

**K**♥**HLS**<sup>®</sup> cares

2024 REPORT





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Dear Stakeholders,

At Kohl's, we believe that doing what's right for our customers, our associates, and our communities is essential to how we operate.

We see it as our responsibility to use our scale as a national retailer to create meaningful, measurable impact across the communities we serve. I'm proud to share our 2024 Kohl's Cares report, which illustrates our dedication to upholding responsible business practices across every part of our organization.

Our Purpose, Values, and Behaviors guide how we work together, serve our customers, and shape our culture. We're proud to foster a workplace where respect, empathy, and inclusion help us attract and retain top talent and achieve our business goals. We're also committed to our associates' growth, offering development programs and competitive benefits as part of that investment.

Kohl's is proud to support family health and wellness—including mental health—through our national partnerships with Boys & Girls Club of America, National Alliance on Mental Illness, and Alliance for a Healthier Generation. Through the sale of Kohl's Cares Goods for Good™ merchandise and the generosity of our customers, we donated more than \$12 million in 2024, bringing our all-time total to over \$440 million. In addition, our Kohl's associates made a meaningful impact across the country by volunteering more than 80,000 hours in their communities.

Our inclusion and belonging strategy—focused on our people, customers, and community—helped strengthen our business in 2024. Our workforce, comprised of individuals with different backgrounds, perspectives, and lived experiences, is an advantage that leads to greater innovation and collaboration and helps us achieve our business objectives. This breadth of representation enables us to better reflect the customers we serve.

Our strategies for sustainable business practices and efficient, responsible supply chains remain steadfast. Thanks to efforts across the company, we reduced emissions, improved energy efficiency, and diverted more than 80 percent of waste from landfills—reinforcing our long-term commitment to minimizing environmental impact across our operations and supply chain.

For the sixth consecutive year, Kohl's was honored as one of the World's Most Ethical Companies by the Ethisphere Institute—a reflection of our values in action.

As we look to the future, we remain committed to serving customers with care, supporting associates, and strengthening the communities we call home. Thank you to our teams, partners, and customers for driving this work forward together.



**MICHAEL J. BENDER**  
Interim Chief Executive Officer



## ABOUT THIS REPORT

This report provides information for our partners, shareholders, customers, associates, and other stakeholders regarding our Environmental, Social, and Governance 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), Task Force on Climate-related Financial Disclosures (TCFD), United Nations Sustainable Development Goals (SDG), Global Reporting Initiative (GRI), and CDP Reporting.

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 e-commerce 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, GRI report, and EEO-1 Component 1 report.

## REPORTING PERIOD

This report covers the fiscal year 2024 (February 4, 2024, to February 1, 2025) unless otherwise indicated.

## MORE INFORMATION

For more information about Kohl's, visit [Corporate.Kohls.com](https://corporate.kohls.com).

This report has not been audited by a third party.





02

## People & Communities



# Our Commitment to Associates

Kohl's associates are a reflection of who we are as an organization. We strive to foster a workplace where respect, empathy, and inclusion thrive. We operate with a strong 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.

## OUR PURPOSE, VALUES & BEHAVIORS

For more than 60 years, caring about our customers, associates, and communities has been an important part of how we run our business—and our Purpose, Values, and Behaviors reflect that. The values and behaviors we share as an organization guide us in how we conduct business, work with each other, and connect with our customers. Our four core values are as follows:

- ✓ **Customer First:** We win together. We act as one team by building trust, communicating candidly and prioritizing the customer over any team or individual.
- ✓ **Accountable:** We take ownership. We're honest about what's going well and what's not, never resorting to blame. We take initiative, drive results and ask for help when we need it.
- ✓ **Resourceful:** We learn continuously. We experiment, build skills and gain inspiration from inside and outside of our walls. We learn from successes, and setbacks and focus on progress over perfection.
- ✓ **Empathetic:** We seek understanding. We're curious and take the time to understand each other. We intentionally create inclusive environments where every person is valued and can choose to be themselves.

To learn more, visit [Careers.Kohls.com](https://careers.kohls.com).

To be at our best for our customers and teammates, we strive to learn and grow every day. We are committed to supporting our associates' personal and professional growth by offering a broad range of development opportunities across all levels. We want our associates to feel empowered and engaged every day so they can do their best work.

## TALENT MANAGEMENT

Our talent management team focuses on 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.

- ✓ **Associate Development:** From initial onboarding to high-potential leadership development, we believe in training and career growth for our associates. We offer a variety of development opportunities, ranging from live workshops to on-demand skills training to team-specific courses. We also 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 and a variety of other programs, with a focus on identifying opportunities designed to meet the unique personal and professional needs of our talent across the organization.
- ✓ **Attracting Top Talent:** We're constantly evaluating our recruiting practices to ensure we're attracting a broad pool of qualified candidates. Additionally, we offer an annual best-in-class internship experience. In 2024, more than 500 interns participated in our 8-week and 10-week paid programs across our corporate offices, stores, and e-commerce fulfillment centers, bringing new perspectives and thinking to our business. We are proud that many students transition to full-time roles at our company.
- ✓ **A Culture of Appreciation:** Acknowledging accomplishments bolsters engagement and helps associates focus on their career paths. Kohl's Recognizing Greatness platform is an easy-to-use tool for giving shout-outs to individuals and teams who have gone above and beyond. Since the program launched in 2015, we have received over 3.4 million submissions.

## COMPENSATION AND BENEFIT OFFERINGS

In 2024, the average hourly wage of full-time store and distribution center associates was \$19.58, and the average hourly wage of all store and distribution center associates was \$16.46. All hourly start rates are well above the federal minimum wage.

Full-time associates are offered medical, dental, vision, prescription drug, disability, and life insurance coverage, and long-term care coverage. Part-time associates are offered a primary care health and pharmacy plan and dental, vision, and supplementary life insurance. Parental leave is paid at 100% for both our hourly and exempt associates. For associates living near our corporate headquarters, an on-site childcare center that can support up to 450 children is offered. Additionally, we provide a 10% tuition discount at any Learning Care Group center for children ages birth to 12.

All eligible associates receive a 100% match (on up to 5% of pay) in Kohl's 401(k) Savings Plan after one year of employment. We also offer full-time and eligible part-time associates fully funded tuition for high school completion and undergraduate degrees. Associates are offered paid time off, including a vacation buy program, and provided a merchandise discount ranging from 15% to 35%.

Associates can also choose from 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 expenses.

Our support doesn't stop there. We're proud of the ways we contribute to our associates' total well-being year-round, including:

### Healthy Rewards:

Our Healthy Rewards program allows associates to take ownership of their personal health and reduce their medical premiums. 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 provide a unique benefit to all associates at corporate and credit locations, distribution centers, and e-commerce fulfillment centers, as well as nearby store and remote associates. Compassionate and experienced primary healthcare professionals administer preventive exams, lab services, physical therapy, health coaching, and treatment for routine illnesses. The corporate Wellness Center also offers pediatric care.

### Be Well at Kohl's:

The Be Well at Kohl's program provides resources, benefits, offerings, and more for associates and their families that focus on mental health, which is a critical part of associates' total well-being, including:

- ✓ **Employee Assistance Program (EAP):** Our EAP offers 12 free and confidential counseling sessions to address mental and emotional concerns, unlimited well-being coaching, 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 such as 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, and more.
- ✓ **Support Groups:** We offer support groups for associates, led by associates, to connect with others going through similar life situations.
- ✓ **Leader Resources:** We continue to give leaders tools to create and cultivate an empathetic culture, such as mental health check-in questions, training, videos, and online toolkits specific to leading and supporting teams.

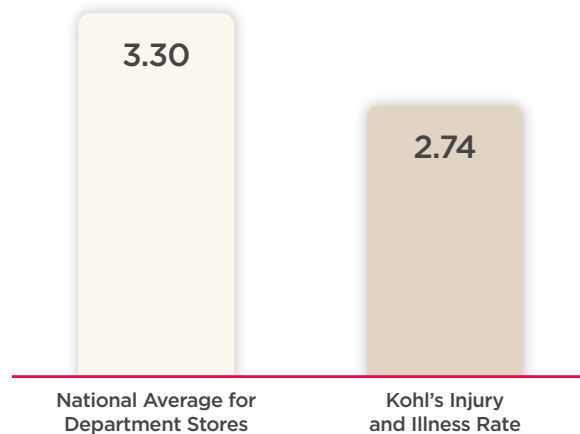
## WORKFORCE SAFETY, HEALTH & WELL-BEING

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 CY 2024 Occupational Safety and Health Administration (OSHA) injury and illness rate of 2.74 continues to compare favorably to the national average of 3.30 for department stores, as published by the Bureau of Labor Statistics. 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.

### INJURY AND ILLNESS RATE

(OSHA Rate)



The Risk Management team 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:

- ✓ The safety committee conducts monthly safety inspections at all locations, which are 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.

To successfully help our associates recover and get back to work as soon as medically appropriate, we provide a 24/7 nurse hotline for empathetic, initial treatment for all of our associates should they require medical attention while working, as well as additional medical care if follow-up treatment is needed. 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.

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 consistently monitors customer and associate claims to drive future safety initiatives and reduce claim frequency.

# Philanthropy

We believe healthy communities help support healthy families, so we give back to our communities with resources, talent, and time. In 2024, we continued our long-standing philanthropic commitment to family health and wellness, including mental health, in the communities we serve.

Our philanthropic giving is overseen by an internal Governance Committee composed of Audit, Human Resources, Legal, and Risk and Compliance. This group offers oversight and guidance to support giving practices that reflect our values, comply with company policies, and adhere to applicable law.

**KOHL'S** 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. We've raised more than \$440 million for local communities across the U.S. through Kohl's Cares Goods for Good™ merchandise, including more than \$12 million in 2024. We have our customers to thank for making this difference.

## NATIONAL PARTNERSHIPS

### National Alliance on Mental Illness (NAMI)



Our partnership with NAMI supports the expansion of mental health support groups and provides additional mental health programming and resources for individuals and communities across the country. Kohl's Cares has committed more than \$8 million total to NAMI since 2021.

### Boys & Girls Clubs of America (BGCA)



Our partnership with BGCA supports the development and delivery of trauma-informed training to BGCA staff. 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. Kohl's Cares has committed more than \$15 million total to BGCA since 2017.

### Alliance for a Healthier Generation



Our partnership with Alliance for a Healthier Generation supports their innovative family health and wellness initiative, Kohl's Healthy at Home. Kohl's Cares has committed more than \$10 million total to Alliance for a Healthier Generation since 2019.

## GRANT PROGRAMS

In 2024, Kohl's donated \$2 million to 80 nonprofits nationwide through the Kohl's Cares® National Giveback Initiative in support of improving family health and wellness. Additionally, more than \$500,000 in total was donated to more than 25 nonprofits in Milwaukee and Waukesha counties through the Kohl's Cares Hometown Giving Program.

## HOMETOWN SUPPORT

Kohl's started in the Milwaukee area more than 60 years ago, and it continues to be the hometown of our corporate headquarters today. We believe it's vital to help make a difference in this important community. Throughout our history, we've committed more than \$160 million to Milwaukee nonprofits, including more than \$7 million in 2024.

## IN-KIND DONATIONS

Through in-kind donations, Kohl's and its vendors have donated a surplus of brand and beauty merchandise with a retail value totaling more than \$6 million to local nonprofits, Kohl's hometown partners, Project Glimmer, and Good360.

## VOLUNTEER PROGRAM

Community volunteering is a source of pride for Kohl's and our associates across the country, who support their communities by giving their time to local nonprofits. In recognition of their efforts in volunteering with eligible nonprofits, Kohl's donates \$25 to the nonprofit for every hour of volunteer service. In 2024, our associates volunteered more than 80,000 hours.



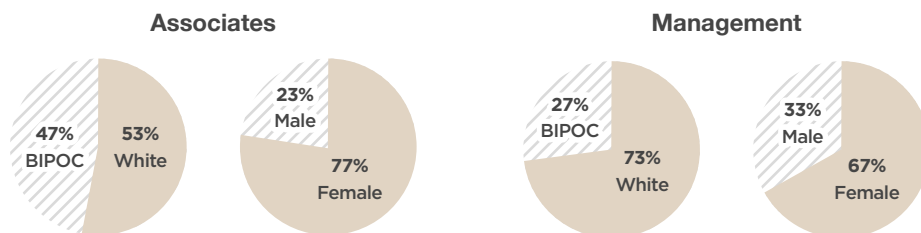
# Inclusion & Belonging

One of our priorities as a company is to reflect our values of being a welcoming, respectful, and inclusive company for all of our associates and all of the customers we serve. We believe that an inclusive and productive workforce that serves a broad base of customers will help drive our business forward. We are committed to our Inclusion and Belonging strategy, which focuses on Our People, Our Customers, and Our Community.

## OUR PEOPLE

We strive to be purposeful in attracting, growing and engaging a workforce comprised of different backgrounds, perspectives, and lived experiences, which helps us serve a broad base of customers. We champion the value and strength of our differences to foster a workplace of inclusion and belonging.

- ▶ We have approximately 96,000 associates across the country, of whom nearly 47% are Black, Indigenous and People of Color (BIPOC), 53% are White, 77% are female, and 23% are male.
- ▶ Of our management population, approximately 27% are BIPOC, 73% are White, 67% are female, and 33% are male.
- ▶ Total workforce population demographics can be found in our [2024 EEO-1 Report](#).



We are committed to cultivating a strong sense of connection and engagement within our eight Business Resource Groups (BRGs), which encompass more than 8,500 unique members and are a key component in recognizing and fostering our culture of inclusion and belonging. Our BRGs are inherently inclusive because they are open to all associates by welcoming all allies, not just the community they represent. They were created based on employee feedback and help drive business insights.

- ▶ In 2024, Kohl's BRG member engagement score averaged 77, comparable to the overall company engagement score.



Asian Pacific



BLK



diverseAbilities



Hispanic y Latino



Pride



Veterans &amp; Military



Women of Kohl's



Young Professionals

## OUR CUSTOMERS

We strive to celebrate our differences and help more customers see themselves reflected in our brands. We're focused on offering culturally relevant products and designs that are meaningful to our customer base.

We also continue to enhance Kohl's brand experience for a broad base of customers by telling culturally relevant stories and creating inclusive content that features a diverse mix of ethnicities, family makeup, ages, body sizes, and abilities.

In our stores, we continue to utilize adaptive mannequins, mannequins with various skin tones, and size-inclusive mannequins.

- ▶ While BIPOC customer count decreased year over year, BIPOC share increased slightly.\*
- ▶ Overall, BIPOC customer satisfaction remained flat year over year.



\*Customer data was not collected from CA, VA, CO, CT, UT, TX, FL, OR, MT, DE, IA, NH, NE, and NJ in FY 2024.



## OUR COMMUNITY

We strive to support the communities we serve through conversations, volunteerism, programs, and partnerships.

### Our Suppliers

Through strategic collaboration, we aim to build an ecosystem that drives mutual business success and strengthens our communities.

- ▶ In 2024, we continued to foster growth, innovation, and opportunity by actively sourcing suppliers for our corporate supply chain.
- ▶ Through our mentorship program and business partners, we connected and built relationships with newly identified suppliers and small businesses.

### Philanthropy

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

- ▶ Since 2022, Kohl's Cares committed more than \$15 million in support of diverse communities, including Asian American, Native Hawaiian and Pacific Islander (AANHPI), BIPOC, LGBTQIA+, people with disabilities, veterans and active military members, and women.
- ▶ We also support our associates volunteering their time at non-profit organizations that matter to them.





03

# Environmental Sustainability





# Environmental Stewardship

We believe that incorporating sustainable solutions into our business will help build better futures for families and help protect our planet's natural resources. With such a large retail footprint, Kohl's has a unique opportunity to make a positive impact on the planet. 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. Our strategy is guided by leveraging business practices and decisions that enhance the United Nations Sustainable Development Goals (SDG) objectives.

As laid out in Kohl's Environmental Policy, we are committed to supporting responsible practices throughout our value chain 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 maintains 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, effectively manage inspections and upcoming permit renewals, 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 verify 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.

## BOARD OVERSIGHT

Our governance practices form the foundation for how we manage risk, verify accountability and provide transparency to our stakeholders. The Nominating and ESG Committee of Kohl's Board of Directors oversees our ESG initiatives to understand both risks and growth opportunities. The Nominating and ESG Committee receives annual updates on ESG topics from management and provides reports to the full Board of Directors. Kohl's Board supports 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'S ROLE

The Chief Legal Officer & Corporate Secretary is responsible for overseeing our environmental strategy. As part of the Risk Reduction Committee, the Chief Legal Officer & Corporate Secretary assesses and manages climate risks and opportunities. Our Risk Reduction Committee allows for collaboration across key departments, includes members of the executive team, and leverages various means to monitor and manage our environmental risks. The Committee's input on environmental compliance and climate-related issues provides key support to the Board in overseeing Kohl's ESG strategies and overall risk profile.



# 2025 Goals & Progress

Goal

✓ Progress

## CLIMATE ACTION

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

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

- ✓ 54.94% reduction in scope 1 & 2 emissions, CY 2024

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

- ✓ 35% reduction in energy consumption since 2008, CY 2024

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

- ✓ 177 solar locations

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

- ✓ 169 locations offer EV charging

## WASTE AND RECYCLING

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

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

- ✓ 82.4% of waste was diverted from landfills, CY 2024

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

- ✓ 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
- ✓ 65% of product packaging for the home goods category includes How2Recycle labels

### 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.
- ✓ 84% of our apparel, footwear, accessories, and jewelry packaging was sourced with certified or recyclable content
- ✓ 95% of our printed and woven labels on apparel and accessories were sourced with certified recycled content
- ✓ Nearly 100% 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.

### 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 2024, 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 2023 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
- ✓ 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-stressed regions, to build their capacity, identify opportunities to reduce water consumption and promote 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)

- ✓ In July of 2024, Kohl's transitioned to a Signatory Brand with Zero Discharge of Hazardous Chemicals (ZDHC).
- ✓ We require our suppliers to adhere to the most current Zero Discharge of Hazardous Chemicals (ZDHC) MRSL, which limits or prohibits the use of more than 250 chemicals in the manufacturing process.
- ✓ 100% of our only-at-Kohl's brand textile towels, 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

- ✓ 91% of cotton for only-at-Kohl's brands was responsibly sourced in CY 2024

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

- ✓ 22% of only-at-Kohl's brand polyester styles produced in CY 2024 contain recycled polyester

\*Apparel, accessories, and jewelry are excluded due to the small size of their packaging.



# Climate Change

Kohl's is committed to incorporating environmentally responsible practices into all of our business operations. 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)

Since 2021, Kohl's climate-related disclosures have been guided by the TCFD framework, which assists companies in more effectively disclosing climate-related risks and opportunities. View [Kohl's TCFD Report](#) here.

## CDP REPORTING

Since 2007, we have disclosed emissions data to CDP, enabling Kohl's to measure, manage, disclose, and ultimately reduce our environmental impacts. View [Kohl's CDP Report](#) here.

## CLIMATE-RELATED RISKS

Risks related to the transition to a lower-carbon economy include carbon pricing along with heightened policies and legislation for emissions 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 in which we operate.

## ENVIRONMENTAL RISK MANAGEMENT

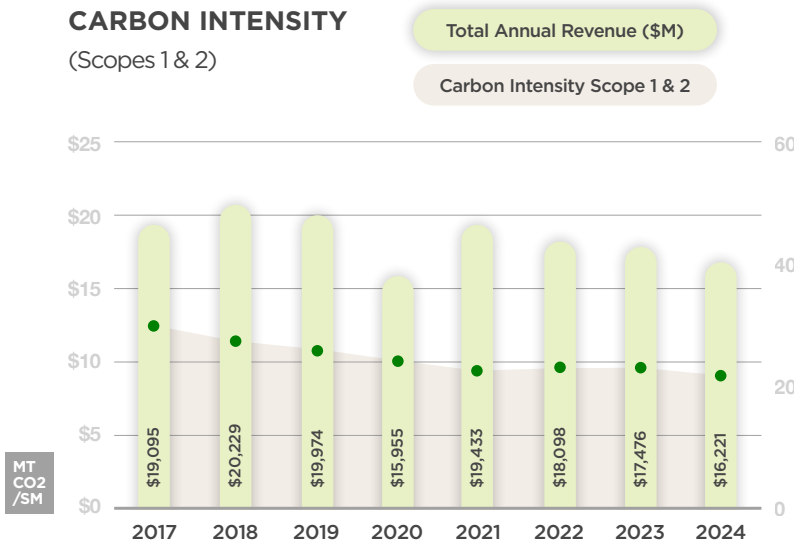
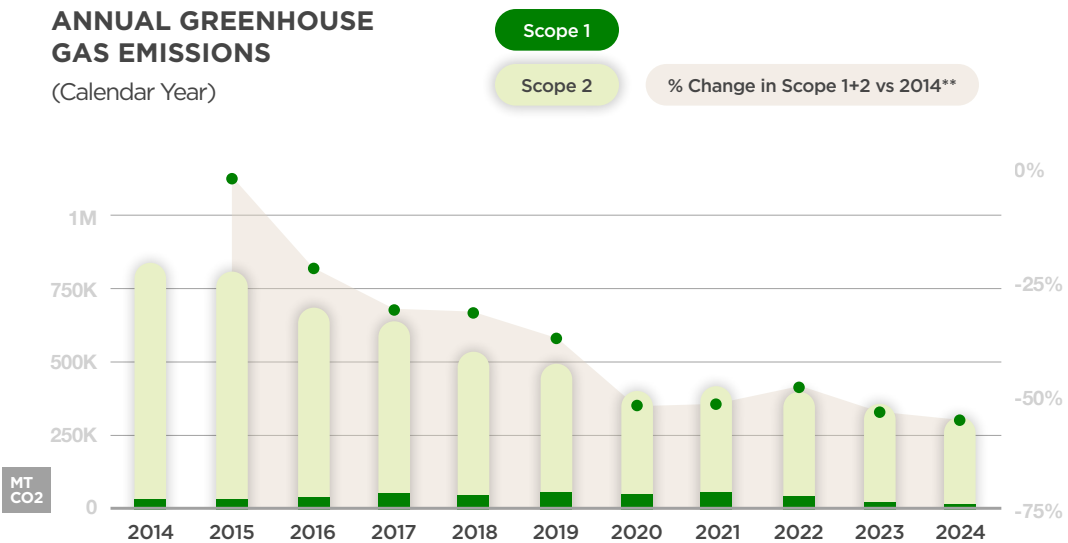
Environmental and sustainability-related risks are an important component of Kohl's overall Enterprise Risk Management (ERM) program. Kohl's ERM program establishes procedures, protocols, and leadership actions to identify and mitigate key risks. Risks are identified through industry-specific benchmarking,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

GREENHOUSE GAS EMISSIONS

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 verified annually by third parties. The following charts show emissions data and carbon intensity verified by the International Organization for Standardization 14064-3:2019. Based on a 2014 baseline and methodology, at the end of CY 2024, we achieved a total 54.94% reduction in our Scope 1 and 2 emissions.

**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 and validated scope 1, 2, and 3 greenhouse gas (GHG) emissions reduction targets based on climate science.

**Better Climate Challenge Partner:** In November 2021, Kohl's was 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.



Scope 1: Direct Emissions from Kohl's operations.  
Scope 2: Indirect Emissions from the generation of purchased energy. Calculated using a location-based method.  
\*As of 2024, Kohl's has established an SBTi-aligned emissions reduction target that includes Scope 3 emissions. [Kohl's CDP disclosure](#) can be viewed for additional details on our Scope 3 progress.  
\*\*This chart represents Kohl's 2024 Scope 1 & 2 reduction 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. The reporting boundary includes all emissions from assets and facilities over which the company has operational control.



# Energy Efficiency

We are committed to responsibly managing our energy use, improving efficiency, and increasing renewable energy across our facilities to lessen the impact of our operations. 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.

**35%**  
reduction  
in energy consumption  
since 2008 (CY 2024)

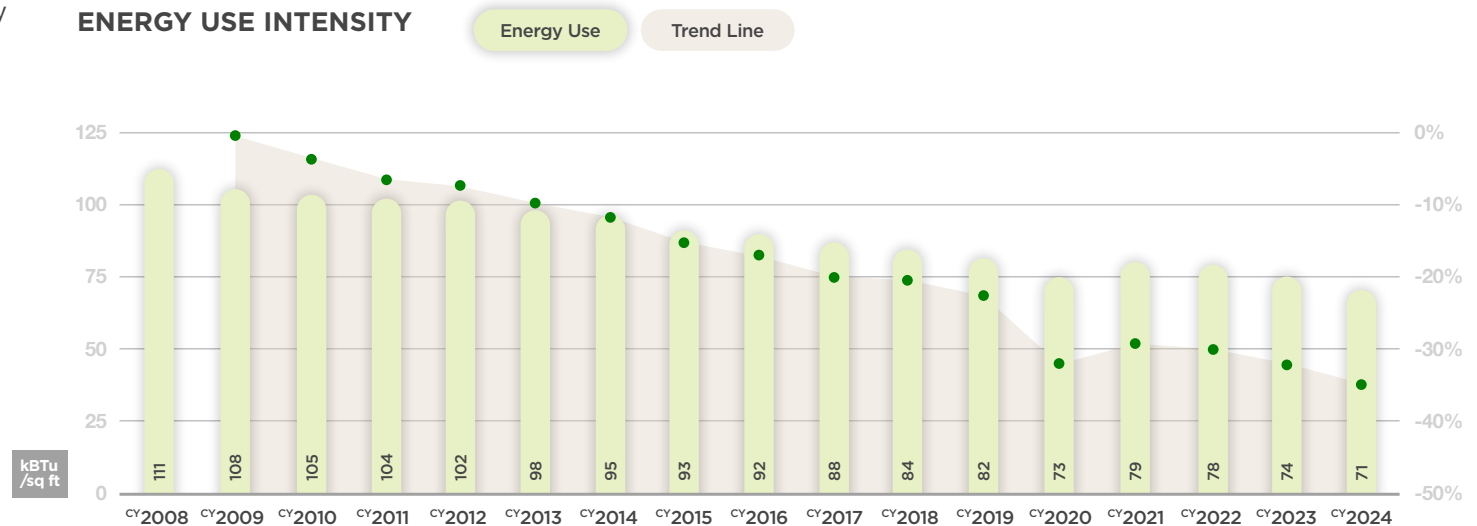
## BETTER BUILDINGS CHALLENGE ACHIEVER

Kohl's is a proud participant in the U.S. Department of Energy's Better Building Challenge. Based on our 2008 baseline, we achieved a 35% energy reduction in CY 2024.

## EPA ENERGY STAR®

Our cooperating partnership with the EPA's 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. Kohl's was selected as a CY 2024 ENERGY STAR Partner of the Year winner for Sustained Excellence for the 13th consecutive year, which is an honor reserved for ENERGY STAR partners demonstrating outstanding leadership year over year. As part of our commitment to reducing our carbon footprint through energy reduction, we increased the number of ENERGY STAR-certified stores to 98% in CY 2024. 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. We also use ENERGY STAR-rated equipment and appliances to help reduce energy consumption and our carbon footprint.

## ENERGY USE INTENSITY



Energy use from 2020-2022 were significantly lower than a typical year due to COVID-19 disruptions.

## 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 2024, we completed 296 LED retrofits, which will save more than 14.5 million kilowatt-hours (kWh) per year. In our ongoing commitment to energy efficiency, Kohl's is ramping up the deployment of LED lighting across our properties. By the end of CY 2024, 85% of our stores received LED retrofits across the majority of their floor plans. Additionally, 31 stores received an HVAC system replacement for greater efficiency (CY 2024).

# Renewable Energy & EV Charging

## SOLAR

In CY 2024, an estimated 56,757 megawatt-hours (MWh) of solar energy was used, meaning nearly 7% of the electricity we used to power our business came from renewable sources. As of CY 2024, we host 177 solar arrays around the country, totaling nearly 250,000 solar panels and three solar trees.

Kohl's is committed to growing its renewable energy production by investing in solar panels. To further this commitment, Kohl's actively continues to equip its rooftops with solar arrays. In CY 2024, we completed six new solar installation projects across Illinois, which increased Kohl's installed solar capacity by 6.72% to 51.2 megawatts.

## RENEWABLE ENERGY CREDITS (RECS)

Kohl's also maintains a commitment to renewable energy use through the purchase and production of renewable energy credits (RECs). In 2024, we secured RECs totaling approximately 122,294 megawatt-hours (MWh), including 22,295 MWh from our on-site solar arrays, where we retain or own the RECs. These RECs resulted in the offset of 34,150 metric tons of carbon.

## CHARGING

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 2024, we had more than 386 electric vehicle charging spots/ports spread across 169 locations.

By maintaining our solidarity with electric vehicle owners, the charging we provide powers over 3.9 million miles of driving and saves nearly 175,000 gallons of gasoline annually.

During National Drive Electric Week in 2024, Kohl's offered free charging to the public for the first two hours of each charging session. In total, we saw over 3,600 charging sessions, providing nearly 60,000 kWh.

**380+**  
electric vehicle  
charging stations

Over  
**315,000**  
charging sessions

Nearly  
**175,000**  
gallons  
of gas saved

Powered more than  
**3.9M**  
miles of driving

Proud  
**EPA**  
Green Power Partner  
Since 2006

All renewable energy data on this page is as of CY 2024.



# 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 tracking their sustainable practices. We continually work to improve our fleet's environmental performance to reduce vehicle emissions. Kohl's seeks partnerships with carriers who volunteer for membership associations and whose environmental missions reflect our own.

## 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. In 2024, 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 our efforts on the SmartWay 2024 High Performer List as an industry leader for integrating freight into sustainability outreach, planning, and progress. Over the last eight years, Kohl's has been recognized as a High Performer or received the EPA SmartWay Excellence Award. Our exceptional performance in 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

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

### ✓ Drop-and-Hook

Utilizing drop-and-hook methods at the origin and destination of shipments drastically reduces truck idle time. Our fleet is 88.3% drop-and-hook at store destinations.

### ✓ California Air Resources Board

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

### ✓ Rail

We rely heavily on rail transport. Rail usage stands at 63% 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. Airfoils, trailer skirting, rear foils, cab airflow diverters, and wheel covers are making our fleet more efficient every day.

## SHIPPING PARTNERS

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. Our oceanic shipping partners include Expeditors, Evergreen, and Orient Overseas Container Line.

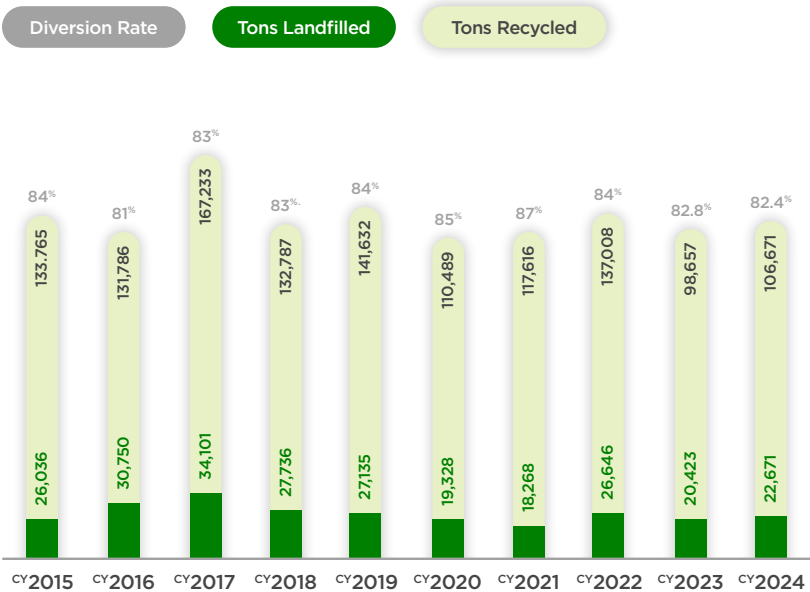
# Waste Management

We are committed to responsibly managing and reducing waste, while promoting recycling among customers and associates. Our teams receive training, strategic communication, and incentives to support our recycling goals and improve diversion rates. In stores, customers have access to recycling resources and can choose paperless receipts and credit statements. We continually seek new ways to eliminate waste and empower our community to recycle effectively.

## DIVERSION RATE

Through initiatives such as plastic and cardboard recycling, and beauty product and fabric scrap repurposing, we achieved an 82.4% diversion rate in CY 2024.

## WASTE DIVERSION HIGHLIGHTS



## SOLID WASTE

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

82.4%

of waste was diverted

from landfills (CY 2024)

## AUTO-HAUL PROGRAM

94% of our stores utilize auto-haul programs with preset cardboard and trash compactor pickups. 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 verifies that 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 confirm 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 BAGS

In CY 2024, 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 40% 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. 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.

## 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. We recycled more than 9 million pounds of hangers through our hanger recycling program in 2024.

## 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.

## FABRIC SCRAPS

Associates in our New York Design Office sort fabric scraps and recycle them through a third party. Depending on the scrap size and design print, the material is reused or recycled into things like insulation or moving blankets.

## PRODUCT WASTE DONATIONS

Through in-kind donations, Kohl's and its vendors have donated a surplus of brand and beauty merchandise with a retail value totaling more than \$6 million to local nonprofits, Kohl's hometown partners, Project Glimmer, and Good360.



# Packaging

Product packaging can significantly impact the environment, and we are committed to taking steps to reduce our impact. Starting at the design stage, we are mindful of incorporating sustainable solutions into packaging. During development, we strongly encourage our suppliers to offer certified, recycled, recyclable, or reusable materials.

## 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 consumers on proper recycling methods. The company is now expanding this effort to include the labeling of only-at-Kohl's brand home goods product packaging. In 2024, 65% of product packaging for the home goods category included How2Recycle labels.

## 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 2.2 million pounds of branded apparel packaging paper in 2024 has been converted to Forest Stewardship Council-certified paper. 84% of our apparel and accessories packaging is sourced with certified or recyclable content, and 95% of our labels on garments were sourced with certified recycled content in 2024.

## 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.

In 2024, we eliminated pack slips for all store pickup orders, saving over 2.5M square feet of label stock.

Kohl's two newest e-fulfillment centers offer right-size packaging capabilities for box, bag, and bubble mailers, automatically trimming packages to fit the merchandise. 31% of the packages fulfilled from these facilities are right sized, totalling 7.1M packages in 2024, which reduces dunnage consumption by 52% versus traditional packing methods. Right-sized bagging additionally reduces plastic material usage by 15% versus traditional made-to-order bag packing methods.

Kohl's also utilizes padded mailers, which are made with recyclable materials and further minimize dependency on dunnage, saving an estimated 3,200-4,000 pounds of plastic waste in 2024.

Due to right-sized bagging,  
we are poised to see a

**15%**

reduction in plastic  
bag material  
per package

**84%**

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 2.2M pounds  
of branded apparel packaging paper  
has been converted to Forest  
Stewardship Council-certified paper

# Water Management

Water is a precious resource, and prioritizing water efficiency is a necessary response to combat climate change. We design 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 have lowered irrigation water use. Together, these measures help reduce water usage at locations throughout the country.

## BETTER BUILDINGS WATER SAVINGS NETWORK

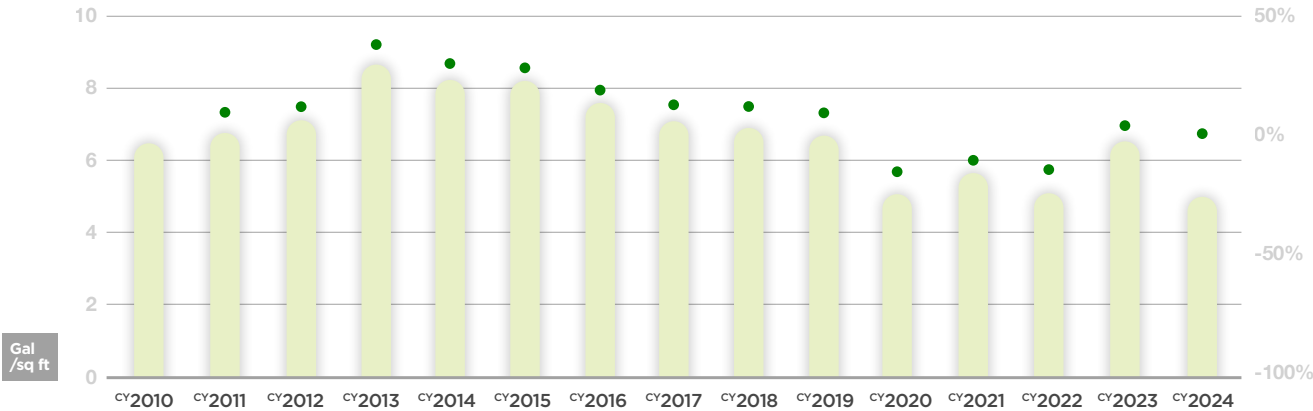
As a U.S. Department of Energy Better Buildings Water Savings Network Partner, we strive to decrease our portfolio-wide source water use intensity (WUI) and to increase the percent improvement compared to a set baseline. Since 2010, we have improved our water performance by 1% across our portfolio.

### 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 Management relates to Calendar Year.

Water Use Intensity

% Change vs 2010





# Water Scarcity

We work with only-at-Kohl’s brands business suppliers worldwide to understand which facilities are located in water-stressed areas 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.

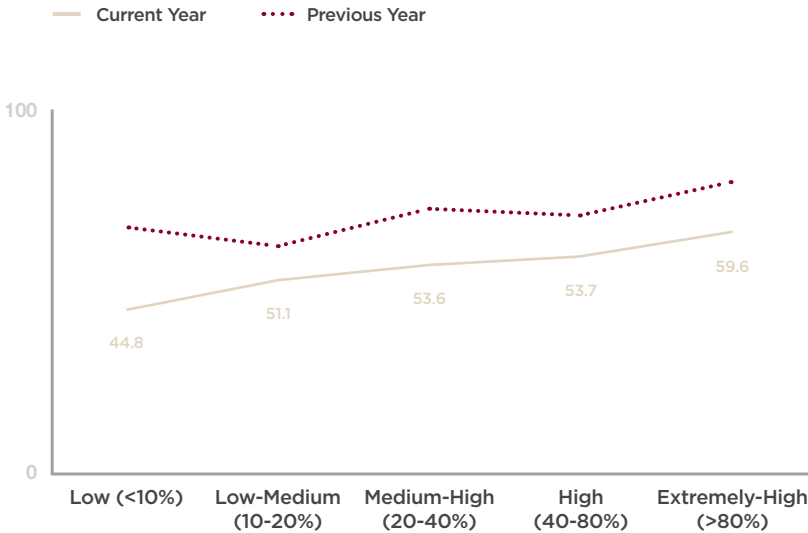
Our supplier engagement work, along with our Higg FEM 2023 performance analysis for water-intensive facilities, revealed that our suppliers located in the most water-stressed regions already have strong water management practices in place. Some examples include monitoring consumption and baselines, target 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 water use efficiency.

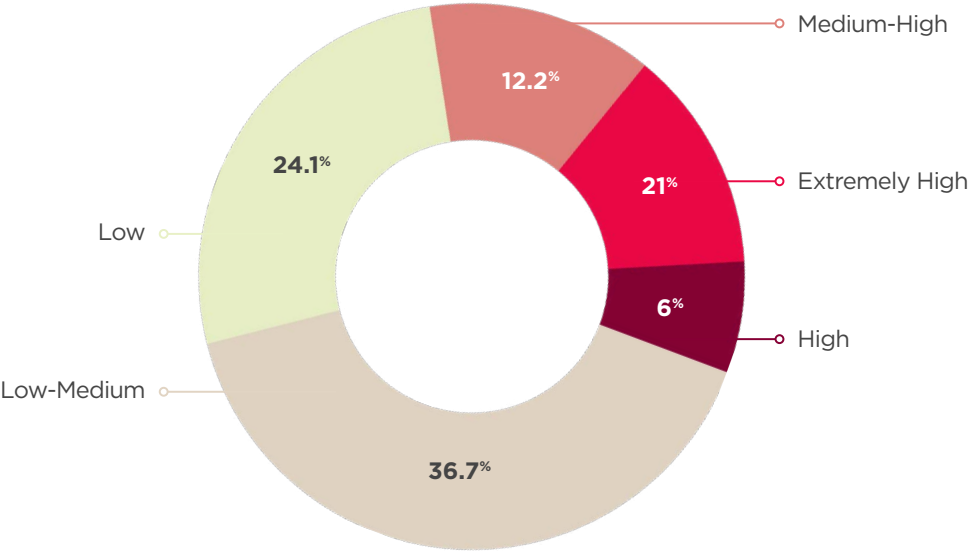
Kohl’s completed a water risk assessment using the World Resources Institute’s (WRI) Aqueduct Water Risk Atlas to map areas of water risks across our global supply chain. Kohl’s will continue to engage with its vendors, especially those located in high water-stressed regions, to build their capacity, identify opportunities to reduce water consumption and promote 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.

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



WATER STRESS RISK LEVEL



# Environmentally Responsible Sourcing

## ENVIRONMENTAL IMPACTS ON OUR SUPPLY CHAIN

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

We collaborate with our suppliers to communicate our expectations in their sustainability efforts. Supply chain operations can impact the environment through energy and water consumption, carbon emissions, wastewater, chemical use, and waste disposal. We use the Higg Index to make meaningful improvements and more responsible choices regarding protecting the well-being of factory workers, local communities, and the environment.

## CASCALE’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 manufacturers, retailers, brands, and nongovernmental 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. It delivers a holistic overview of our social and environmental performance. The Higg Index provides 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 2024, 85% of all approved facilities completed the Higg FEM.

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 and 2024. As a result of Cascale’s upgraded module, we maintained these environmental standards to re-establish a baseline with the new system requirements.

Type of supplier	Percentage that have completed the HIGG FEM	Percentage in compliance with wastewater discharge permits and/or contractual agreement
Tier 1	94%	99%
Beyond Tier 1	73%	99%

One key component is comparing year-to-year results to determine if progress is being made. Kohl’s has a total of 1,021 Tier 1 and 683 Tier 2 and beyond facilities.

# Energy, GHG Emissions & 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 achieve emission reductions, Kohl's leveraged a web-based training course established in collaboration with the UN Fashion Industry Charter for Climate Action and a few global fashion brands and manufacturers.

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.

### Higg FEM trainings included:

- ✓ Higg FEM 2023 Kick Off
- ✓ Higg FEM EMS
- ✓ Higg FEM Energy & Water
- ✓ Higg FEM Air Emissions
- ✓ Higg FEM Waste
- ✓ Higg FEM Chemicals & Wastewater
- ✓ Higg FEM Verification



# Facility Sustainability

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 social and environmental facility improvements globally, we use the Higg Index. Kohl's leverages multiple tools within the Higg Index to deliver 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 producing our goods. We require all approved facilities producing our only-at-Kohl's brands to complete the Higg FEM. We understand that when the facilities that produce our goods operate more sustainably, they also operate more efficiently by using less water, energy, and chemicals, and create 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. In 2023 and 2024, their performance was assessed on a quarterly and annual basis for compliance.



Of 186 Worldly accounts (brands, retailers, large manufacturers) that have used the adoption tool to track FEM 2023 completion, Kohl's saw the following rankings and percentage improvement:

**#6**

Highest absolute number of received posted FEM 2023 self-assessment modules

**#9**

Highest absolute number of received posted verified FEM 2023 modules

**29%**

Average score performance improvement against 2018\*

\*In 2024, Kohl's shifted to Higg 4.0, impacting performance.

## 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 certify the Higg FEM data they provide to us is verified by accredited third-party professionals.

## PROCESS IMPROVEMENT PROGRAM

We recognize that Kohl's plays an important role in enabling supplier performance improvement and adoption of best practices. 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 confirm that suppliers addressed all improvement requirements. Although difficult to scale, we addressed more than 477 performance gaps for over 137 suppliers in the past two years. 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 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 see our [Environmental Policy](#).

## CHEMICAL MANAGEMENT AND ZERO DISCHARGE OF HAZARDOUS CHEMICALS

To strengthen our chemical compliance program, Kohl's leveraged the ZDHC Gateway platform and focused on specific areas to drive compliance. Specific steps taken to strengthen our chemical compliance program include:

- ✓ Aligning our business partners with tools to digitize suppliers' chemical inventory and manage individual chemical compliance.
- ✓ Providing vendor and facility partner training opportunities.
- ✓ Requiring Restricted Substance List (RSL)/Manufacturing Restricted Substance List (MRSL) compliance.
- ✓ In July of 2024, Kohl's transitioned to a Signatory Brand with Zero Discharge of Hazardous Chemicals (ZDHC).

The Higg FEM Chemical Management section is a joint effort among Cascale, the Outdoor Industry Association (OIA), and 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 measuring chemical management performance.

# Raw Material Sourcing

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 lessen our environmental impact and could also reduce our scope 3 emissions. Our product development, design, and sourcing teams are empowered to drive progress. We aspire to increase the use of recycled polyester and more sustainable cotton. Already, 100% of our only-at-Kohl's brand textile towels, curtains, and rugs are MADE IN GREEN or STANDARD 100 by OEKO-TEX®.

Our raw materials sourcing strategy focuses on the key materials that account for most of our raw material consumption. Our priority materials are cotton, polyester, nylon, and manufactured cellulosic fibers. Our sourcing strategies include our partnerships 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. We also work with our suppliers to verify our cotton is sourced through responsible farming practices. As of CY 2024, 91% 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)

We continue to explore opportunities to transition from virgin polyester sources 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 2024, 22% of only-at-Kohl's brand styles were made primarily with polyester containing recycled polyester.

## MANUFACTURED CELLULOSICS (WOOD-DERIVED FIBERS)

Kohl's is working toward using man-made cellulosic fibers that are not derived from ancient and endangered forests, endangered species' habitats or other controversial sources (as defined by the nonprofit organization Canopy) in our only-at-Kohl's brands apparel products. We request 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 [Responsible Forest Policy](#).

## FUR-FREE (ANIMAL-DERIVED FIBERS)

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

## RESPONSIBLE BRAND STORIES

### Sonoma Goods For Life®

Sonoma Goods For Life® is Kohl's flagship brand. It offers a cross-category assortment of apparel and home goods for the modern family. 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. This collection is a favorite for mothers and kids alike, with most of it made out of organic cotton or containing recycled polyester. 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 uses recycled nylon, recycled polyester, or cotton that supports more-responsible farming.

*Kohl's continues to provide customers with [responsible products](#) that include sustainable attributes, which are indicated on tags, packaging, and online product descriptions.*



# Responsible Business



# Ethics & Governance

## ETHICS

As a company of integrity, we expect our associates to act honestly and remain accountable. Our required annual ethics training is refreshed yearly and focuses on key concepts, such as ethical decision-making, reporting concerns, and following company guidelines and policies, including cybersecurity and privacy. 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 are committed to the highest integrity standards and maintain a Code of Ethics to guide ethical decision-making for associates.

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 who raises concerns in good faith, regardless of the communication method.

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

## A WORLD'S MOST ETHICAL COMPANY

For the past six years, the Ethisphere Institute, a global leader in defining and advancing ethical business practices, has recognized Kohl's as one of the world's most ethical companies. In 2024, 136 honorees spanning 20 countries and 44 industries were recognized. We were one of only two 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.

## GLOBAL HUMAN RIGHTS POLICY

Kohl's Global [Human Rights Policy](#) applies to our workforce, suppliers, partners, and customers. We commit to protecting human rights and safety and prohibit child labor, forced labor, and human trafficking. We continuously evaluate our operations and value chain to identify, assess, and address significant human rights risks. We engage stakeholders and prioritize areas where we can positively impact people and communities. The Chief Legal Officer & Corporate Secretary 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, 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 International Labour Organization (ILO), ILO Declaration on Fundamental Principles and Rights at Work, UN Universal Declaration of Human Rights, International Bill of Human Rights, United Nations Women Empowerment Principles, and UNICEF's Children's Rights and Business.

We communicate the expectations of 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 Terms of Engagement, including how to submit concerns, openly or anonymously, 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.

As detailed in our existing commitments, our associates and business partners are encouraged to report violations or concerns through one of several channels without fear of reprisal. Retaliation against anyone who reports a concern in good faith will not be tolerated and violates 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, verify accountability, and provide transparency to our stakeholders. Board oversight of our ESG strategy is essential to sustain the long-term interests of all stakeholders.

By having cross-functional leadership on our Governance committees, we aim to promote transparency and maintain strong alignment between our governance practices and Kohl's corporate values and ethics. These Governance Committees cover Artificial Intelligence, Business Continuity, Inclusion & Belonging, Enterprise Risk Management, Ethics & Integrity, Information Security, Philanthropy, Privacy, PFAS, 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.) and audits of our general operations.



# 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, workplace safety, and environmental standards. 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 verify 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](#), which 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, as well as the environment they live in.

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. 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. 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 confirm that our human rights commitments are met. Kohl's is focused on partnering closely with like-minded vendors and facilities regarding the commitment to human rights, fair and safe working conditions, and environmental practices. 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 before placing production to support our social and environmental commitments.

## ZERO-TOLERANCE POLICY

Our compliance philosophy focuses on continuous improvement; however, we communicate and 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 have nexus to entities on United States global entity lists

In an effort to eliminate human rights risks in our supply chain and verify 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 confirm awareness and understanding of these critical issues.



# Identifying Human Rights Risks

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

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 workers' and the surrounding communities' health, safety, and human rights. 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, when necessary. 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
2024	1,059	4	814	350 (45%)
2023	1,153	11	812	248 (30%)
2022	1,233	12	955	289 (30%)
2021	1,195	4	1101	266 (24%)
2020	1,253	3	1112	282 (23%)

# Social Monitoring Visits

We rely on professional and independent third-party audit firms to evaluate facility partner compliance with our Terms of Engagement. These auditing professionals 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 regularly. Completion of our full audit program typically requires a minimum two-day visit, while 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 considered during our risk assessment:

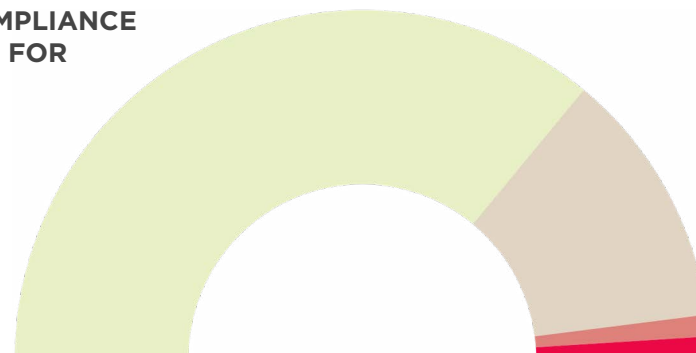
- ✓ Social risks and conditions in the geographic location of the facility
- ✓ Facility management commitment toward social compliance
- ✓ Historical audit results of both vendor and facility partner
- ✓ Open-source information
- ✓ Potential issues reported outside of our standard auditing process

## FACILITY AUDIT PROCESS

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 privately.

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, as well as other business records, to evaluate compliance with our Terms of Engagement. In particular, they review age verification documentation to verify 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.

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

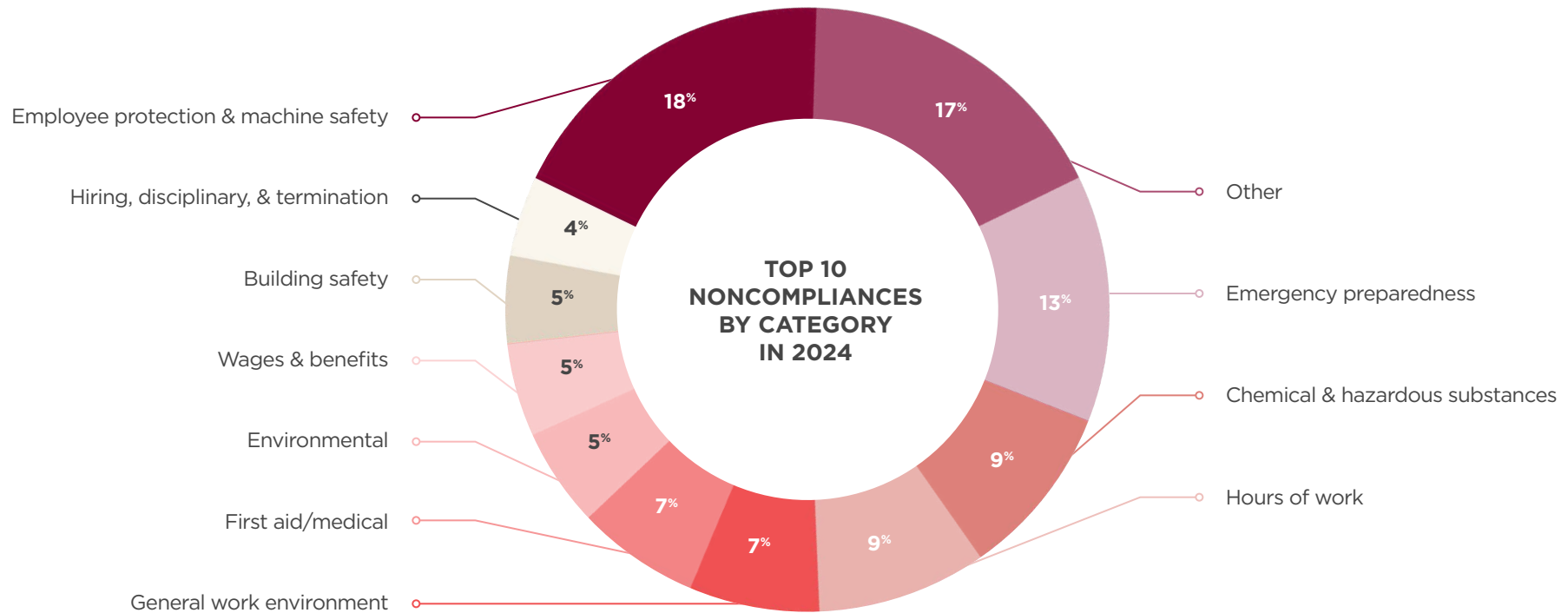


- 86% Low Risk
- 12% Medium Risk
- 1% Elevated Risk
- 1% High Risk

# Addressing Noncompliances

After a facility inspection, auditors summarize instances of noncompliance with facility management for immediate corrective action. An online Corrective Action Plan (CAP) is then created and assigned to facility management, vendor partners, and agents (if applicable) to track remediation progress. The audit report is sent to the Kohl's Factory Compliance team for review, and we collaborate with vendors and facility partners to implement the CAP. All business partners can submit questions, provide comments, and upload supporting documentation. Third-party follow-up audits are conducted as needed to monitor the remediation process. Corrective actions may include 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.

We track the collaborative efforts of our business partners and work to confirm remediation occurs without delay. CAPs are designed to drive improved compliance performance and provide visibility throughout the audit process. Since implementing the automated CAP process in the spring of 2018, the CAP completion rate has exceeded 98%. 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.





# Conflict Minerals & Forced Labor/Human Trafficking

We expect all vendor partners to verify that merchandise sold to us is free of any conflict minerals and that all vendors are committed to eliminating conflict minerals from their products and supply chains. We have put in place policies, a due diligence framework, and management systems to help confirm our vendor partners' compliance with this expectation and to enable us to comply with the reporting requirements of the Securities 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 verify 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 that addresses industry-responsible mineral-sourcing issues in our supply chains.

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

## CLEAN DIAMOND TRADE ACT

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. They must also confirm that the merchandise sold does not contain diamonds that are involved in funding conflicts.

## FUR-FREE POLICY

Kohl's is 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 in animal welfare, and we work closely with our suppliers to verify adherence to our [Fur-Free Policy](#) and labeling guidelines.

## 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. 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.

## FORCED LABOR/HUMAN TRAFFICKING

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, we partner with our 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. To the extent present, forced labor indicators 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 the fair treatment of foreign and domestic migrant workers in facilities by eliminating conditions that can lead to the exploitation of this vulnerable population. Kohl's requires 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.

# 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 in reviewing performance and driving improvements.

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.

Our main buying agent also conducts additional training sessions to reinforce our Terms of Engagement and our commitment to human rights, incorporating input from our Factory Compliance team. In 2024, 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 workers' language to confirm 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.

Higg Index

**>1,400**

attendees joined

our Higg Index capacity  
building trainings in 2024

Energy & GHG Emissions

**78%**

of 203 fashion  
& textile vendors

completed climate  
change training

**>11,300**

climate change

training hours completed  
by Kohl's vendors and facilities

# 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 Officer, Chief Legal Officer & Corporate Secretary, and senior leadership from departments with responsibility for business operations, including merchants, Global Sourcing, Production and 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

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 by and communicated to the Board of Directors, and the Audit Committee oversees these policies. Our Chief Legal Officer & Corporate Secretary oversees Factory Compliance and the implementation of our human rights commitments.

The Factory Compliance team comprises 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 and Product Services, and Merchandising departments.

Therefore, associates not involved in purchase negotiations make day-to-day

decisions regarding the compliance status of facilities that produce only-at-Kohl's brand merchandise to prevent potential conflicts of interest and 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.

## CUSTOMS TRADE PARTNERSHIP AGAINST TERRORISM (CTPAT)

Kohl's continues to recognize the need to further protect our products 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).

Kohl's has requested almost 2,300 CTPAT security Supplier Compliance Audit Network (SCAN) audits to validate our supply chain compliance.

For more information, please reference Kohl's Corporate

[CTPAT Commitment Policy](#).



# 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 standardizing supply chain security audits to prevent multiple audits from being conducted over the same facility. SCAN members can participate in a “shared audit” to help reduce duplicative audits at facilities. SCAN has performed over 34,000 supply chain security audits in 92 countries and has 33,673 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, which 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.

## 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. Regularly, 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 2022-2024, we screened 94% 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 non-compliance.

# Chemical Management & Product Safety

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 are also committed to enhancing transparency regarding the chemicals present in or used to manufacture 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 138 chemicals in products manufactured for and sold to Kohl's. Kohl's RSL is in addition to all applicable laws, not in lieu of them. In some cases, we have set standards and specifications that are stricter than what is required regarding the use of formaldehyde and flame retardants. In addition to our RSL, we require our suppliers to adhere to the most current Zero Discharge of Hazardous Chemicals (ZDHC) MRSL, which limits or prohibits the use of more than 250 chemicals in the manufacturing process.

In July 2024, Kohl's transitioned to a Signatory Brand with ZDHC. This transition within the ZDHC framework offers several benefits, including deeper engagement in the ZDHC Roadmap to Zero program, access to a broader network of experts, and the ability to gain more visibility over our supply chain. We require our in-scope only-at-Kohl's branded product suppliers to engage in the ZDHC Gateway tool to ensure they can select safer chemical options from a centralized library, access detailed product information, and invite chemical formulators to enhance transparency—supporting continuous improvement in chemical management and sustainability. Kohl's first became a participating Friend of ZDHC in 2021.

## SAFER CHEMICAL ALTERNATIVES & THIRD PARTY STANDARDS

We are committed to working with our vendors and facility partners to verify our products 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 confirm 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. 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](#).

## 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.

Under Kohl's Purchase Order Terms and Conditions, suppliers are required to verify 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 for working with us in the future.

## 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 our customers a safe, quality product.

Additionally, our standard merchandise vendor Purchase Order Terms and Conditions require our product vendors to 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.

Kohl's defines a safer alternative as less hazardous to humans or the environment than the existing chemical or process. A safer alternative to a priority chemical could be an alternative product or process that removes the need for any substitute chemical.

# Cybersecurity & Privacy

## 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 following all applicable laws governing that information. Additionally, our privacy program is designed to uphold individuals' privacy rights in accordance with applicable legal requirements. 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.

## AUDITS & ASSESSMENTS

The Enterprise Risk Services (ERS) department 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) compliance, Payment Card Industry (PCI) standards, 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 training 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.



# Business Continuity

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 develops plans and conducts exercises to manage potential crises and help ensure the continuity or timely restoration of business operations. Business continuity plans address multiple types of incidents and are exercised through centralized and location-specific simulations to verify 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 responsible for navigating Kohl's 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 verify plans stay current, each plan undergoes an annual review and update along with senior leadership approval.

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 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.

## 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.



**Certain Information Contained in this Report:** The historical information in this report focuses on the operations and practices of Kohl's Corporation and its wholly owned subsidiaries, unless otherwise indicated in a specific context. Certain data points and metrics include information from years prior to 2024, where available, to illustrate historical performance and trends. The report uses qualitative descriptions and quantitative metrics to describe certain policies and performance. The quantitative data related to our ESG performance was collected through internal processes, instrumentation, and other methods available to us. Many of the standards, methods, and metrics used in preparing this report and the metrics contained herein continue to evolve. Therefore, consistent with the continuous improvement approach that we routinely bring to our business, we anticipate that our methods of collecting and reporting data may be modified or improved in the future to the extent that we have access to improved reporting methods, technology, or systems.

**Forward-Looking Statements and Other Important Information:** Statements in this report that are not historical facts or information are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include information and opinions concerning our beliefs, expectations, plans, forecasts, objectives, goals, strategies, and other estimates regarding future events. These statements can generally be identified by words such as "believe," "expect," "intend," "estimate," "anticipate," "project," "plan," "aim," "strategy," "commit," "target," "goal," "objective," "pledge," "may," "can," "could," "might," "will," and other similar expressions. All forward-looking statements, including those related to the standards and measurement of progress against our ESG goals, are aspirational and are based upon current expectations and beliefs and various assumptions. These forward-looking statements are not guarantees of future performance or that targets or goals will be met or will not change.

Additionally, statements related to our ESG metrics or progress may be based on standards that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

There are a number of risks and uncertainties that could cause actual results and events to differ materially from those reflected in the forward-looking statements contained in this report, and all forward-looking statements should be evaluated with consideration of those risks, including those risks described more fully in Item 1A in the company's Annual Report on Form 10-K, which are expressly incorporated herein by reference, and other factors as may periodically be described in the company's filings with the Securities and Exchange Commission (SEC). Any forward-looking statement speaks only as of the date of this report, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances occurring or information learned after the date of this report, whether to reflect new information, future events, changes in our expectations, or the occurrence of anticipated or unanticipated events or circumstances. However, any future public statements or disclosures by the company that modify any of the forward-looking statements in this report shall modify or supersede such applicable statements in this report.

We provide this report for informational purposes only. Topics and information we considered relevant and useful for inclusion in this report, and for influencing our ESG strategy, are not necessarily considered material for the purposes of federal securities laws or SEC reporting, or for purposes of making or influencing an investment or securityholder voting decision.