across our associate population.
- ▶ Maintain strong inclusion and address opportunities to strengthen belonging among women, LGBTQIA+, associates with disabilities, Asian American, Native Hawaiian and Pacific Islander (AANHPI), and BIPOC associates.



## TALENT ATTRACTION AND RETENTION PRACTICES

We believe that a workforce comprised of different backgrounds, perspectives, and lived experiences leads to greater innovation and collaboration, helping us achieve our business objectives, by reflecting our customer base and serving new customers. We have taken several steps to expand our talent pool and find the right associates who will help drive our business forward.

In 2023, we strengthened our recruitment efforts by focusing on our sourcing strategies to help increase our talent pipeline. We also strengthened our reputation as a workplace of inclusion and belonging, helping us attract talent in a competitive market.

Kohl's has approximately 100,000 associates across the country, of which nearly 47% self-identify as BIPOC and 77% self-identify as female. Of our management population, approximately 27% self-identify as BIPOC, and approximately 63% self-identify as female. This data is based on the Kohl's 2023 EEO-1 Report.



# Our People

Kohl's has eight BRGs with approximately 10,000 unique members focused on driving the business by recognizing and championing diversity, equity and inclusion.

## BUSINESS RESOURCE GROUPS (BRGS)

The BRGs are inherently inclusive groups because they are open to all associates; they welcome all allies, not just the community they represent. The BRGs were created based on employee feedback, which helps drive business insights. Led by associate volunteers, the BRGs require minimal budgets and resources but are still able to make an impact across the organization with a focus on Our People, Our Customers and Our Community.

Throughout the year, associates are encouraged to participate in volunteer events led by our BRGs. Additionally, our BRGs sponsored a month-long volunteer initiative in July in which rewards were doubled, providing even more support for their community. In 2023, our BRGs volunteered more than 14,000 hours in support of more than 920 events across the country.



### BRG VOLUNTEER EVENTS



ASIAN PACIFIC BRG



BLACK PROFESSIONALS BRG



DIVERSE ABILITIES BRG



HISPANIC Y LATINO BRG



PRIDE BRG



VETERANS & MILITARY BRG



WOMEN OF KOHL'S BRG



YOUNG PROFESSIONALS BRG



# Our Customers

We believe we must be intentional about celebrating individuality and welcoming and serving customers of all backgrounds and perspectives. This not only makes us a more inclusive company, but helps us grow our business by reaching and serving new customers.

We help customers see themselves reflected in our brands and experiences by celebrating cultural moments, empowering diverse-owned brands and creating culturally relevant products in partnership with our Diversity Customer Council.

▶ We work to increase relevance among Black, Hispanic and Latino customers.

## MARKETING STRATEGY

Our marketing campaigns came to life by recognizing cultural moments, styling, casting representation, and relevant storytelling through various media platforms, which enabled us to reach more diverse customers with more inclusive content and language. In addition to expanding our casting to capture multigenerational families, we aim to ensure the inclusion of ethnic, family, age and body diversity, along with special needs and individuality in our marketing campaigns.

As part of our in-store marketing, we continue to feature diverse-owned and -founded brands, along with utilizing skin-tone and size-inclusive and adaptive mannequins.

## PRODUCT STRATEGY

In 2023, we offered intentional and meaningful collections that provide more relevant product for our diverse consumers. Our in-house Diversity Customer Council (DCC) helps to drive authenticity in our product design, give associates an opportunity to share their community and culture, and create a more inclusive experience for all customers



## RUNWAY OF DREAMS

Since 2019, Kohl's has been a proud sponsor of Runway of Dreams Foundation, a nonprofit organization that seeks to empower people with disabilities with confidence and self-expression through fashion and beauty inclusion, which directly aligns with our ongoing efforts to champion diversity, equity and inclusion across our business.

At the show, Kohl's introduced an assortment of Nine West women's adaptive apparel. Kohl's has added even more adaptive choices for women and men across its Sonoma Goods For Life® and Tek Gear® only-at-Kohl's brands and will continue to offer inclusive styles for children across apparel and footwear.



# Our Community

We believe that supporting more equitable health and economic outcomes can improve the quality of life in our diverse communities.

## SUPPLIER DIVERSITY

In 2023, we continued to provide access to embed and activate supplier diversity best practices across merchandising and non-merchandising supply chains to support diversity in our supplier base. We leveraged the Supplier Diversity Council, comprising leaders from across the business, and the resources and networks of six external national business groups to connect and build relationships with certified underrepresented suppliers.



- ▶ We work to increase our spend among diverse suppliers by 2025.
- ▶ We will invest more than \$20 million by 2025 to support diverse communities.

## PHILANTHROPY

Kohl's is committed to providing \$20 million in support to diverse communities from 2022 to 2025, specifically Asian American, Native Hawaiian and Pacific Islander (AANHPI), Black, Indigenous and People of Color (BIPOC), LGBTQIA+, people with disabilities, veterans and active military members, and women. Since 2022, Kohl's Cares committed more than \$10 million, putting the company on track to meet our 2025 goal.

While most of our philanthropic partnerships and Kohl's Cares grants support diverse communities, only donations from nonprofits that can be verified through self-disclosed demographic information or specific programmatic work will count toward our \$20 million goal.

For multi-year grants, we report giving based on the total grant in the year we commit to the funding, which means some donations based on commitments made prior to 2022 are not included.





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# Workplace, Benefits & Our Commitment to Associates

# Workplace

Kohl's commitment to living our values 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 our associates at work, at home, and within our communities.

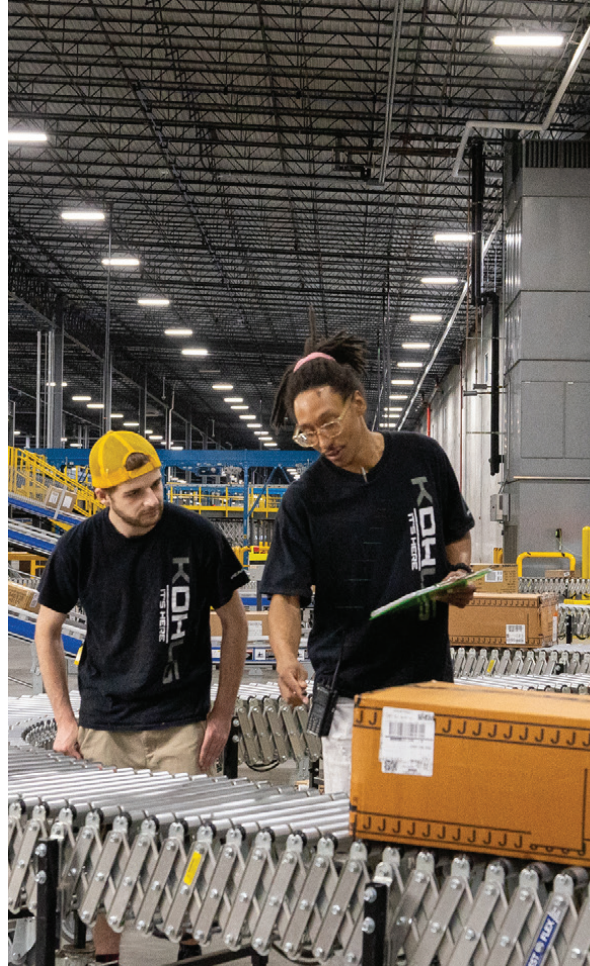
## ATTRACTING TOP TALENT

Behind our success are great teams of talented individuals who embody our values. To attract top associates, we've enhanced our hiring practices to leverage new recruitment tools and have expanded search parameters to reach diverse candidates for career opportunities at every level of the organization. Additionally, we are focused on making more meaningful connections with colleges, universities and organizations to broaden our reach and engage with underrepresented talent.

The average hourly wage of full-time store and distribution center associates at the end of the year was \$18.50. The average hourly wage of all store and distribution center associates at the end of the year was \$15.83. All hourly start rates are well above the federal minimum wage.

## INTERNSHIPS

To continue to build a best-in-class internship experience in 2023, we were excited to offer a hybrid internship experience across our corporate locations, including our Corporate Headquarters, New York Design Office and our Bay Area Hub, a remote experience for several of our technology interns, and a fully in-person experience in our stores and e-commerce fulfillment centers. Our 2023 intern program included over 650 college students from nearly 260 different universities across more than 40 states, bringing new energy and thinking to our business. More than 300 corporate and e-commerce fulfillment center interns participated in a 10-week paid internship program, while an additional 350 store interns took part in an eight-week program. Many students will transition to full-time roles in corporate departments like Merchandising, Marketing, Finance, Human Resources, Technology, and Logistics, as well as entry-level store and e-commerce fulfillment center leadership roles.



# Our Commitment to Associates

Associates are the heart of our organization. We foster a workplace where respect, empathy and inclusion thrive.

The investment we make in our associates' professional development is important to us. We work to keep associates feeling empowered and engaged so they can 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 that 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

To be at our best for our customers, teammates and culture, we need to learn and grow every day. From initial onboarding to high-potential leadership development, we believe in training and career growth for our associates. We encourage our associates to keep their skills fresh through different mediums ranging from live workshops to on-demand skills training available through our online library of courses. We also offer training to teams that provide skills and mindsets to help them perform at their highest level. Additionally, our development teams throughout the company provide job-specific training to ensure all associates have the tools they need to excel in their jobs and serve our customers.



## LEADERSHIP DEVELOPMENT

Our leadership development programs are designed to prepare associates for their next role by building relevant skills, behaviors and mindsets needed for career growth and advancement. We've invested in executive coaching, leadership assessments, internal programs, external courses, and peer networks, with a focus on identifying opportunities designed to meet the unique personal and professional needs of our talent across the organization. We leverage versatile leadership coaching that enables leaders to reach their potential personally and professionally.

## FOCUS ON MENTAL HEALTH AND WELL-BEING

At Kohl's, our leaders play an important role in creating a culture of care. A major focus in 2023 was to promote and support mental health and well-being. Leaders had the opportunity to participate in development programs and training with a goal to foster a safe and inclusive culture where associates feel comfortable engaging in open conversations.

## 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 2.9 million of these submissions since the program launched in 2015.

# 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, life insurance coverage, and long-term care coverage. For associates based at our corporate headquarters, on-site daycare is offered. Additionally, we provide a 10% tuition discount at any Learning Care Group center for children ages birth to 12. Parental leave is paid at 100% for both our hourly and exempt associates. Both full-time and eligible part-time associates are offered fully funded tuition for high school completion, select certificates and undergraduate degrees.

We provide a wide range of voluntary programs, such as pet insurance, group auto and home insurance, 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 a new primary care health and pharmacy plan, dental, vision, and supplementary life insurance.

Associates are also offered paid time off, including a vacation buy program, and provided a merchandise discount ranging from 15-35%.

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 spouse/domestic partner, are encouraged to participate in well-being activities throughout the year.

## WELLNESS CENTERS

Our Wellness Centers are a unique benefit provided to all associates at corporate and credit locations, distribution centers, and e-commerce fulfillment centers. New in 2023, store associates, and their eligible family members, within a 50-mile range of select Wellness Centers now have access to care at these facilities. 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, at our corporate location, an on-site child care center that can support up to 450 children of our associates. More than 31,000 visits were made to our Wellness Centers in CY 2023. We also offer virtual care, which launched in 2016.

## Be *well* at Kohl's

### TOTAL WELL-BEING

Mental health is a critical component of our total well-being. To help foster our associates' total well-being, we've elevated our workplace culture to better support our associates' mental well-being journeys. Be Well at Kohl's provides resources, benefits, offerings, and more for associates and their families that focus on mental well-being and health, including:

- ▶ **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 and Wellness Center partners host a variety of webinars on mental health topics, including mindfulness, suicide awareness, mental health awareness, and more.
- ▶ **Business Resource Groups**  
Our Business Resource Groups share information on mental health resources that meet the specific needs of our diverse and inclusive workforce.
- ▶ **Support Groups**  
We offer support groups for associates, led by associates, to connect with others going through similar life situations. For example, Healing Together is a support group that focuses on infertility and pregnancy loss. We also offer parenting groups for adoption and fostering and parents of children with special needs.
- ▶ **Leader Resources**  
We continue to give leaders tools to create and cultivate a caring culture, such as mental health check-in questions, training, videos, and online tool kits specific to leading and supporting teams.



07

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# Responsible Solutions

# Environmental Sustainability

At Kohl's, we believe that incorporating sustainable solutions in the way we do business will help to build better futures for families and aid in protecting our planet's natural resources.

With such a large retail footprint, we believe we have a responsibility to make a positive impact on the planet, and have set environmental sustainability goals to ensure that impact is forward-looking. Our sustainability strategy is guided by leveraging business practices and decisions that enhance the objectives of the United Nations Sustainable Development Goals (SDG).

We believe that oversight of our environmental, social, and governance strategy is essential to sustain the long-term interests of all stakeholders. Kohl's Nominating and ESG Committee is responsible for oversight of ESG matters.

As laid out in Kohl's Environmental Policy, we are committed to protecting biodiversity throughout our value chain by supporting responsible practices to help manage and reduce our impact on climate, water, materials, resources, and chemicals. We are also committed to maintaining compliance with all applicable environmental laws and regulations, as well as consulting with stakeholders on environmental issues.

Kohl's has an Environmental, Health and Safety (EHS) Information Management System (IMS) for all stores and distribution centers. The EHS IMS records safety and environmental compliance data, training completion records, and overall EHS performance, allowing us to monitor data and effectively manage inspections, upcoming permit expiration, and create simple and actionable data representation in various formats.

In partnership with Kohl's environmental consultants, Kohl's conducts quarterly reviews of the EHS IMS data to ensure its continued suitability, adequacy, and effectiveness. Reviews are conducted by a cross-functional team and cover audit results, communications, KPIs, and progress against objectives and targets.

*Kohl's conducted its first double materiality risk assessment by engaging internal and external stakeholders on ESG topics to identify and prioritize areas of focus.*

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





# 2025 Goals and Progress

## CLIMATE CHANGE

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

GOAL	PROGRESS
------	----------

**Reduce combined scope 1 and scope 2 greenhouse gas emissions by 50% versus 2014 baseline by 2025**

- ▶ 52% reduction in scope 1 and 2, CY 2023

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

- ▶ 33% reduction in energy consumption since 2008, CY 2023

**Expand renewable energy platforms by building off of the company's existing solar locations**

- ▶ 172 solar locations

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

- ▶ Since 2018, Kohl's has added 76 charging locations, bringing the total number of locations offering EV charging to 172.

## 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.

GOAL	PROGRESS
------	----------

**Divert 85% of Kohl's U.S. operational waste from landfills annually**

- ▶ 82.8% of waste was diverted from landfills, CY 2023

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

- ▶ 100% of shipping bags and boxes
- ▶ 100% of in-store shopping bags
- ▶ 100% of only-at-Kohl's brand shoeboxes

*Kohl's is moving forward with How2Recycle product packaging in the home goods category.*

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

- ▶ We are poised to see over a 15% reduction in plastic bag material per package.
- ▶ 82% of our apparel and accessories packaging was sourced with certified or recyclable content
- ▶ 95% of our labels on garments were sourced with certified recycled content
- ▶ Nearly 100% of our estimated 1.9 million pounds of branded apparel packaging paper has been converted to Forest Stewardship Council-certified paper

## RESPONSIBLE SOURCING

Our responsible sourcing goals for only-at-Kohl's brand products are focused on the efficient use of natural resources and environmentally sound management of chemicals.

GOAL	PROGRESS
------	----------

**Require all approved facilities producing only-at-Kohl's brand products to complete the Higg Index Environmental Module by 2025**

- ▶ 100% of approved facilities were required to complete the Higg Index Facility Environmental Module (FEM) in CY 2023, 85% of all approved facilities completed the Higg FEM.
- ▶ Our strategic suppliers were required to complete the Higg VFEM and the Higg FSLM.

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

- ▶ Higg FEM 2022 performance analysis for water-intensive facilities continued to show that our suppliers located in the most water-stressed regions already have strong water management practices in place.
- ▶ Kohl's completed a water risk assessment using the World Resources Institute's (WRI) Aqueduct Water Risk Atlas to map areas of water risks across our global supply chain. Kohl's will continue to engage with its vendors, especially those located in high water stress regions, to build their capacity, identify opportunities to reduce water consumption, and proliferate best practices.
- ▶ Our strategic suppliers are specifically audited for their water usage, reflecting a continuing commitment to water reduction, which aligns with our minimum score requirements.

**Emphasize the elimination and reduction of certain chemicals and strive for zero discharge of hazardous chemicals in tier 1 suppliers for select only-at-Kohl's branded product in scope (textile, apparel, leather and footwear)**

- ▶ Our Manufacturing Restricted Substance List (MRSL) is aligned with the Zero Discharge of Hazardous Chemicals (ZDHC) MRSL.
- ▶ 100% of our only-at-Kohl's brand textile towels, pillows, sheets, curtains, and rugs are MADE IN GREEN or STANDARD 100 by OEKO-TEX®.

**Achieve 100% responsibly sourced cotton for only-at-Kohl's brands by 2025**

- ▶ 60% of cotton for only-at-Kohl's brands was responsibly sourced in CY 2023

**Require 50% of polyester styles to contain recycled materials in only-at-Kohl's brands by 2025**

- ▶ 21% of our only-at-Kohl's brand polyester styles produced in FY 2023 contain recycled polyester

# Awards and Partnerships

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



Kohl's was named to the Dow Jones Sustainability Index (DJSI) North America listing for the sixth consecutive year (2018-2023), 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.



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



The Higg Index is a suite of tools that measures several environmental and social impacts, delivering a holistic overview of supply chain factory compliance and sustainability performance. We use it to make more-sustainable choices when it comes to supply chain and facility performance.



As an EPA ENERGY STAR® partner since 1998, we were selected as a 2023 ENERGY STAR® Partner of the Year winner for Sustained Excellence, an honor reserved for partners demonstrating outstanding leadership year over year.



We actively serve on the advisory board of the Wisconsin Sustainable Business Council (WSBC) and received the Green Masters Award in 2023 for our performance across multiple initiatives.



We report emissions data and climate management strategies annually to the Carbon Disclosure Project (CDP). We achieved a Leadership level A- for the fifth consecutive year on the 2023 Climate Change disclosure.



As a shipping partner, we were recognized on the EPA SmartWay® 2023 High Performer List as an industry leader in the environmental and energy performance of our freight supply chain.



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.



As part of the Science Based Targets initiative (SBTi), Kohl's has developed greenhouse gas reduction targets with climate science and the core commitment of the Paris Agreement.



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



We became a member of the Sustainable Packaging Coalition (SPC)® in 2022. The SPC is the leading voice on sustainable packaging and is a collaborative of businesses, educational institutions, and government agencies that collectively strengthen and advance the business case for more sustainable packaging.



A member of the U.S. Department of Energy's Better Climate Challenge since 2021, we are committed to reducing our scope 1 and 2 greenhouse gas emissions.



As a participant in the U.S. Department of Energy's Better Building Challenge since 2012, we are committed to reducing our energy use.

# Climate Change

We realize the magnitude of climate change and are committed to doing our part in the global fight against climate change, incorporating environmentally responsible practices into all of our business operations and to be an environmental leader in our industry.

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. Additionally, Kohl's is committed to reducing our carbon footprint to reach net zero by 2050.

We are focused on reducing our carbon footprint by investing in renewable energy, increasing energy efficiency and cutting energy consumption, both within our business and across our supply chain.

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Kohl's climate-related disclosures have been guided by using the TCFD framework since 2021, which assists companies in more effectively disclosing climate-related risks and opportunities. We continue to leverage industry standards including the TCFD framework and recommendations as we further our progress and commitment to managing climate-related issues.

## 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, manage, disclose, and ultimately reduce our environmental impacts. As a result of our continuing efforts, we were awarded CDP's A- ranking in 2023. This is the fifth consecutive year we have been recognized at the CDP's Leadership Level, demonstrating a significant acknowledgment of our continued commitment to climate action.

## BOARD OVERSIGHT

Our governance practices form the foundation for how we manage risk, ensure accountability, and provide transparency to our stakeholders. The Nominating and ESG Committee of Kohl's Board of Directors actively oversees our ESG initiatives to understand both risks and growth opportunities, as well as progress made against the company's goals. The Nominating and ESG Committee receives regular updates on ESG topics from management and provides reports to the full Board of Directors. Kohl's Board plays a vital role in shaping and supporting our long-term ESG strategies while addressing the Board's oversight responsibilities related to the management and performance of ESG commitments, all of which are essential to sustain the long-term interest of all stakeholders.

## MANAGEMENT ROLE

The Chief Risk & Compliance Officer has ultimate responsibility for overseeing our climate strategy. As part of the Risk Reduction Committee, the CRCO is responsible for assessing and managing climate risks and opportunities. Our Risk Reduction Committee allows for collaboration across key departments, includes members of the executive team and leverages a number of different means to monitor and manage our environmental risks. The Committee's input on climate-related issues provides key support to the Board.

## CLIMATE-RELATED RISKS

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.

## CLIMATE RISK MANAGEMENT

ESG-related risks are an important component of Kohl's overall Enterprise Risk Management (ERM) program. Kohl's ERM program establishes procedures, protocols and leadership actions to identify and mitigate key risks. Risks are identified through industry-specific benchmarking, review of the regulatory environment, macro-economic analysis and brand reputation considerations. Risks are assessed based on type, velocity as well as the potential impact to stakeholders. Environmental risk is one of Kohl's key ERM risks including a number of climate-related factors affecting multiple stakeholder groups. We integrate climate-related issues into our annual risk assessments, ensuring that climate risks are incorporated into our overall business strategy, providing flexibility to react quickly to address and manage current or emerging risks.



View [Kohl's TCFD Report](#) here

# Climate Change – Metrics & Targets

Kohl's climate action goals are focused on the reduction of greenhouse gas emissions and increase of renewable energy use. We are committed to reducing our combined scope 1 and 2 greenhouse gas emissions by 50% versus a 2014 baseline by 2025.

## GOAL

### SCIENCE BASED TARGET INITIATIVE (SBTi)

In July 2021, we strengthened our climate leadership by joining the Science Based Targets initiative. Through SBTi, we have developed greenhouse gas reduction targets with climate science and the core commitment of the Paris Agreement. Since 2007, we have set emissions goals through our CDP reporting and in 2019 we announced our goals publicly. We are continuing to work with SBTi and industry leading partners to set and reach our science-based emissions reduction targets.

### BETTER CLIMATE CHALLENGE PARTNER

In November 2021, we were one of the first companies to join the U.S. Department of Energy's Better Climate Challenge, strengthening our commitment to reduce our greenhouse gas emissions. As a partner in the challenge, we share our carbon reduction progress and strategies to help other organizations build on our success.

### SUPPORTING BEE POPULATIONS

At our Corporate offices in Menomonee Falls, we are supporting the bee population and protecting native species and biodiversity by investing in five hives on site that support 250,000 bees. In 2023, the honey produced was sold to associates at our corporate campus.



# Climate Change – Metrics & Targets

We actively track our scope 1, 2, and 3 emissions and report these metrics annually. Our greenhouse gas emissions are regularly audited and data is third-party verified annually.

**GOAL**

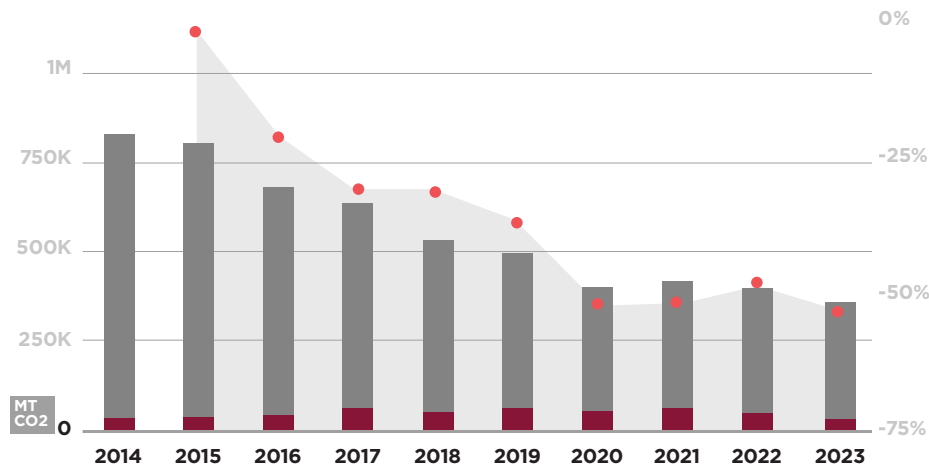
## GREENHOUSE GAS EMISSIONS

The following charts show emissions data and carbon intensity verified to the International Organization for Standardization 14064-3:2019. At the end of CY 2023 we achieved a total of 52% reduction in our scope 1 and 2 emissions based on a 2014 baseline and methodology.

### ANNUAL GREENHOUSE GAS EMISSIONS

(Calendar Year)

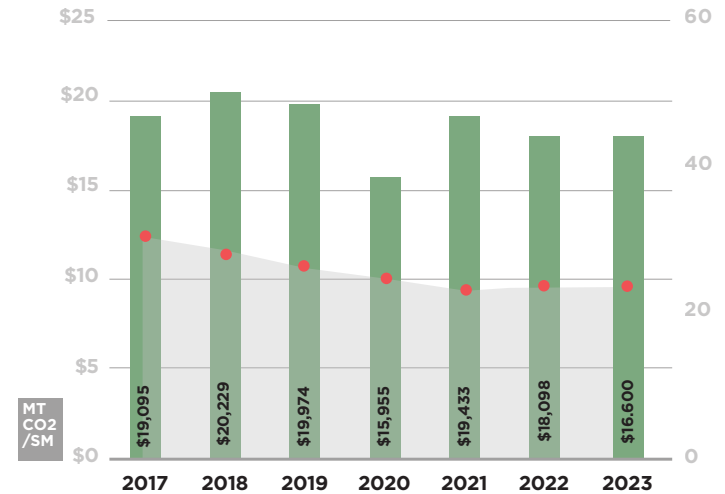
Scope 1
Scope 2
% Change in Scope 1+2 vs 2014\*



### CARBON INTENSITY

(Scopes 1 & 2)

Total Annual Revenue (\$M)
Carbon Intensity Scope 1 & 2



**Scope 1:** Direct Emissions from Kohl's operations.

**Scope 2:** Indirect Emissions from the generation of purchased energy. Calculated using a location-based method.

\*This chart represents our progress against Kohl's 2025 Scope 1 & 2 reduction goals using a 2014 base year.

As of 2024, Kohl's has established an SBTi aligned emissions reduction target inclusive of Scope 3 emissions.

Please see Kohl's public CDP disclosure for additional detail on our Scope 3 progress.

\*\*Greenhouse gas emissions from 2020-2022 were significantly lower than a typical year due to COVID-19 disruptions.

Kohl's defines its organizational boundary using the Operational Control Approach. All emissions from assets and facilities over which the company has operational control are included in the reporting boundary.

# Energy Efficiency

**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 versus a 2008 baseline by 2025

▶ **GOAL** ▶ **NEW GOAL**

We are committed across our facilities to responsibly manage our energy use, improve efficiency, and increase our renewable energy to lessen the impact of our operations.

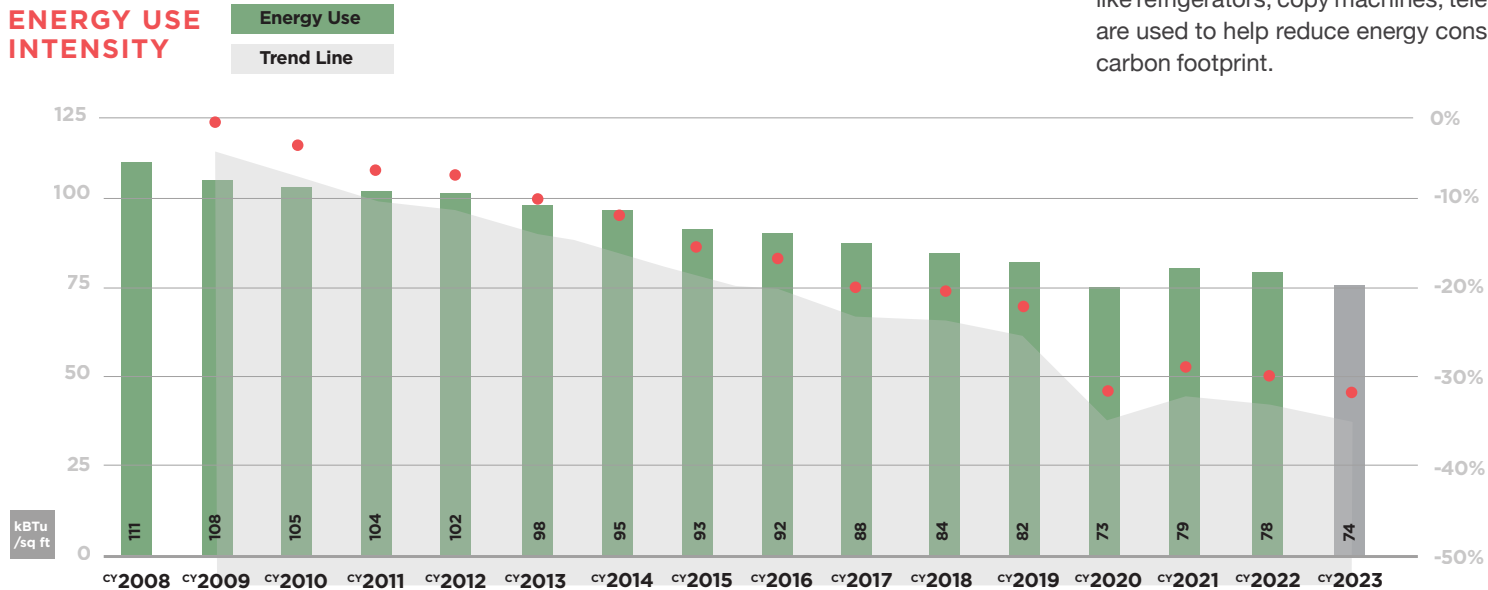
## BETTER BUILDINGS CHALLENGE ACHIEVER

As a participant in the U.S. Department of Energy's Better Building Challenge, Kohl's committed to a 20% energy reduction by 2020. Kohl's met that target two years early, in 2018, achieving a 24% reduction in our energy consumption, compared to a 2008 baseline. In CY 2023, we achieved a 33% energy reduction based on our 2008 baseline, hitting our updated target of a 30% reduction by 2025. We are actively reevaluating our goals to ensure continuous impactful progress.

## EPA ENERGY STAR®

Our cooperating partnership with the EPA ENERGY STAR program has remained consistent since 1998. We rely on the program for emerging tools and technical information, which helps us continually assess building performance. We were selected as a CY 2023 ENERGY STAR Partner of the Year winner for Sustained Excellence for the 12th consecutive year, which is an honor reserved for ENERGY STAR partners demonstrating outstanding leadership year over year. As part of our commitment to the reduction of our carbon footprint through increased energy efficiency, we increased the number of ENERGY STAR-certified stores to 96% in CY 2023. 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. 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.

### ENERGY USE INTENSITY



# Energy Efficiency

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.

## LIGHTING AND HEATING, VENTILATION, AND AIR CONDITIONING (HVAC) UPGRADES

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 CY 2023, we completed 229 LED retrofits, which will save more than 20 million kilowatt-hours (kWh) per year. In our ongoing commitment to energy efficiency, Kohl's is ramping up deployment of LED lighting across our properties. By the end of 2025, we will have LED lighting installed at all of our properties. By the end of CY 2023, 79% of our stores had received LED retrofits across the majority of their floor plans. Additionally, 37 stores received an HVAC system replacement for greater efficiency (CY 2023).



## LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN™ (LEED®)

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. 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 certified 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 due to structural heat retention. These materials contribute to lowering a building's energy demands.



# Renewable Energy

**GOAL:** Expand renewable energy platforms by building off of the company's existing solar locations. Using renewable clean energy mitigates risks to the planet and our communities while conserving natural resources. We continue to explore renewable energy projects both on and off-site.

## GOAL



## EPA GREEN POWER PARTNER

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 to EPA's Green Power Top 30 Retail for eight consecutive years. By using green power, Kohl's helps reduce the effects of air pollution and emissions associated with conventional electricity use while supporting the domestic development of clean energy resources.

## SOLAR

In CY 2023, an estimated 52,725 megawatt hours (MWh) of solar energy was used, meaning more than 6% of the electricity we used to power our business came from renewable sources. As of CY 2023, we host 172 solar arrays around the country, totaling more than 200,000 solar panels and three solar trees. Solar trees are designed to track the sun and rotate throughout the day, allowing each solar tree to potentially generate between 25-35 megawatt-hours of power annually. They are equipped with electric vehicle charging stations, and one solar tree can 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.

Kohl's is committed to growing our renewable energy production by investing in solar panels. Kohl's actively continues to equip our rooftops with solar arrays to further our commitment to renewable energy. In CY 2023, we completed nine new solar installment projects across Arizona and Illinois, which increased Kohl's installed solar capacity by 6.2% to a total of 54.8 megawatts.

## RENEWABLE ENERGY CREDITS (RECS)

We also maintain a commitment to renewable energy use through the purchase and production of renewable energy credits (RECs). In 2023, we secured RECs totaling approximately 101,521 megawatt-hours (MWh), including 21,522 MWh from our on-site solar arrays, where we retain or own the RECs. These RECs resulted in the offset of 49,278 metric tons of carbon.



In 2023, an estimated

**52,725 MWh**

of solar energy was used





# Electric Vehicle Charging

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

GOAL



**389+**  
electric vehicle  
charging spots



Nearly  
**290K**  
charging sessions



More than  
**125K**  
gallons of gas saved



Powered more than  
**2.9 Million**  
miles of driving

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

Kohl's is committed to accelerating the adoption of electric vehicles by expanding charging networks across our locations. At the end of 2023, we had more than 389 electric vehicle charging spots/ports spread across 172 locations. These stations provide nearly 290,000 charging sessions per year to our customers and associates.

By maintaining our solidarity with electric vehicle owners, the charging we provide powers over 2.9 million miles of driving and saves more than 125,000 gallons of gasoline annually.

During National Drive Electric Week in 2023, Kohl's offered free charging to the public for the first two hours of each charging session. In total, we saw over 9,000 charging sessions, providing more than 80,000 kWh.

# 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.

## KOHL'S FLEET

Our fleet is managed by vendor partners who are held to high standards through vetting and studying their sustainable practices. To cut down on vehicle emissions, we continually work to improve the environmental performance of our fleet. By saving miles, reducing packaging, and being ultraefficient with the way we supply our stores, we strive to contribute to a more sustainable future.



# Logistics

We 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.



## EPA SMARTWAY® SHIPPER PARTNER

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 2023, 100% of our domestic shipping mileage was driven by SmartWay members. The SmartWay program helps advance supply chain sustainability by measuring, benchmarking, and improving freight transportation efficiency by consistently analyzing our data to uncover heightened efficiencies while reporting back to the EPA. SmartWay tools are used to measure our carbon footprint and find opportunities to reduce fuel consumption and shipping emissions.

## EPA SMARTWAY® HIGH PERFORMER LIST

We are proud to have been recognized for these efforts on the SmartWay 2023 High Performer List as an industry leader by integrating freight into sustainability outreach, planning, and progress. Over the last seven years, Kohl's has been recognized as a High Performer or received the EPA SmartWay Excellence Award. Our exceptional performance moving goods in the cleanest and most energy-efficient way possible ultimately leads to cleaner and healthier communities for all stakeholders.

## MILE & WEIGHT IMPROVEMENT ACTIVITIES

### Backhaul Program

Utilization of inbound trailers to support freight return loads from stores improves route optimization and reduces empty miles from our system. We also ensure store teams properly load backhaul trailers to maximize space.

### 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 87% 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 resistance, and all required trailers have airfoils installed in the undercarriage.

### Rail

We also rely heavily on rail transport. Rail usage stands at nearly 44% of inbound freight loads. According to the Association of American Railroads, on average, rail produces 75% fewer carbon emissions than an average truckload delivery.

### Future Fleet

Emerging technologies will make future fleets more efficient. Already, several of our carriers have procured or placed orders for hydrogen fuel cell trucks, electric trucks, and high-performance diesel trucks. The proliferation of airfoils, trailer skirting, rear foils, cab air flow diverters, and wheel covers are making our fleet more efficient every day.

# Logistics – Shipping Partners



## INTERNATIONAL CARRIERS

Our ocean carriers are engaged through membership in the Smart Freight Centre (SFC) Clean Cargo Working Group. Most of our carriers belong to environmental programs that benchmark sustainability goals.

## EXPEDITORS

Expeditors are a group of carriers who share a concern for transparency, freight transportation efficiency, and the mitigation of harmful greenhouse gasses 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 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. GIGA Class vessels on this line consume less energy and achieve the best Energy Efficiency Design Index (EEDI) values, which are 48% better than the EEDI baseline requirement set by the International Maritime Bureau. OOCL maintains membership in the World Wildlife Fund, Climate Change Business Forum, and Clean Cargo Working Group, which were all joined voluntarily. 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.

# Waste Management

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

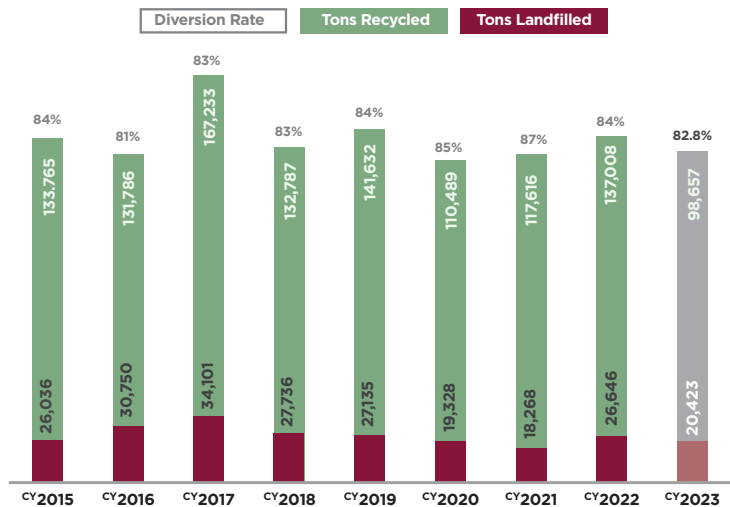
Divert 85% of our U.S. operational waste from landfills annually

**GOAL**

## DIVERSION RATE

Through initiatives such as plastic and cardboard recycling, and beauty product and fabric scrap repurposing, we achieved an 82.8% diversion rate in CY 2023.

### WASTE DIVERSION GOAL PROGRESS



## SOLID WASTE

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

## AUTO-HAUL PROGRAM

In 2015, we began testing an auto-haul program with preset cardboard and trash compactor pickups in more than 100 high-volume stores. This successful program is now rolled out to 94% of our 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.

## REGULATED WASTE

Our regulated materials management program ensures our stores, distribution centers, e-fulfillment centers, and corporate offices utilize authorized and compliant disposal, and recycling methods, which helps provide a safe and healthy environment for our customers and associates. Kohl's requires our waste disposal vendors to comply with applicable laws and maintain industry standards in the treatment, disposal, or repurposing of all hazardous and non-hazardous waste to ensure that they properly manage environmental risks. Every Kohl's location has an area dedicated to properly handling regulated materials like cleaning chemicals, batteries, light bulbs, aerosol cans, paints, and sharps. Additionally, select categories of unsalable beauty products are diverted from landfills and repurposed into paints, floor cleaners, and deodorizing sprays.

# Plastic, Paper & Textile 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. We are constantly exploring ways to eliminate waste and empower our associates and customers to recycle.

## PLASTIC BAGS

In CY 2023, we recycled more than 4.5 million pounds of plastic film, bags, and wrap. When a customer leaves our store, the plastic bags they're holding are made from at least 35% recycled, unbleached plastic. Customers can also drop plastic bags in the store recycling bins to be repurposed into new materials.

## PAPER BAGS

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.

## REUSABLE BAGS

Since 2020, we have offered our customers a reusable bag option for sale in all stores. Our reusable bags are updated quarterly with new prints to excite and encourage our customers to leverage responsible practices.

## HANGERS

Customers have the option to take their hangers home with them to reuse. The remaining hangers are recycled into a pre-consumer product or used in various industrial applications, which are often recyclable, therefore continuing the loop. Through our hanger recycling program, we recycled more than 10 million pounds of hangers in 2023.

## PAPER GIFT CARDS

The Kohl's-branded gift cards sold in our stores are made from recyclable paper. This will eliminate an estimated 39,000 pounds of plastic from our landfills each year. Our e-gift cards are also a convenient zero-waste option for customers.

## PAPERLESS OPTIONS

We also reduce waste by reminding Kohl's Card holders they can choose paperless billing. Additionally, all customers can opt in to receive e-receipts when they shop in store.

## FABRIC SCRAPS

The business of influencing fashion yields thousands of fabric scraps. Associates in our New York 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.

## PRODUCT WASTE DONATIONS

Through in-kind donations, Kohl's simultaneously reduces waste and supports family health and wellness nonprofits in the community. Over the past year, Kohl's has donated a surplus of goods, including masks and cleaning supplies, Kohl's Cares™ merchandise, and various brand and beauty merchandise to nonprofits in our communities. In total, Kohl's donated products with a retail value of more than \$9 million to local nonprofits, Kohl's hometown partners, Project Glimmer, and Good360.

# Packaging



**Product packaging can have a significant impact on the environment, and we are committed to taking steps to reduce our impact.**

Starting at the design stage, we consider the entire life cycle of a package and are mindful to incorporate sustainable solutions. During development, we strongly encourage our suppliers to offer certified, recycled, recyclable, or reusable materials.

How2Recycle  Member of **How2Recycle**

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. 100% of Kohl's-branded shipping bags and boxes, only-at-Kohl's brand shoeboxes, and in-store shopping bags are produced with How2Recycle labels to educate the consumer on proper recycling methods. The company is now shifting its focus to labeling only-at-Kohl's brands home goods product packaging.



Kohl's is a member of the Sustainable Packaging Coalition (SPC). The SPC is the leading voice on sustainable packaging and is a collaborative of businesses, educational institutions, and government agencies that collectively strengthen and advance the business case for more responsible packaging. The SPC has developed tools, applications, and services to help organizations take meaningful action toward packaging sustainability.

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.

**GOAL**

## BRANDED APPAREL PACKAGING AND LABELS

Since 2019, Kohl's has been focused on reducing branded apparel packaging and labels by identifying unnecessary packaging, evaluating size and paper weight, and transitioning toward the use of certified paper for only-at-Kohl's brands. Nearly 100% of our estimated 1.9 million pounds of branded apparel packaging paper in 2023 has been converted to Forest Stewardship Council-certified paper. We continue to convert materials by sourcing certified and recyclable solutions with the goal of converting all branded apparel product packaging and labels by 2025. Eighty-two percent of our apparel and accessories packaging is sourced with certified or recyclable content, and 95% of our labels on garments are sourced with certified recycled content in 2023.

## OPERATIONAL INITIATIVES

Our merchant and logistics teams are working to reduce the amount of packaging used for product shipments to our customers, stores, and distribution centers. By focusing on product assortment and inventory placement strategies, Kohl's has been able to increase units per carton to thus reduce total packages shipped to customers.

In 2023, Kohl's saw over a 6% increase in units per carton versus the previous year, which translates to 6% less packages shipped (5.8M packages total).

In 2022, a new packaging technology was introduced at select e-fulfillment centers allowing us to right-size bag materials by automatically trimming it to fit the merchandise. The trimmed pieces are then recycled into future packaging. As this technology is deployed across Kohl's supply chain, Kohl's is poised to see over a 15% reduction in plastic bag material per package. In 2023, Kohl's saved approximately 230,000 square feet of plastic material, which is enough to cover over 50 basketball courts. Additionally, right-sized box packaging technology has reduced dunnage by 52% over previous box packaging methods. More than 15M units per year are shipped in boxes with this reduced dunnage.

Kohl's has also implemented padded mailers, which are made with recyclable materials and further minimize dependency on dunnage. In 2023, Kohl's shipped approximately 580,000 bubble mailers, thus eliminating the need for any additional dunnage in those packages. Approximately 410,000 square feet of dunnage was saved which is enough to cover over 7 football fields.

# Water Management

Water is a precious resource, and prioritizing water efficiency is a necessary response in the fight against climate change.

## WATER STEWARDSHIP

Kohl's designs new stores to manage water usage accordingly, including using low-flow faucets and toilets. Smart irrigation controllers that use live weather data to adjust outdoor water usage has lowered irrigation water use. Together, these measures help reduce water usage at locations throughout the country.

## BETTER BUILDINGS WATER SAVINGS NETWORK

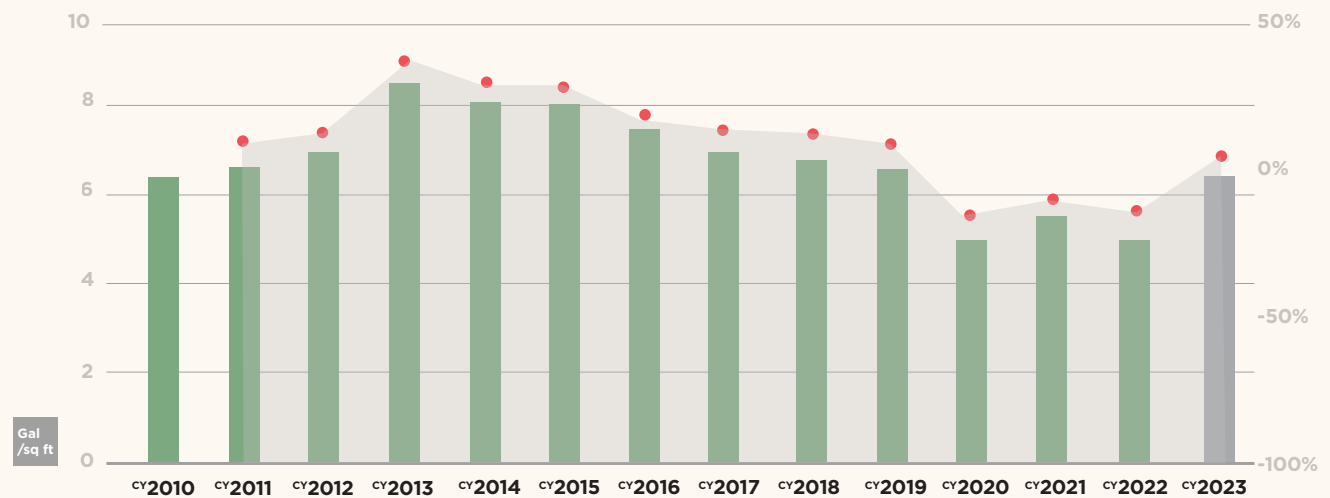
As a U.S. Department of Energy Better Buildings Water Savings Network Partner, we strive to decrease our portfolio-wide source water use intensity (WUI) and to increase the percent improvement compared to a set baseline. Since 2010, we have improved our water performance by 1% across our portfolio.

### WATER USE INTENSITY

\*Water consumption from 2020-2022 was significantly lower than a typical year since COVID-19 disruptions resulted in temporary building closures and reduced occupancy.

- Water Use Intensity
- % Change vs 2010

Water Management relates to Calendar Year.





# Responsible Sourcing

We integrate social and environmental factors into our procurement selection process for only-at-Kohl's branded product.

## ENVIRONMENTAL IMPACTS ON OUR SUPPLY CHAIN

We collaborate with our suppliers to communicate our expectations in their sustainability efforts. Supply chain operations can have an impact on the environment through energy and water consumption, carbon emissions, wastewater, chemical use, and waste disposal. If the environmental impacts of our supply chain are left unmanaged, they could pose both financial and reputational risks. In an effort to make meaningful improvements and more responsible choices when it comes to protecting the well-being of factory workers, local communities, and the environment, we use the Higg Index.



## CASCALÉ'S HIGG INDEX

Kohl's was one of the founding members of Cascale (formerly known as Sustainable Apparel Coalition) and maintains an active membership. Cascale is a group of apparel manufacturers, retailers, brands, and nongovernment organizations working together to standardize supply chain sustainability measures. The complex nature of global supply chain issues requires collaboration among many stakeholders. We are committed to consulting with stakeholders on environmental issues, and we share best practices with our supply chain partners to encourage

the use of cleaner and more sustainable means of production to reduce environmental impacts.

The Higg Index, developed by Cascale, is a suite of tools that measure environmental and social impacts within our supply chain, delivering a holistic overview of our social and environmental performance. The Higg Index provides us with verified data to benchmark our supply chain performance against industry peers and pushes us to continuously improve sustainability performance.

We require all approved facilities producing only-at-Kohl's 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 Verified Facility Environmental Module (VFEM), as well as the Higg Facility Social and Labor Module (FSLM). In 2022, we established environmental standards in five key areas for our strategic suppliers, and they were assessed for compliance in 2023. However, Cascale has since upgraded their module. As a result, we maintained the same environmental standards as we had in 2022 in order to re-establish a baseline with their new system requirements.

Require all approved facilities producing only-at-Kohl's brand products to complete the Higg Index Facility Environmental Module by 2025.

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

### GOAL

Type of supplier	Percentage that have completed the HIGG FEM	Percentage in compliance with wastewater discharge permits and/or contractual agreement
Tier 1	94%	98%
Beyond Tier 1	72%	98%



# Chemical Management

**Our chemical management strategy actively works to identify, prevent, eliminate, and reduce the use of certain chemicals in only-at-Kohl's brand products.**

Kohl's is committed to meeting and striving to exceed industry standards of chemical management across our vendors and facility partners by continuing to advance our restricted substances standards and specifications. We continuously seek solutions to reduce the use of chemicals in our products and improve chemical management in our operations. We strive to increase transparency of chemicals contained in or used to make the products we sell at Kohl's.

Our [Chemical Management Policy](#), [Restricted Substance List \(RSL\)](#) and the [Zero Discharge of Hazardous Chemicals \(ZDHC\) Manufacturing Restricted Substances List \(MRSL\)](#) apply to all only-at-Kohl's brand textile and footwear raw materials and related finished products.

## CHEMICAL MANAGEMENT STRATEGY

Kohl's maintains a public Restricted Substance List (RSL) that limits or prohibits the presence of 114 chemicals within products manufactured for and sold to Kohl's. Kohl's RSL is in addition to, not in lieu of, all applicable laws. In some cases, we have set standards and specifications that are stricter than what is required around the use of formaldehyde and flame retardants.

Beginning in 2021, Kohl's became a participating Friend of the ZDHC. ZDHC is the industry leader in Manufacturing

Restricted Substances List (MRSL) management. In addition to our RSL, we are requiring our suppliers adhere to the most current ZDHC MRSL, which limits or prohibits the use of more than 250 chemicals in the manufacturing process of products.

## SAFER CHEMICAL ALTERNATIVES & THIRD PARTY STANDARDS

We are committed to working with our vendors and facility partners to ensure the products we sell are safe and healthy for our customers and the environment. We expect our vendors to be constantly in search of safer chemical alternatives to achieve our RSL/MRSL requirements. 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 as well as any standards and specifications set by Kohl's.

As an integral part of our chemical management strategy, we have partnered with several third parties, including OEKO-TEX® and Global Organic Textile Standard (GOTS), to provide certifications for several products within our only-at-Kohl's brands in support of our chemical management goals. These certifications are communicated on product packaging and at [Kohls.com](#) in the product details section. Learn more about these certifications on our [corporate website](#). 100% of our core only-at-Kohl's

Emphasize the elimination and reduction of certain chemicals and strive for zero discharge of hazardous chemicals in tier 1 suppliers for select only-at-Kohl's branded products in scope (textile, apparel, leather, and footwear).

## GOAL

brand textile based towels, pillows, sheets, curtains, and rugs are MADE IN GREEN or STANDARD 100 by OEKO-TEX.

## SUPPLIER DISCLOSURE & ACCOUNTABILITY

We monitor suppliers' environmental impacts through the Higg Facility Environmental Module (Higg FEM). All approved facilities producing only-at-Kohl's brand products are required to complete the Higg FEM annually. The Higg FEM includes a chemical management section that assesses and identifies opportunities for facilities to improve performance in several areas including production processes that use chemicals to make our products.

Suppliers are required under Kohl's Purchase Order Terms and Conditions to ensure that any merchandise manufactured for and sold to Kohl's is compliant with all applicable federal, state, and local laws and regulations, as well as any standards and specifications set by Kohl's, including those regarding chemical safety and harmful/ toxic substances. Achieving compliance with any chemical management standards and specifications set by Kohl's will be a prerequisite of working with us in the future.

# Raw Material Sourcing

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

Social and environmental impact factors are considered when we evaluate the sustainability of the raw materials we use to source only-at-Kohl's brands. The environmental risks associated with sourcing raw materials include chemical management, water and energy consumption, biodiversity loss, deforestation, and climate change.

Increasing our use of responsibly sourced materials will help to lessen our environmental impact and could also drive reductions in our scope 3 emissions. We have set public goals and are committed to increasing the use of recycled polyester and more-sustainable cotton.

Our product development, design, and sourcing teams are aligned with these goals and empowered to drive progress.

Our raw materials sourcing strategy focuses on the key materials that account for the majority of our raw material consumption. Our priority materials are cotton, polyester, nylon, and manufactured cellulosic fibers. Part of our sourcing strategies are the partnerships we have with key players of some of the world's largest and most innovative sustainability initiatives.

## COTTON (NATURAL FIBERS)

Cotton is our single largest commodity, and we utilize the Organic Cotton Standard (OCS) and Global Organic Textile Standard (GOTS) to provide certifications for products

within our only-at-Kohl's brands containing natural fibers. OCS is a voluntary global standard that sets the criteria for third-party certification of organic materials and chain of custody. GOTS is a textile processing standard that covers textiles made from at least 70% certified organic fibers. This certification provides credible assurance of responsible manufacturing of organic textiles. We also work with our suppliers to ensure the cotton we use is sourced through responsible farming practices. Responsible production of cotton is important to reduce the environmental impacts of agrochemicals, water consumption, and agriculture. As of CY 2023, 60% of cotton used for only-at-Kohl's brands was responsibly sourced and 100% of only-at-Kohl's brand denim is responsibly sourced cotton. Kohl's tracks the Environmental Impact Measure (EIM) scores for all denim washes to monitor environmental impact.

## POLYESTER (SYNTHETIC FIBERS)

Polyester is a synthetic material produced from fossil fuels which contribute to global warming. We are working to transition from virgin sources of polyester to recycled options. We utilize the Global Recycle Standard (GRS) and Recycled Claim Standard (RCS) to provide certifications for several products within our only-at-Kohl's brands in support of our raw material sourcing goals. 21% of only-at-Kohl's brand styles produced in 2023 were made primarily with polyester containing recycled polyester.

Achieve 100% responsibly sourced cotton for only-at-Kohl's brands by 2025

Require 50% of polyester styles to contain recycled materials in only-at-Kohl's brands by 2025

## GOAL

## MANUFACTURED CELLULOSICS (WOOD-DERIVED FIBERS)

Manufactured cellulosics are renewable; however, responsible production processes need to be adhered to so that it does not contribute to deforestation. Canopy's Protecting Forests campaign 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. Kohl's is working toward only using man-made cellulosic fibers that are not derived from ancient and endangered forests, endangered species' habitats, or other controversial sources, defined by the nonprofit organization Canopy in our only-at-Kohl's brands apparel products. We are requesting our fiber suppliers to align their man-made cellulosic sourcing with producers that have undertaken annual CanopyStyle audits and have been scored with strong performance by Canopy. See Kohl's statement on [man-made cellulosic fiber](#).

## FUR-FREE (ANIMAL-DERIVED FIBERS)

Kohl's does not knowingly carry products that contain real fur. We work closely with our suppliers to ensure adherence to our [fur-free policy](#) and labeling guidelines.

# Responsible Brand Stories

With only-at-Kohl's brands representing more than 30% of our business across home, accessories, footwear, and apparel, we aim to grow our offering of products with sustainable attributes.

Our teams are focused on our impact and commitment to support biodiversity at the development stage when identifying priority materials and responsible sourcing methods.

Learn more at [Kohls.com/Cares](https://www.kohls.com/cares).

## SONOMA GOODS FOR LIFE®

Sonoma Goods For Life® is Kohl's flagship brand and offers a cross-category assortment of apparel and home goods for the modern family for which we actively strive to source responsible materials and use responsible methods.



## LITTLE CO. BY LAUREN CONRAD

Little Co. by Lauren Conrad is a collection of baby and toddler clothing introduced in 2020. With a majority of it made out of organic cotton or containing recycled polyester, this collection is a favorite for mothers and kids alike. Most denim has a green Environmental Impact Measure score, signifying low environmental impact.



## FLX

Our specialty athleisure brand FLX is designed for premium comfort and style. The entire collection is made using recycled nylon, recycled polyester, or cotton that supports more-responsible farming.





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# Responsible Sourcing

# Social Supply Chain Management

## At Kohl's, responsible sourcing begins with the business partners we choose to produce only-at-Kohl's brands.

They must live up to the standards defined in our social compliance process, share our convictions, and operate according to our universally applied standards regarding ethics, fair business practices, and workplace safety. Additionally, we expect all business partners to abide by our policies, including our [Global Human Rights Policy](#) and [Environmental Policy](#).

Sourcing products responsibly requires the collaboration of internal and external business partners. Our Global Sourcing, Production & Product Services, and Merchant departments identify product categories for only-at-Kohl's brands, develop individual product styles, and negotiate the purchase transaction with our business partners. The Factory Compliance team works closely with agents, vendor partners, and facilities to assess working conditions, and ensure workers are treated in a fair and ethical manner and provided with a safe and healthy work environment.

### TERMS OF ENGAGEMENT

We are committed to respecting human rights across our supply chain 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 vendors and facility partners to adhere to our Terms of Engagement. Our [Terms of Engagement](#), reflect our high standards and seek to protect the human rights and safety of the 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 and facility partners are strictly held to our Terms of Engagement, which outline 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 can result in immediate termination of our business relationship with the vendor and/or facility. Such violations include:

- **Forced labor, child labor, prison labor, bonded labor, slavery or human trafficking**
- **Physical or sexual abuse**
- **Nonpayment of wages**
- **Unsafe working conditions**
- **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**
- **Products or product inputs produced in prohibited countries or areas**
- **Products or product inputs produced by or has nexus to entities on United States global entity lists**

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

# Identifying Human Rights Risks

Building on our experience and insight gained from the industry, we constantly monitor and take steps to improve our social compliance program to address salient human rights risks. To strengthen our program, we make updates to our Terms of Engagement, and actively assess, audit, and train our supply chain partners.

Vendor and facility partners must share our commitment to the principles contained in our Terms of Engagement. They understand we will monitor their compliance efforts and take corrective action when necessary. Kohl's has a formalized risk identification process for our supply chain. We closely monitor social compliance practices within our supply chain and encourage our vendor and facility partners to protect the health, safety, and human rights of workers and the surrounding communities. We work closely with our business partners to identify challenges and address them in a responsible manner that considers the needs and expectations of the affected vendor and its suppliers, the workforce and our shareholders.

## ONLY-AT-KOHL'S BRANDS SOCIAL COMPLIANCE PROGRAM PERFORMANCE

Our social compliance audit program has been in place for more than two decades protecting the workers in our supply chain. Partnering with like-minded vendors and facilities has improved compliance performance year over year, and has resulted in fewer monitoring visits.

Our social compliance program includes a capacity building component to develop and strengthen compliance within our supply chain. Elements of our program include vendor and facility education, facility monitoring, facility remediation, and one-on-one targeted training if needed. Our efforts have resulted in improved and consistent social compliance performance at facilities producing our only-at-Kohl's brand products.

## AUDIT NUMBERS

	Total Number of Production Facilities	Facilities Deemed Not Authorized to Produce for Kohl's	Total Number of Audits Conducted	Unannounced Audit Visits
<b>2023</b>	<b>1,153</b>	<b>11</b>	<b>812</b>	<b>248 (30%)</b>
<b>2022</b>	<b>1,233</b>	<b>12</b>	<b>955</b>	<b>289 (30%)</b>
<b>2021</b>	<b>1,195</b>	<b>4</b>	<b>1101</b>	<b>266 (24%)</b>
<b>2020</b>	<b>1,253</b>	<b>3</b>	<b>1112</b>	<b>282 (23%)</b>

# Social Monitoring Visits Explained

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

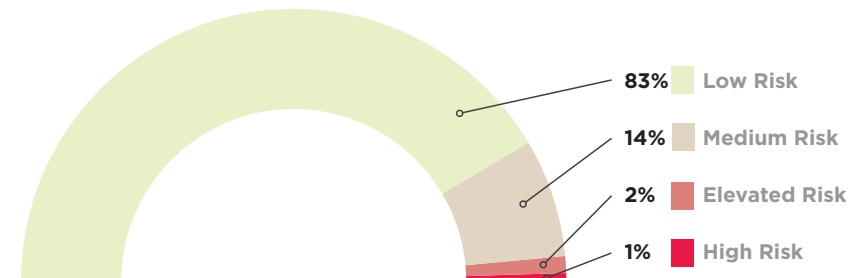
These auditing professionals are able to speak the language of the workers and management and have extensive experience monitoring social compliance on behalf of international customers. Facilities are evaluated for compliance on a regular basis. Completion of our full audit program typically requires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

We reserve the right to review vendor partner facilities and conduct unannounced on-site inspections. Once a facility is deemed compliant with our Terms of Engagement, we apply a facility risk rating system based on the facility's performance. The categories are low risk (green), medium risk (yellow), elevated risk (orange), and high risk (red). Using this risk-based approach, a facility may be subject to more audits.

The following factors are used during our risk assessment:

- **Social risks and conditions in the geographic location of the facility**
- **Facility management commitment toward social compliance**
- **Historical audit results of both vendor and facility partner**
- **Open-source information**
- **Potential issues reported outside of our standard auditing process**

## KOHL'S SOCIAL COMPLIANCE RISK DISTRIBUTION FOR ACTIVE FACILITIES



### 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 and discuss the audit plan. The auditors then tour the facility to review worker health and safety conditions, and randomly select and interview workers. 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, auditors conduct a detailed review of workers' time cards and wage payments, and review other business records to evaluate compliance with our Terms of Engagement. In particular, they review age verification documentation to ensure that facility management does not employ child labor, and that conditions of employment are voluntary. During each facility visit, our independent auditors document any potential noncompliance with our Terms of Engagement.

At the conclusion of a facility inspection, the auditors summarize and discuss instances of noncompliance with facility management for immediate corrective action. The audit report is sent to the Factory Compliance team for review, and we work with our vendor and facility partners to implement Corrective Action Plans (CAP). Third-party follow-up audits are performed, as needed, to monitor the noncompliance remediation process.

When our assessments identify noncompliance issues, we categorize them as major or minor based on the severity of the issue and the level of risk to workers. We then take action as appropriate that includes working with our vendor and facility partner(s) to ensure adequate steps are taken to address the noncompliance issue(s). This includes providing targeted training, conducting additional third-party audits and investigations, and reviewing our future business relationship. Whenever possible, we work toward improvement and attempt to bring underperforming facilities into compliance.





# Addressing Noncompliances

Upon conclusion of a facility inspection, an online Corrective Action Plan (CAP) is created and assigned to facility management, vendor partner, and agent (if applicable) to update as noncompliance issues are remediated. All business partners can submit questions, make comments and upload pictures to support their remediation efforts.

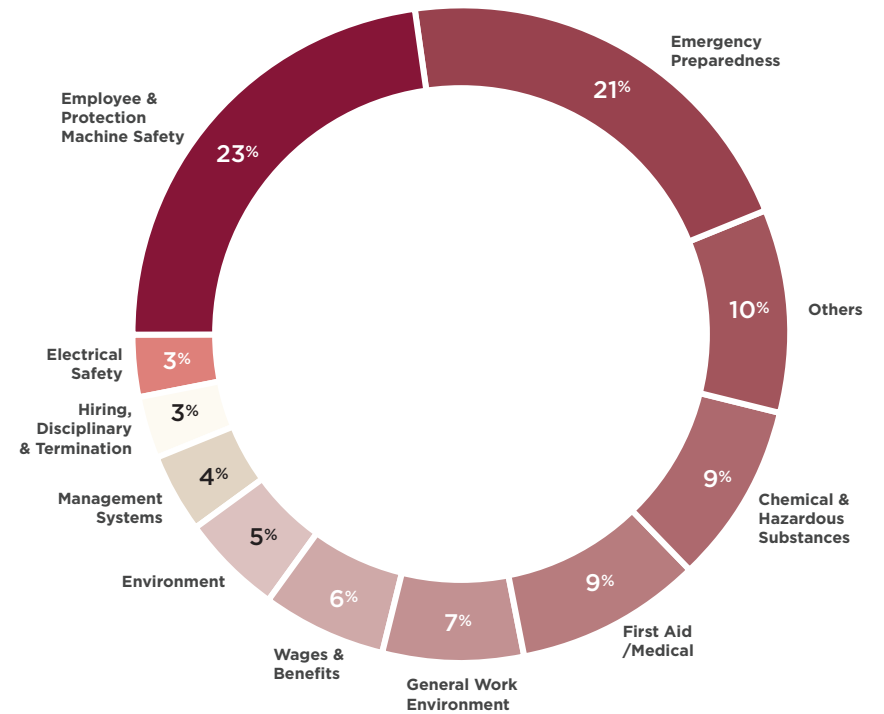
We track the collaborative efforts of our business partners and work to ensure remediation occurs without delay. CAPs are designed to drive improved compliance performance and provide visibility throughout the audit process. Since the implementation of the automated CAP process in spring 2018, the CAP completion rate has exceeded 99%. To help improve compliance and support our vendor and facility partners, the Factory Compliance team classifies and tracks all noncompliance issues to guide future training content.

## ABIDING PRACTICES

Doing business with us means abiding by all of the laws that govern our industry. We require our vendor and facility 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 ILO core labor standards, and other respected international organizations. We evaluate their compliance by using independent, professional third parties to diligently monitor our supply chain.

To address salient industry risks and align with rising social challenges, we update our Terms of Engagement, implement new policies, and communicate these changes to our vendor and facility partners to 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 and safe working conditions. Vendor and facility compliance with our Terms of Engagement is a threshold determination of whether or not the production of our only-at-Kohl's brand 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.

TOP 10 NONCOMPLIANCES BY CATEGORY IN 2023



# Forced Labor / Human Trafficking

Kohl's has strict requirements that our business partners do not use any type of forced, prison, bonded or indentured labor, or labor acquired through slavery or human trafficking in the purchasing of raw or production materials, and in the manufacturing or finishing of our products.

We do not knowingly carry products that are made, in whole or in part, with child or forced labor. To support our commitment to our Terms of Engagement and Global Human Rights Policy, we receive written confirmation from our vendor partners that they will not source from regions or suppliers that utilize or condone child or forced labor.

These prohibitions include 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. Additionally, in 2023, we partnered with our new and existing vendors and nominated mills to establish a joint commitment to supply chain traceability. These efforts support our goal of mapping products from raw materials to finished goods.

We manage human rights impacts in our supply chain through due diligence efforts, policies, and collaborative partnerships. Forced labor indicators, to the extent present, are identified during our social compliance auditing and business partner screening process. We continue to strengthen our monitoring program by raising our expectations and evolving our standards to support responsible recruitment efforts established by the Fair Labor Association (FLA).

Our partners must ensure fair treatment of foreign and domestic migrant workers in facilities by eliminating conditions that can lead to the exploitation of this vulnerable population. It is Kohl's requirement that the vendor and facility partners provide transparency and apply additional due diligence to prevent forced labor in any form within our supply chain. We will continue to measure these compliance efforts and progress against our Terms of Engagement for future enhancements.

To assist our vendor partners in preventing, identifying, and eliminating forced labor in their facilities and supply chains, Kohl's nominated more than 600 business partners to complete training sessions focusing on forced labor and transparency within the supply chain. The training sessions complemented each other and aimed to drive awareness of the topics, to empower business partners to recognize the hidden risks, and to enable business partners to manage the risks in the most effective and appropriate way.

Training topics included:

- **Forced Labor Prevention**
- **Recognizing Forced Labor**
- **Supply Chain Transparency and Traceability**
- **Transparency and Ethics**

# 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 within our supply chain.

To assist us in driving facility social and environmental improvements globally, we use the Higg Index. Kohl's currently leverages multiple tools within the Higg Index, including the Higg Facility Environmental Module (FEM), Higg Verified Facility Environmental Module (VFEM), and Higg Facility Social and Labor Module (FSLM). This suite of tools 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 our only-at-Kohl's brands to complete the Higg FEM. The Higg FEM assesses energy use, greenhouse gas and air emissions, water use, wastewater, waste management, environmental management systems, and chemical management. We understand that when the facilities that produce our goods operate more sustainably, they are also operating more efficiently by using less water, energy, and chemicals, and creating less waste. In addition to completing the Higg FEM, these vendors are required to complete the Higg VFEM and the Higg FSLM. To demonstrate our ongoing commitment to driving sustainability within our supply chain, we established environmental standards in 2022 for our strategic suppliers and their performance is assessed on a quarterly basis for compliance.

# Facility Sustainability and the Higg Index

## FOCUS ON DATA VERIFICATION

We believe in good data quality to develop targeted and impactful programs. This goes both for measuring our supply chain greenhouse gas emission footprint and for environmental management practices adopted by each supplier. This is why we expect our strategic suppliers to ensure the Higg FEM data they provide to us is verified by accredited third-party professionals.

## REMEDIATION PROGRAM

We recognize that Kohl's plays an important role in enabling supplier performance improvement and best practice adoption. For the last two years, Kohl's has been actively analyzing supplier performance data and engaging selected suppliers in an environmental capabilities improvement program. As part of this engagement, the Kohl's Factory Compliance team identified potential improvement areas and required suppliers to develop improvement action plans, implement the action plans, and submit evidence of implementation. The Kohl's Factory Compliance team then reviewed the submitted evidence to ensure that suppliers addressed all improvement requirements. Although difficult to scale, we managed to address over 310 performance gaps for more than 85 suppliers. We believe that close collaboration and engagement with our suppliers enables us to make significant impacts on our supply chain.

## HIGG 4.0

Over the last several years we have seen our suppliers' growing commitment to continuous improvement. The increasing maturity of our suppliers' environmental management practices has resulted in increased Higg Index FEM and VFEM overall scores, and across energy, water, waste, and chemical management. With the rollout of the new evaluation methodology under Higg Index 4.0, Kohl's is training vendors on these new expectations.



For more information on our sustainability efforts, please refer to the Environmental Sustainability section of this report and our [Environmental Policy](#).

# #3

Highest absolute number of received posted FEM 2022 self-assessment modules\*

# #4

Highest absolute number of received posted verified FEM 2022 modules\*

# 47%

Average score performance improvement against 2018

# 94%

Tier 1 facilities completed the Higg FEM and shared results with Kohl's

# 72%

Tier 2 and beyond facilities completed the Higg FEM and shared results with Kohl's

# 98% 98%

Tier 1 and Tier 2 & beyond facilities are in compliance with wastewater discharge permits and/or contractual agreement

*One key component is comparing year-to-year results to determine if progress is being made. Kohl's has a total of 1,088 Tier 1 and 696 Tier 2 and beyond facilities.*

*\*Of 120 Worldly accounts (brands, retailers, large manufacturers) that have used the adoption tool to track FEM 2022 completion.*

# Facility Sustainability and the Higg Index

To strengthen our chemical compliance program, Kohl's leveraged the Higg FEM Chemical Management section and focused on specific areas to drive compliance.

## CHEMICAL MANAGEMENT / ZERO DISCHARGE OF HAZARDOUS CHEMICALS

Specific steps taken to strengthen our chemical compliance program include:

- **Aligning our business partners with tools that will digitize suppliers' chemical inventory and manage individual chemical compliance.**
- **Providing vendor and facility partner training opportunities.**
- **Offering Restricted Substance List (RSL) / Manufacturing Restricted Substance List (MRSL) compliance monitoring.**
- **At the beginning of 2021, Kohl's became a participating friend of Zero Discharge of Hazardous Chemicals (ZDHC) Programme.**

The Higg FEM Chemical Management section is a joint effort among Cascale, the Outdoor Industry Association (OIA), and the ZDHC to converge their respective chemical tools into one assessment questionnaire. ZDHC contributors are encouraged to access and utilize the Higg FEM as a critical part of the ZDHC system of tools for management and to measure chemical management performance.



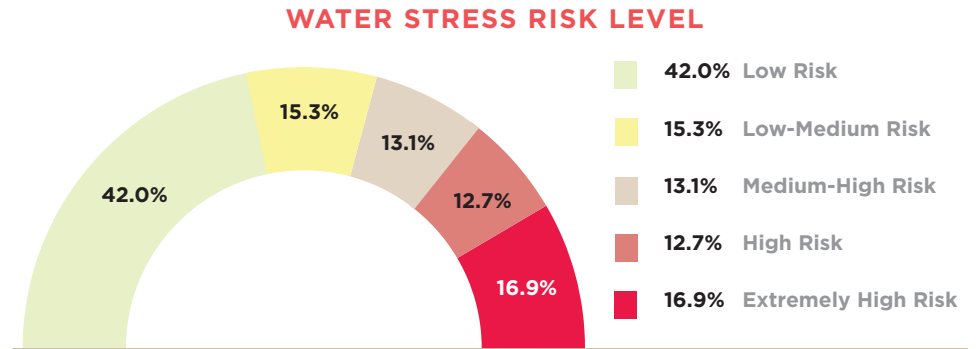
# Water Scarcity

We work with only-at-Kohl's brands business suppliers across the globe to understand the facilities that are located in water-stressed areas and that are or may become subject to water scarcity in the future.

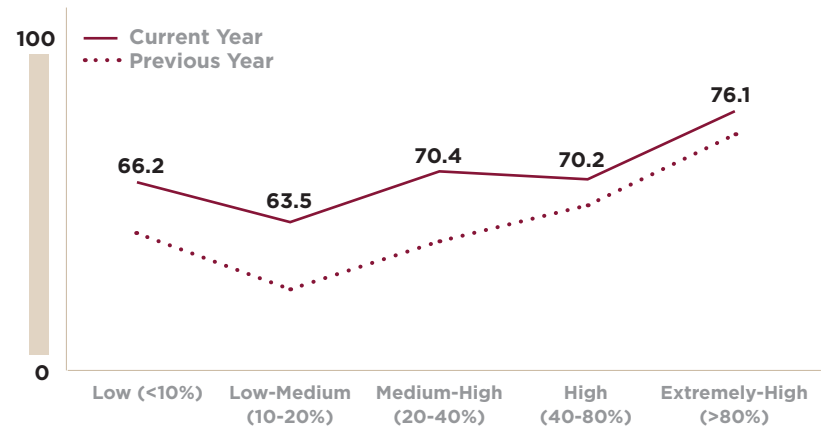
A water risk assessment was conducted using the World Resources Institute's (WRI) Aqueduct Water Risk Atlas to map areas of water risks across our global supply chain.

Our supplier engagement work, along with our Higg FEM 2022 performance analysis for water-intensive facilities, revealed that our suppliers located in the most water-stressed regions already have strong water management practices in place. Some examples include monitoring consumption and baselines, target setting, and implementation plans.

We will continue to utilize these tools to further shape and update our water reduction strategy in the coming years. We will also continue to engage our suppliers located in water-stressed areas to further drive performance improvement and drive water use efficiency.



**HIGG FEM AVERAGE SCORE FOR WATER SECTION FOR WATER-INTENSIVE FACILITIES**



# Energy, GHG Emissions & Environmental Training

## KOHL'S ENERGY MANAGEMENT BEST PRACTICES

In 2023, Kohl's conducted extensive research to identify industry best practices for energy and greenhouse gas (GHG) emission management that would be applicable, suitable, and financially feasible for our suppliers across the globe and product categories. The result of this extensive work is a Supplier Energy Management Guidance ("Guidance") that has been shared with our strategic suppliers for their feedback. We strongly believe the best practices and technologies reviewed in the Guidance document will not only tell suppliers they can reduce their greenhouse gas emissions, but it will also show them the way. In 2024, we will continue to engage our suppliers to further enhance the Guidance and share the best practices among all our business partners.

We position the Guidance as a tool and supporting document that will help suppliers to better understand technologies that can be leveraged for GHG emission reduction while making a compelling financial case for investment with a short- to mid-term return on investment. We also hope that the Guidance will be useful for more advanced suppliers who can find additional approaches for GHG emission reduction.

The Guidance consists of two parts. The first part highlights the importance of climate change to Kohl's and introduces Kohl's Energy & GHG Management strategy and steps the company takes to address associated risks. The second part of the Guidance includes a collection of selected technologies and processes proven to drive energy and GHG emissions reductions in a manufacturing setting. Considering the diversity of goods Kohl's sources, we have offered solutions to different types of suppliers, including apparel cut and sew, fabric mills, spinners, and hard goods.

## OUR EXPECTATIONS:

Suppliers to review and provide general feedback on best practices relevance, feasibility and overall usefulness of the document.

Suppliers to advise which best practices are already in place and which ones were tested and/or found to not be feasible/relevant to quantify GHG volume reduction.

Suppliers to advise which best practices they may consider for further internal evaluation and implementation.

# Environmental Training

## UNITED NATIONS CLIMATE ACTION TRAINING

To provide our vendors and facility partners located in the Asian region with foundational knowledge of how to get started on achieving emission reductions, Kohl's leveraged a web-based training course that was established in collaboration with the UN Fashion Industry Charter for Climate Action and a few global fashion brands and manufacturers.



**United Nations**

**Climate Action**

Kohl's nominated all vendor and facility partners producing only-at-Kohl's brands in apparel, home textiles, footwear, and accessories to complete the five training modules covering the following topics:

- **Climate Change and Action in the Industry**
- **Introduction to GHG Emissions (Scope 1, 2, 3)**
- **Principles of GHG Accounting**
- **Target Setting**
- **Low-carbon Solutions (Efficiency and Renewables)**

After completion of all the modules and passing the final exam, a certificate of completion is generated.

## WEBINAR TRAINING

Kohl's is committed to promoting supply chain sustainability and continues to leverage the Higg FEM to assess and measure our supply chain partners' environmental performance and identify best practices. To support business partners' continuous improvement efforts, Kohl's held capacity building sessions in multiple languages for our vendor and facility partners. These sessions focused on environmental topics that support our corporate responsible-sourcing goals.

### Higg FEM Trainings included:

- **2022 Overview and Kick off**
- **Environmental Management System Guidance and Best Practices**
- **Energy and Water Guidance, Tools, Best Practices & Accounting**
- **Chemical Management Guidance and Best Practices & ZDHC Introduction**
- **VFEM & FEM 4.0 Requirements and Guidance**
- **Climate Change**
- **IPE Introduction**
- **Waste Management Guidance and Best Practices**
- **Verification Process, Scope and Recommendations**



# Conflict Minerals

We expect all vendor partners to ensure that merchandise sold to us is free of any conflict minerals and that all vendors are committed to the elimination of conflict minerals from their products and supply chain. 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 their contractual commitments to Kohl's.

We are a member of the Responsible Minerals Initiative (RMI), which helps companies make informed choices about conflict minerals in their supply chains. RMI conducts audits over mineral supply chains, and our 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 the latest information and insights about developments on regional issues, sourcing initiatives, and regulatory schemes

in support of responsible sourcing. Kohl's is part of a multi-stakeholder RMI committee to address industry-responsible mineral-sourcing issues in our supply chains.

## CLEAN DIAMOND TRADE ACT

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

All of our 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.

## FUR-FREE POLICY

Kohl's prides itself on responsibly and ethically sourcing our merchandise. Kohl's takes a stance against animal cruelty and does not knowingly carry products that contain real fur. We are aware of our responsibility to global sustainability and our role as it relates to animal welfare, and we work closely with our suppliers to ensure adherence to our Fur-Free Policy and labeling guidelines. Kohl's remains committed to advancing ethical practices in our retail business.

## CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT

Our Terms of Engagement further require compliance with the California Transparency in Supply Chains Act, implemented in January 2012. The act requires large retailers and manufacturers—those with annual worldwide gross receipts exceeding \$100 million—doing business in California 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 and production materials, or the manufacturing or finishing of the products we order, including without limitation, prison and slave labor or human trafficking.



View the [Kohl's Policy on Conflict Minerals](#) and [Kohl's Conflict Minerals Report](#) for further details.

# Training Vendors in Kohl's Compliance

## Our Factory Compliance team works with agents, vendors, facilities, subcontractors, and key raw material suppliers to engage 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 regularly communicate with and provide training to our partners regarding our Terms of Engagement, expectations of compliance, and U.S. regulations.

Vendor and facility 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 and facility partners are invited to additional training based on their identified risk level, newness to our organization, or historical audit results. We focus on our capacity building initiatives with only-at-Kohl's brand vendors and facilities and will include national brand vendors if circumstances warrant.

Additional 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 2023, we provided a blend of in-person and web-based training sessions.

We encourage our vendor and facility partners to develop their own internal due diligence efforts to raise awareness and drive performance improvements within their social, Customs Trade Partnership Against Terrorism (CTPAT), and sustainability compliance programs. In addition, facilities approved to produce our only-at-Kohl's brand goods must post our Terms of Engagement, which include a grievance channel available for workers to raise complaints or concerns, in a readily accessible location at their facility in the language of the workers to ensure awareness of our expectations.

It is also key that our associates understand the importance of our Terms of Engagement. Social, CTPAT, and sustainability compliance training is made available to all associates via e-learning, newsletters, and instructor-led sessions.

For those associates who have direct responsibility for supply chain management, we provide industry trends training as well as targeted training on human trafficking, slavery, child labor and forced, prison or indentured labor, particularly with respect to identifying and eliminating zero-tolerance risks within our supply chain.

Our training sessions cover a number of responsible sourcing topics, including:

- Expectations for Suppliers
- Remediation Methods
- Terms of Engagement Definitions
- Compliance Improvement
- Best Practices
- Higg Index Modules and Sustainability
- Site Verification Methods
- CTPAT Minimum Security Criteria
- Indicators of Noncompliance
- U.S. Government Regulations
- Facility Assessment Reporting

### 2023 Highlights

HIGG Index

**Top 5**

Among 120 brands, retailers, large manufacturers with highest number of suppliers using Higg FEM

**+1900**

Attendees joined our Higg Index capacity building trainings in 2023

Energy & GHG Emissions

**76%**

Of 209 fashion textile vendors completed climate change training

**+10,700**

Climate change training hours completed by Kohl's vendors and facilities

Social

**89**

Facilities in India, China, Vietnam, and Cambodia had a fire, electrical, and structural safety audit conducted above and beyond our normal auditing process

**660**

Hours of virtual training was delivered on forced labor, ethics, anti-corruption, and supply chain transparency

# Social Responsibility Committee

## Our Social Responsibility Committee guides the direction, assessment, and continuous improvement of our social, CTPAT and sustainability compliance programs.

The committee is composed of executives, including our Chief Merchandising & Digital Officer, Chief Risk & Compliance Officer, and Chief Legal Officer & Corporate Secretary, and senior leadership from departments with responsibility for business operations, including merchants, global sourcing, production & product services, and risk and compliance. The Social Responsibility Committee gathers biannually to discuss governance, strategic initiatives, and supply chain compliance with our 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 town hall meetings, road shows, vendor meetings, and through business correspondence and our vendor portal. New only-at-Kohl's 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 and emphasize the importance of the topics described in this report. As new human rights concerns arise, supplementary certifications may be 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 to the Board of Directors, and the Audit Committee has oversight of these policies. Our Chief Risk & Compliance Officer has oversight of Factory Compliance and implementation of our human rights commitments.

The Factory Compliance team comprises a group of highly experienced compliance associates responsible for the daily administration of the social, CTPAT, and sustainability compliance programs. This team operates independently from the Global Sourcing, Production & Product Services, and Merchandising departments.

Therefore, day-to-day decisions regarding the compliance status of facilities used to produce only-at-Kohl's brand merchandise are made by associates not involved in purchase negotiations to prevent potential conflicts of interest and to promote good governance. Our governance policies and business strategies include risk management activities to help provide a 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.

### CUSTOMS TRADE PARTNERSHIP AGAINST TERRORISM (CTPAT)

Kohl's is committed to the highest standards of quality and integrity in its products and operations. Kohl's continues to recognize the need to further protect our product and resources from potential acts of terrorism or trafficking throughout our segment of the international supply chain. Kohl's commits to participate in the CTPAT voluntary program in collaboration with U.S. Customs and Border Protection (CBP) to strengthen our supply chain by implementing, following, and maintaining procedures and practices consistent with the CTPAT Importer Security Criteria.

Kohl's has been a proud member of CTPAT since 2006 and is a Tier III certified trusted trader, the highest rating given by CBP. Kohl's encourages all of its international facilities, suppliers, carriers, contractors, and employees to implement, comply, and abide by CTPAT Minimum Security Criteria (MSC).



For more information, please reference [Kohl's Corporate CTPAT Commitment Policy](#).

**Kohl's has requested almost 1,600 CTPAT security Supplier Compliance Audit Network (SCAN) audits to validate our supply chain compliance.**

# 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. CBP, CTPAT, and 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 supply chain security audits in 89 countries and has 26,558 facilities within the SCAN Audit Sharing Network since its inception in 2014.

## KOHL'S PARTICIPATION IN BETTER WORK PROGRAMS

We participate in the ILO's 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

As a founding member of the Alliance for Bangladesh Worker Safety (ABWS) in 2013, we continued our commitment to sustaining the culture of facility safety in Bangladesh by joining Nirapon in 2019. Nirapon, the next generation of the ABWS, is committed to helping the facilities from which its members source to develop a sustainable culture of safety. Nirapon provides safety oversight, partnership with well-re-

spected training providers, remediation, capacity building, and maintains an effective helpline. Nirapon is supported by 58 brands and serves 330 factories.

## INSTITUTE OF PUBLIC AND ENVIRONMENTAL AFFAIRS (IPE)

To supplement our responsible sourcing strategy, we leverage the Institute of Public and Environmental Affairs (IPE) to screen our suppliers in China for environmental compliance. IPE is a nonprofit environmental research organization that collects and analyzes government and corporate environmental information to provide supplier compliance transparency. On a regular basis, we screen our suppliers within IPE's Blue Map website to identify violations and, if found, create a corrective action plan for the respective vendor and facility to remediate within an assigned timeframe. From 2022-2023, we screened more than 90% of our suppliers' facilities in China and over 65% have rectified their violations. We plan to continue expanding the scope of our supplier screening and push our suppliers to remediate outstanding environmental noncompliance.

## MEKONG SUSTAINABLE MANUFACTURING ALLIANCE

We have continued our partnership in the Mekong Sustainable Manufacturing Alliance (The Alliance). The Alliance is a 3-year program funded by the United States Agency for International Development (USAID) and implemented by the Institute for Sustainable Communities (ISC) in partnership with LRQA, formerly known as Elevate, and the Asian Institute for Technology (AIT).

The Alliance uses a market-driven approach to strengthen sustainable and competitive manufacturing in Cambodia, Thailand, and Vietnam by engaging the private sector, catalyzing market forces, and advancing innovative regional initiatives that will increase the adoption of ESG standards.

A fundamental element of the program is the foundation of the Alliance Leadership Group (ALG). The ALG is a platform that brings brands together to drive priorities for the ESG strategy. Kohl's, along with other leading international brands and retailers, is participating in the ALG.

In 2023, Kohl's continued participation in The Alliance by nominating another batch of suppliers for The Alliance's factory capacity building activities; 30,000 additional workers, from 48 factories across Vietnam and Cambodia, participated in the broad-based training sessions organized by The Alliance. This is in addition to the 65 factories with over 85,000 workers total that completed training in 2022. The training sessions focused on awareness and expertise training for management on international best practices covering fee remediation, migrant worker protection, gender, sexual harassment/discrimination, and grievance mechanism policies. As a result of these training sessions, suppliers' management teams have developed a confident understanding of best practices when managing foreign migrant workers, creating a respectful workplace for employees.



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# Values, Ethics, Human Rights & Governance

# Values and Governance

Our Values are reflected in our Code of Ethics, Global Human Rights Policy, Business Partner Code of Conduct and Terms Of Engagement, and Corporate Governance Guidelines.

## we C.A.R.E.

The values we share as an organization remind us of how we conduct business and connect with people daily. Because care is central to everything we do, we've built our four core values around this action and word.

we C.A.R.E.	we C.A.R.E.	we C.A.R.E.	we C.A.R.E.
			
<b>Customers First</b>	<b>Accountable</b>	<b>Resourceful</b>	<b>Empathetic</b>
We make decisions in our customers' best interest and put them at the center of what we do and how we do it.	We own up to our responsibilities, commitments and results with integrity.	We take pride in being creative problem solvers, always looking for ways to better ourselves and our business.	We create a culture of respect and connection. We promote diversity and inclusion, honoring each individual's unique experiences and perspectives.



# Values and Governance

We are committed to the highest integrity standards and maintain a Code of Ethics to guide ethical decision-making for associates.

## ETHICS

As a company of integrity, we expect our associates to be honest and accountable. Our ethics training, which we require all associates to take annually, is refreshed yearly to ensure topics covered are relevant and impactful. The training helps connect ethics to an associate's day-to-day job responsibilities and promotes honesty, integrity, and fairness. Additional key concepts reinforced during training include making ethical decisions, reporting concerns openly or anonymously, and adhering to company guidelines, including cyber security, privacy, and other technology policies. We also require managers to complete annual Leadership Ethics training to understand the role they play in upholding Kohl's ethical culture, leading with integrity, and creating a work environment that reflects our Code of Ethics.

We encourage our associates, customers, business partners and stakeholders to raise concerns through our Associate Relations team or anonymously via the Kohl's Integrity Hotline. We prohibit retaliation against any party for raising concerns in good faith, regardless of how concerns are communicated to us.

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.




## A WORLD'S MOST ETHICAL COMPANY

For the past five 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 2023, 135 honorees were recognized, spanning 19 countries and 46 industries<sup>3</sup>.

We were one of only three honorees in the retail industry, recognized for demonstrating our strategic integration of ethics and governance throughout our organization and our ongoing commitment to environmental, social and corporate governance stewardship.



 Click [here](#) to learn more about our Ethics program.

# Values and Governance



We are built on a foundation of integrity that we uphold and exemplify daily. 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, suppliers, partners, and customers.

## GLOBAL HUMAN RIGHTS POLICY

We are committed to protecting human rights and safety, and prohibit the use of child or forced labor as well as human trafficking. 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 & 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 to human rights is guided by internationally recognized principles as articulated in the United Nations Guiding Principles on Business and Human Rights, Core Conventions of the 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 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 are fully investigated and resolved in a fair, unbiased manner.

Our associates and business partners are encouraged 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.

Board oversight of our ESG strategy is essential to sustain the long-term interests of all stakeholders. In 2021, we expanded the scope of responsibility of the Nominating and Governance Committee to include oversight of ESG matters, and the Committee was renamed the Nominating and ESG Committee.

## COMMITMENT TO GOVERNANCE

By having cross-functional leadership on our Governance committees, we ensure transparency and alignment with Kohl's corporate values and ethics. These Governance Committees cover Artificial Intelligence, Business Continuity, Diversity, Equity and Inclusion, Enterprise Risk Management, Ethics and Integrity, Information Security, Philanthropy, Privacy, Responsible Sourcing, SOX Internal Control, and 401k and Deferred Compensation. Additionally, our Internal Audit function independently conducts audits of these governance practices (e.g., ethics, anti-corruption, etc.) as well as audits of our general operations.





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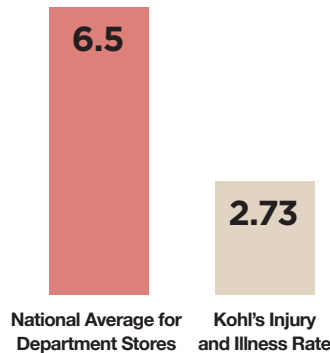
# Workforce Safety, Health & Well-Being

# Workforce Safety, Health & Well-Being

To ensure the safety and security of our associates, customers, and vendors, Kohl's has a robust training program encompassing all necessary compliance requirements and key behavioral elements. While working safely is expected at Kohl's, retraining is provided as needed.

Because of our focus on identifying and mitigating risks, our Occupational Safety and Health Administration (OSHA) injury and illness rate of 2.73 continues to compare favorably to the national average of 6.50 for department stores, as published by the Bureau of Labor Statistics.

## INJURY AND ILLNESS RATE (OSHA RATE)



In our continued efforts to support the safety of our associates, particularly those in our distribution buildings, we designed a “Safety Lab” in 2023 as part of the onboarding process for all distribution associates. This lab provides a unique learning experience through hands-on training in a controlled space. That way, associates with limited distribution center experience can understand and practice safe workplace behaviors. In addition, tenured associates are able to retrain on safe practices in the lab as needed.

Kohl's holds our associates and external partners to the same high standard of safety. We expect them to follow all relevant OSHA guidelines, laws, and general safety standards.

The Risk Management team, under the direction of the Chief Risk and Compliance Officer, collaborates with leaders across the organization to ensure that safety is at the forefront of all business decisions through a series of key programs and initiatives, including but not limited to:

- **Safety inspections are executed monthly at all locations by the safety committee and monitored by the Corporate Risk Management team.**
- **Safety performance ranking is based on a set of comprehensive risk performance metrics, with low-performing locations engaged to create action plans for improved performance.**
- **Safety initiatives are implemented at local/divisional levels based on identified hazards and expanded to the entire organization when appropriate.**

Because Kohl's cares about our people, we strive to make medical care immediate and convenient. We provide a 24/7 nurse hotline for empathetic, initial treatment for all of our associates should they require medical attention while working. We then provide additional medical care if an associate needs follow-up treatment. Because our distribution buildings are larger with more associates, we also provide on-site wellness clinics to support their health and wellness. Each wellness clinic is equipped with medical professionals who can quickly diagnose and provide quality medical treatment. New in 2023, store associates, and their eligible family members, within a 50-mile range of select Wellness Centers, now have access to care at these facilities. We also have internal and external claims teams that investigate, document, and adjudicate customer and associate claims. Each incident is reviewed on its merits with involved associates, customers, and/or witnesses. We evaluate whether a safety concern exists that may require mitigation. Our team monitors customer and associate claims consistently to drive future safety initiatives and reduce claim frequency.

# Enhancing Associate Health and Recovery

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



KOHL'S  
WELLNESS CENTER

In addition to providing our associates with medical assistance for work-related injuries, we have expanded our telephonic offerings to include telepresence using a webcam to provide our associates with a face-to-face experience. Since implementing the line, we continue to train our locations on the importance of nurse triage for our associates' well-being and give ongoing feedback to our vendor partner to ensure we provide best-in-class service to our associates.

Beyond providing our associates with medical resources and peace of mind at the beginning of an injury, our nurse program ensures the same level of care carries through the duration of an associate's claim. Through our partnership with a care management organization, we created a nursing model specific to Kohl's with dedicated telephonic case managers. 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 triage line, nurse case management program, preferred medical provider program, and overall treatment options, Kohl's has a great success rate in helping our associates recover and get back to work as soon as medically appropriate. We reasonably accommodate injured associates with restrictions and continue to improve our programs and guidelines to meet our associates' needs. When needed, we enroll our associates in the Transitional Work program, an interim work assignment program to temporarily accommodate medical restrictions that cannot be accommodated in their regular positions. As such, we can assist our associates with getting back to work much faster. This creates a feeling of goodwill for the associates, and helps the company to be more productive for our customers.



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# Product Safety

# Product Safety

We scrutinize our only-at-Kohl's brand products through our corporate testing program to make sure they uphold our product safety, regulatory, performance and quality standards. We validate this through independent third-party laboratories. Our in-house Quality Assurance & Product Integrity department provides oversight to deliver a safe, quality product to our customers.

Additionally, our standard merchandise vendor purchase order terms and conditions require our product vendors to, among other things, certify, warrant, covenant and represent that they have and will comply with any and all applicable laws, and that their merchandise was produced, manufactured, tested, packaged, and labeled consistent with applicable laws. Similarly, under these terms and conditions, product vendors provide guarantees that their merchandise is fit and safe for sale and any use by Kohl's or its customers.





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# Cybersecurity & Privacy

# Cybersecurity & Privacy

At Kohl's, we believe consumer confidence is critical to our brand. An important part of that trust is how we treat personal information.

## PRIVACY

We understand that customers, associates, and business partners entrust their personal information to us, and we have a responsibility to respect those individuals' 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 the law requires. 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, Human Resources, and Legal.

## CYBERSECURITY

We consider all confidential information a critical asset and have a robust cybersecurity program to protect it. Our information cybersecurity program is tied to industry frameworks, requires training for all associates, encompasses oversight of our third-party partners, and includes a comprehensive security incident response plan.

Defenders of Data

CYBER SECURITY AWARENESS



## AUDITS & ASSESSMENTS

The Enterprise Risk Services (ERS) department reports to the Chief Risk & Compliance Officer and serves as an independent audit function for the company. This internal team conducts cybersecurity, privacy, and environmental assessments and audits. The subjects of these audits include but are not limited to, Sarbanes-Oxley (SOX), Payment Card Industry (PCI) compliance, access controls, and other processes supporting IT infrastructure and applications. The ERS department performs audits across various other compliance topics, including employment, financial, credit, and environmental control areas, to validate compliance with regulations and internal policies.

## ANNUAL TRAINING

We require all associates to complete annual ethics training, which is refreshed periodically to cover integrity-related topics. Within this training are specific cybersecurity training vignettes on phishing, password strengthening, and sensitive data; this is part of our Defender of Data programming, which highlights key cybersecurity and privacy risks and reinforces associate accountability. The training helps connect cybersecurity and privacy to an associate's day-to-day job responsibilities and promotes awareness of each associate's role in Kohl's cybersecurity program.



Read our [Privacy Policy](#).



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# Business Continuity, Crisis Management & Disaster Preparedness



# Business Continuity, Crisis Management & Disaster Preparedness

We have a Business Continuity team dedicated to supporting the well-being of associates and customers in times of natural disaster, pandemics, civil unrest, active threats, and other unplanned incidents. The Business Continuity team plans for and performs exercises to seamlessly manage through a crisis and ensure our business operations are restored in a timely manner. Business continuity plans address multiple types of incidents and are exercised through centralized and location-specific simulations to ensure strategies are comprehensive and resilient. In addition to identifying the recovery time objective of each business function, plans also include the critical systems and vendors needed to support each business operation. Critical staffing timeframes, including identifying key recovery team members, are also included in the business continuity plans.

## BUSINESS CONTINUITY

Our Business Continuity team is led by our Chief Risk & Compliance Officer. To navigate through the incident management life cycle, the team ensures preparedness, supports impacted locations, leads cross-functional incident updates, and suggests actions to mitigate risk across the business. Business continuity plans are developed and managed to align the company's critical business functions, technology needs, and vendor relationships. To ensure plans stay current, each plan undergoes an annual review and update along with senior leadership approval.

## BUSINESS CONTINUITY EXERCISES

In addition to plan reviews, the Business Continuity team facilitates multiple business continuity exercises annually. The exercises vary in scenario and rotate which location or business function is exercised. Key areas participating in simulations include the Supply Chain and Logistics network, Credit servicing and select critical business functions.

## ACTIVE THREAT

Each year, associates are required to complete active threat training. This training provides strategies for personal safety and response to an active threat in alignment with the U.S. Department of Homeland Security guidelines. To support associates in the event of an active threat and other time-sensitive incidents, a robust third-party emergency notification system is used to alert associates across multiple contact channels on building closures, provide operational updates, and check on their safety and well-being. The Business Continuity team proactively works with senior leadership to maintain up-to-date contact information.

## CRISIS MANAGEMENT

Our Crisis Management team is made up of senior leadership across all business areas and provides guidance throughout crises. Annual preparation with the Crisis Management team provides guidelines and best practices for major system outages and natural disasters, including hurricanes, tornadoes, wildfires, and earthquakes. Annually, the Crisis Management team participates in a simulation designed to exercise a company-wide risk scenario. Updates on crisis management activities and business continuity preparedness are also periodically provided to the Board of Directors.

## DISASTER PREPAREDNESS

There is annual training for major natural disasters, including earthquakes and hurricanes. The Business Continuity team facilitates the training and includes presentations by cross-functional partners. These training sessions are an integral part of our preparedness strategy as we educate associates on actions to take to keep themselves and customers safe during an incident, share how communications will occur during and after an incident, and outline how we support them and the local communities should a significant disaster occur.