

K[♥]HL'S[®] cares

2025 Report



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Dear Stakeholders,

Being a responsible corporate citizen and doing what's right for our customers, our associates, and our communities is an essential part of how we run our business at Kohl's. We strive to make a positive impact across the communities we serve through strong workplace practices, philanthropic contributions, and responsible environmental practices.

We're proud to share this 2025 Kohl's Cares Report, which highlights the programs and operational efforts that advanced these priorities throughout the year.

Our Purpose, Values, and Behaviors remain foundational to how we work together, serve customers, and support our associates. We continue to invest in employee development, leadership training, and competitive benefits to attract and retain strong talent across the organization, and remain committed to fostering a welcoming, respectful, and inclusive environment for our associates and customers.

In our communities, Kohl's continues to support nonprofits advancing family health and wellness through national partnerships with Boys & Girls Clubs of America, the National Alliance on Mental Illness, and Alliance for a Healthier Generation. Thanks to our customers, Kohl's Cares Goods For Good® merchandise sales generated more than \$8 million in donations in 2025, bringing total contributions since inception to more than \$450 million.

We continue our strategies for sustainable business practices and responsible supply chain management. We remain committed to reducing emissions, improving energy efficiency, and minimizing operational environmental impact. We've accomplished a great deal in these areas over the last five years and have gained valuable learnings about how to inform our go-forward strategies for the years ahead. We work to align our commitments with business operations, efficiency, risk management, and long-term growth.

As we move forward, we will continue working to support our customers, invest in our associates, and make a positive impact in the communities we serve. Thank you to everyone who helps bring these efforts to life each day.



MICHAEL J. BENDER
Chief Executive Officer



ABOUT THIS REPORT

This report provides information for Kohl's partners, shareholders, customers, associates, and other stakeholders regarding our Environmental, Social, and Governance progress. Our reporting includes internal measurements and, in several cases, 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, Kohl's considers 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 2025 (February 2, 2025, to January 31, 2026) unless otherwise indicated.

MORE INFORMATION

For more information about Kohl's, visit [Corporate.Kohls.com](#).

This report has not been audited by a third party

People & Communities



Our Commitment to Associates

Kohl's associates are at the center of our organization. We are focused on fostering a workplace rooted in respect, empathy, and inclusion, while supporting associates at work, at home, and in their 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 own up to our responsibilities, commitments and results with integrity. 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).

Kohl's invests in continuous learning and development to support our associates and better serve our customers. We offer a range of opportunities to support associates' growth across all levels and gather confidential feedback through annual engagement surveys on topics including communication, development, and recognition.

TALENT MANAGEMENT

Kohl's talent management team leads performance management, talent assessment, succession planning, and career development. The team provides tools and resources to support strategic talent decisions and workplace planning across the organization.

- ▶ **Associate Development:** From onboarding through leadership development, we support associate growth with a range of learning opportunities. These include live workshops, on-demand skills training, team-specific courses, and job-specific training to help associates succeed in their roles and serve our customers.
- ▶ **Leadership Development:** Leadership development programs help prepare associates for advancement by building relevant skills, behaviors, and capabilities. We invest in executive coaching, leadership assessments, and targeted development programs tailored to different career stages across the organization.
- ▶ **Attracting Top Talent:** Kohl's regularly evaluates recruiting practices to attract a broad pool of qualified candidates. The internship program is a key pipeline for early talent. In 2025, more than 250 interns participated in our 8- and 10-week paid programs across our corporate offices, stores, and e-commerce fulfillment centers. Many participants transition to full-time roles with Kohl's.
- ▶ **A Culture of Appreciation:** Kohl's Recognizing Greatness platform enables associates to recognize peers and teams for their contributions. Since launching in 2015, the program has generated more than 3.7 million submissions.

Our Commitment to Associates

COMPENSATION AND BENEFIT OFFERINGS

In 2025, the average hourly wage of full-time store and distribution center associates was \$20.32, and the average hourly wage of all store and distribution center associates was \$16.61. All hourly start rates are well above the federal minimum wage.

Full-time associates are offered medical, dental, vision, prescription drug, disability, life insurance, and long-term care coverage, as well as paid parental leave at 100% for both our hourly and exempt associates. Part-time associates are offered a primary care health and pharmacy plan, and dental, vision, and supplementary life insurance. Associates living near our corporate headquarters have access to an on-site childcare center that can support up to 450 children, and a 10% tuition discount is available at Learning Care Group centers to our associates nationwide.

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

Associates may also enroll in voluntary benefits such as pet insurance, group auto and home insurance, accident protection, hospital indemnity, and critical illness coverage.



Well-Being Programs

Kohl's supports associate well-being through a range of programs focused on physical, mental, and financial health:

Healthy Rewards

Associates and their spouse or domestic partner can participate in well-being activities designed to support personal health and reduce medical premiums.

Wellness Centers

Our on-site wellness centers provide access to primary care services for associates at corporate and credit locations, distribution centers, and e-commerce fulfillment centers, as well as nearby store and remote associates. Services include preventive care, lab work, physical therapy, health coaching, and treatment for routine illnesses.

Be Well at Kohl's

The Be Well at Kohl's program provides resources and benefits focused on mental health, including:

- **Employee Assistance Program (EAP):** 12 free and confidential counseling sessions, unlimited well-being coaching, and additional mental health resources.
- **Counseling Coverage:** In-person and virtual counseling services included in medical plans.
- **Mental Well-Being Resources:** Digital tools and content focused on stress, resilience, and overall well-being.
- **Webinars:** Sessions on topics such as mindfulness and suicide awareness.
- **Support Groups:** Associate-led groups connecting individuals with shared experiences.
- **Leader Resources:** Tools and training to help leaders support team well-being.



WORKFORCE SAFETY, HEALTH & WELL-BEING

Kohl's prioritizes the safety and well-being of our associates, customers, and vendors through training, risk management, and continuous monitoring of workplace conditions.

In CY 2025, Kohl's Occupational Safety and Health Administration (OSHA) injury and illness rate was 2.80, compared to the national average of 3.30 for department stores, as published by the Bureau of Labor Statistics. We maintain uniform safety expectations for both associates and external partners, which includes adherence to OSHA regulations and applicable safety standards.

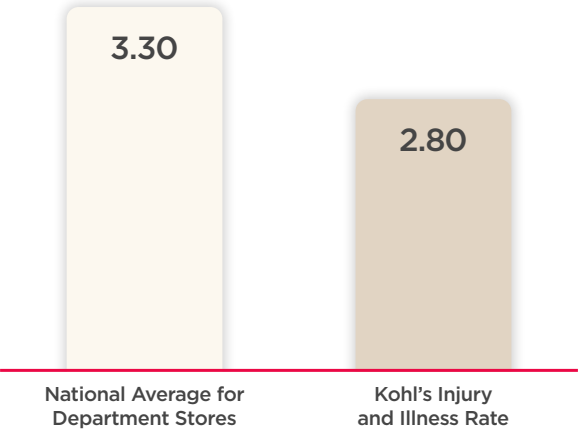
The Risk Management team collaborates with leaders across the organization to integrate safety into business operations through programs, processes, and initiatives that include, without limitation:

- Creating a safety-first culture
- Conducting monthly safety inspections at all locations, monitored by the Corporate Risk Management team
- Developing action plans for locations needing improvement based on defined risk performance metrics
- Implementing safety initiatives at local/divisional levels with broader rollout when appropriate

Kohl's supports associates who experience workplace injuries through access to a 24/7 nurse hotline, follow-up medical care, and workplace accommodations. The Transitional Work program provides temporary assignments aligned with medical restrictions to support recovery and return to work.

Internal and external claims teams investigate, document, and adjudicate customer and associate claims. Each incident is reviewed on its merits with involved associates, customers, and/or witnesses. Kohl's consistently monitors customer and associate claims to drive future safety initiatives and reduce claim frequency.

INJURY AND ILLNESS RATE (OSHA Rate)



Our Commitment to Associates

Philanthropy

Inclusion & Belonging

Philanthropy

Kohl's, through Kohl's Cares®, supports the health and well-being of families by investing in the communities it serves through funding, partnerships, and associate volunteerism. In 2025, Kohl's continued its long-standing commitment to family health and wellness, including mental health.

Kohl's 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.



Since its inception 25 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. More than \$450 million has been raised for local communities across the U.S. through Goods For Good merchandise, including more than \$8 million in 2025. We have our customers to thank for making this difference.

NATIONAL PARTNERSHIPS

Boys & Girls Clubs of America (BGCA)



Kohl's partnership with BGCA supports the development and delivery of trauma-informed training to BGCA staff. In 2025, Kohl's was the Signature Sponsor of BGCA's annual Youth of the Year program, supporting youth across the nation. Kohl's Cares has committed more than \$18 million total to BGCA since 2017.

National Alliance on Mental Illness (NAMI)



Kohl's 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.

Alliance for a Healthier Generation



Kohl's partnership with Alliance for a Healthier Generation supports Kohl's Healthy at Home, a family health and wellness initiative. Since 2019, Kohl's Cares has committed more than \$12 million to the organization.

SHOPPING GRANT PROGRAM

In 2025, Kohl's Cares donated more than \$150,000 in Shopping Grants to nonprofits across the country, providing them the opportunity to shop at their local Kohl's store for products that directly support their mission.

HOMETOWN SUPPORT

Kohl's was founded in the Milwaukee area more than 60 years ago, and continues to call it home. We support the local community through sustained philanthropic investment, committing more than \$165 million to Milwaukee nonprofits over time, including more than \$7 million in 2025.

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 \$14 million to local nonprofits, Kohl's hometown partners, and Good360.

VOLUNTEER PROGRAM

Kohl's and our associates support communities across the country through volunteer service with local nonprofits. To recognize these efforts, Kohl's donates \$25 to eligible nonprofits for every hour volunteered.



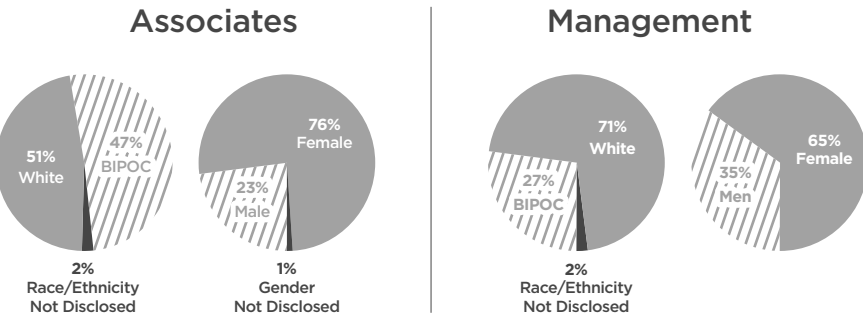
Inclusion & Belonging

One of Kohl's priorities as a company is to reflect our values by fostering a welcoming, respectful, and inclusive environment across our workforce and for the customers we serve. We believe that an inclusive and productive workforce that serves a broad base of customers helps drive our business forward. Kohl's supports Inclusion and Belonging, with a focus on Our People, Our Customers, and Our Community.

OUR PEOPLE

Kohl's strives to attract, develop, and engage a workforce that reflects a range of backgrounds, perspectives, and lived experiences, strengthening how we serve our customers. We work to create a workplace where associates feel included, valued, and able to contribute.

- ▶ We have approximately 85,000 associates across the country, of whom nearly 47% are Black, Indigenous and People of Color (BIPOC), 51% are White, 76% are female, and 23% are male. (2% of associates do not disclose race/ethnicity, and 1% of associates do not disclose gender)
- ▶ Of our management population, approximately 27% are BIPOC, 71% are White, 65% are female, and 35% are male. (2% of the management population does not disclose race/ethnicity)



Kohl's is committed to cultivating a strong sense of connection and engagement within the eight Business Resource Groups (BRGs), which encompass more than 7,800 unique members and are a key component in recognizing and fostering our culture of inclusion and belonging. Kohl's BRGs are open to all associates, not just the communities they represent. They were created based on employee feedback and help drive business insights.

The BRGs are also intended to create connection and inclusivity for associates. Kohl's measures associate engagement through an annual company-wide survey. In 2025, BRG members, with an engagement score averaging 73.5, were as engaged as the total associate population. Kohl's will continue to support BRGs as a way to enhance inclusivity and maintain associate engagement.

OUR CUSTOMERS

Kohl's is focused on ensuring customers see themselves reflected in our brands by offering culturally relevant products and designs that resonate with our customer base.

Kohl's continues to enhance its brand experience by telling stories and creating inclusive content that features a wide range of ethnicities, family structures, ages, body sizes, and abilities. In stores, Kohl's utilizes adaptive, size-inclusive mannequins with various skin tones. In marketing, we strive to reflect a broad range of families and imagery so all customers can see themselves in our brand.

Overall, BIPOC customer satisfaction remained flat year over year. BIPOC share remained steady year over year, while BIPOC customer count decreased.*



*Customer data was not collected from CA, VA, CO, CT, UT, TX, FL, OR, MT, DE, IA, NH, NE, NJ, MN, TN, MD, KY, RI, and IN in FY 2025.



OUR COMMUNITY

Our Suppliers

Through strategic collaboration, Kohl's aims to build an ecosystem that drives mutual business success and strengthens our communities. Last year, the supplier mentorship program helped educate, connect, and build relationships among small businesses and with newly identified suppliers.

Philanthropy

Kohl's supports family health and wellness through its philanthropic efforts to help improve the quality of life in our communities. Since 2022, Kohl's Cares® committed more than \$17 million to support organizations serving a wide range of communities, including diverse communities such as Asian American, Native Hawaiian and Pacific Islander, BIPOC, LGBTQIA+, people with disabilities, veterans and active military members, and women. We also support our associates as they volunteer their time with nonprofit organizations, impacting communities across the country.

Environmental Sustainability

Environmental Performance

With a large retail footprint, Kohl's has a unique opportunity to manage its environmental impacts in ways that support long-term business performance. Through collaboration with associates, vendors, and customers, we continue to support sustainability initiatives across the key areas of climate action, waste and recycling, and responsible sourcing. Kohl's 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](#), Kohl's is committed to supporting responsible practices throughout its value chain to help manage and reduce its 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

Kohl's governance practices form the foundation for how it manages risk, verifies accountability, and provides transparency to 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 the company's 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 Kohl's environmental strategy. As part of the Risk Reduction Committee, the Chief Legal Officer & Corporate Secretary assesses and manages climate risks and opportunities. The Risk Reduction Committee allows for collaboration across key departments, includes members of the executive team, and leverages various means to monitor and manage Kohl's 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

CLIMATE

Kohl's 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

Progress Toward Goal: Achieved a 58.46% reduction in Scope 1 and 2 greenhouse gas emissions in CY 2025 versus 2014 baseline, exceeding 2025 goal, including a 21% reduction since 2019.

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

Progress Toward Goal: Reduced energy consumption by 34% across Kohl's facilities since 2008 through CY 2025.

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

Progress Toward Goal: Added 15 solar locations since 2019, bringing total to 176.

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

Progress Toward Goal: Expanded EV charging network by 69 locations since 2019, reaching 165 total locations.

WASTE AND RECYCLING

Kohl's 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

Progress Toward Goal: Kohl's diverted at least 85% of operational waste from landfills in two out of six years during the goal period (2019-2025). In CY 2025, 80.6% of operational waste was diverted from landfills.

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

Progress Toward Goal: 84% of Kohl's-branded packaging was labeled with the How2Recycle label, including shipping bags, boxes, shoeboxes, and in-store shopping bags.

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

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

Progress Toward Goal: Since establishing this goal in 2019, Kohl's continued advancing its packaging strategy by reducing material use, increasing recycled and certified content, and improving packaging efficiency across operations.

RESPONSIBLE SOURCING

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

Require all approved facilities producing Kohl's proprietary brand products to complete the Higg Index Facility Environmental Module (FEM) by 2025

Progress Toward Goal: In CY 2024, all approved facilities producing Kohl's proprietary brand products were required to complete the Higg FEM. Completion rates increased 32% since 2019, with 89% of approved facilities completing the assessment in CY 2024, representing Kohl's highest completion rate to date. Higg FEM data runs one year behind the calendar year, due to reporting and verification processes.

Utilizing the Higg Index, drive substantial reduction in water use in the production of Kohl's proprietary brand products by 2025

Progress Toward Goal: Kohl's conducted a water risk assessment using the World Resources Institutes's (WRI) Aqueduct Water Risk Atlas to identify water-stressed regions across the supply chain. Higg FEM performance analysis also evaluated water management practices at water-intensive facilities, while ongoing supplier engagement and audits continued to support water stewardship and reduction opportunities in high water-stressed regions.

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

Progress Toward Goal: Kohl's became a Zero Discharge of Hazardous Chemicals (ZDHC) Signatory Brand in 2024 and continued requiring suppliers to adhere to the latest ZDHC Manufacturing Restricted Substances List (MRSL), which restricts or prohibits more than 250 chemicals in manufacturing. Additionally, 98% of Kohl's proprietary brand textile towels, curtains, and rugs are certified MADE IN GREEN or STANDARD 100 by OEKO-TEX®.

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

Progress Toward Goal: Responsibly sourced cotton represented 82% of cotton used in proprietary brands in CY 2025, a 77% increase since 2019.

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

Progress Toward Goal: In CY 2025, 17% of Kohl's proprietary brand polyester styles contained recycled polyester, an 11% increase since 2019.

Our Sustainability Goals Through 2031

With the conclusion of our 2025 goals, Kohl's Cares is entering its next chapter with a focused and measurable roadmap through 2031. The progress Kohl's achieved—and the lessons it learned—continue to shape how we advance environmental performance and strengthen the supply chain.

Looking ahead, Kohl's priorities will continue to evolve to reflect business needs, regulatory compliance, and community expectations. By aligning impact priorities with operational discipline and long-term strategy, Kohl's aims to drive measurable results while strengthening resilience and supporting responsible growth.

The following commitments represent the areas where Kohl's can deliver the greatest impact across our operations in the years ahead.

CLIMATE

Kohl's remains committed to improving energy efficiency and reducing overall greenhouse gas emissions across our operations.

- **Reduce scope 1, 2 and 3 GHG emissions 32% by 2031, including a 46% absolute reduction in emissions from direct operations, compared to a 2021 baseline.**

This target reflects Kohl's continued investment in energy efficiency, renewable energy procurement, and supply chain engagement. To advance this progress, Kohl's will:

- Continue facility, fleet, and equipment efficiency improvements
- Engage suppliers to measure, manage, and reduce emissions through industry-aligned reporting frameworks

- **Equip 100% of stores with LED lighting by 2031.**

LED conversion reduces energy consumption, lowers operating costs, and supports emissions reductions across our store footprint.

WASTE REDUCTION AND CIRCULARITY

Kohl's is focused on minimizing waste generation, increasing diversion from landfills, and advancing practical circular solutions across its operations and product lifecycle.

- **Sustain an 85% annual landfill diversion rate.**

Kohl's will evaluate new vendor partnerships, recycling streams, and operational efficiencies to drive additional progress over time.

- **Minimize the single-use plastic footprint of Kohl's proprietary brand (i.e., private and licensed) materials compared to a 2023 baseline.**

Through initiatives such as packaging redesign, material reduction, and compliance with evolving state regulations, Kohl's aims to decrease reliance on virgin plastic and increase material efficiency.

RESPONSIBLE SOURCING

Kohl's responsible sourcing strategy for its proprietary brands focuses on improving environmental performance, enhancing material sustainability, and supporting worker well-being within the supply chain.

- **Achieve 100% Higg FEM completion across all facilities producing Kohl's proprietary brand products.**

This requirement supports improved environmental performance transparency and data-driven reduction efforts in areas such as energy, water, and waste.

- **Drive reduction in water use in the production of Kohl's proprietary brand products compared to a CY 2024 baseline.**

Kohl's will work with suppliers to identify water efficiency opportunities, particularly in higher-impact production processes.

- **Require supplier participation in ZDHC Gateway and InCheck reporting for facilities producing Kohl's proprietary brand apparel, soft goods, and footwear.**

Participation improves chemical management transparency and supports alignment with industry efforts to strengthen responsible chemical management practices.

- **Increase responsible material content in Kohl's proprietary brand apparel compared to a 2023 baseline.**

This includes recycled, certified, or lower-impact materials, with a focus on product performance and affordability.

- **Collaborate with Kohl's proprietary brand vendors to track and support worker well-being initiatives.**

Kohl's will continue strengthening supplier engagement and transparency to promote responsible labor practices and improved working conditions.

- **Promote mono-material compositions, where feasible, to maximize fiber-to-fiber recovery potential.**

Kohl's will continue working with suppliers to evaluate opportunities to simplify material compositions where feasible, helping improve fiber-to-fiber recycling potential by reducing the need to separate blended materials, while maintaining product performance and quality.

Climate Change

Kohl's is committed to reducing climate-related risks and strengthening long-term business resilience through emissions reduction, renewable energy investments, energy efficiency initiatives, and responsible supply chain practices.

TCFD AND CDP REPORTING

Since 2021, Kohl's climate-related disclosures have been guided by the Task Force on Climate-related Financial Disclosures (TCFD) framework. Since 2007, Kohl's has also disclosed emissions data to CDP to support measurement, management, and transparency of its environmental impacts. For more details, please see our [reports](#).

CLIMATE-RELATED RISKS

Risks related to the transition to a lower-carbon economy include carbon pricing and evolving policies and legislation for emissions reporting. Physical risks related to climate change, including rising temperatures, increased storm intensity, and rising sea levels, may also affect business by shifting consumer shopping patterns, damaging properties, and impacting the communities where we operate.

ENVIRONMENTAL RISK MANAGEMENT

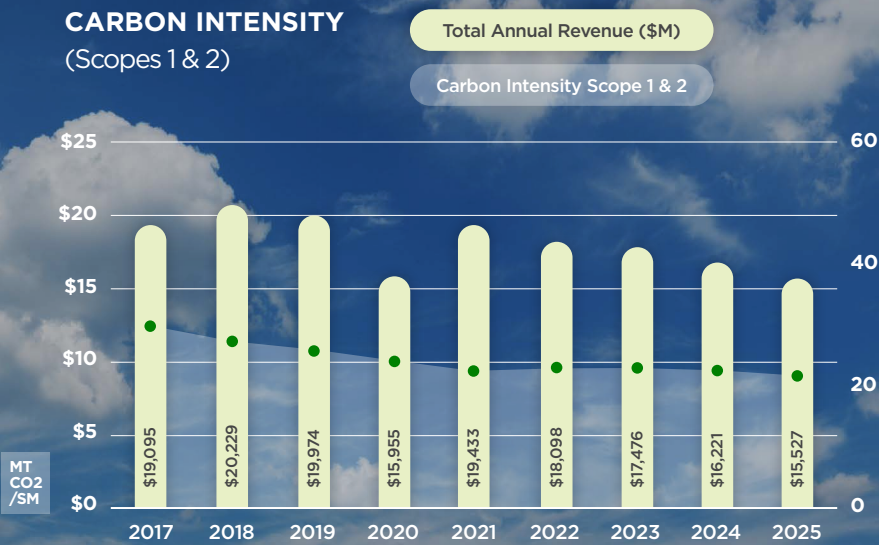
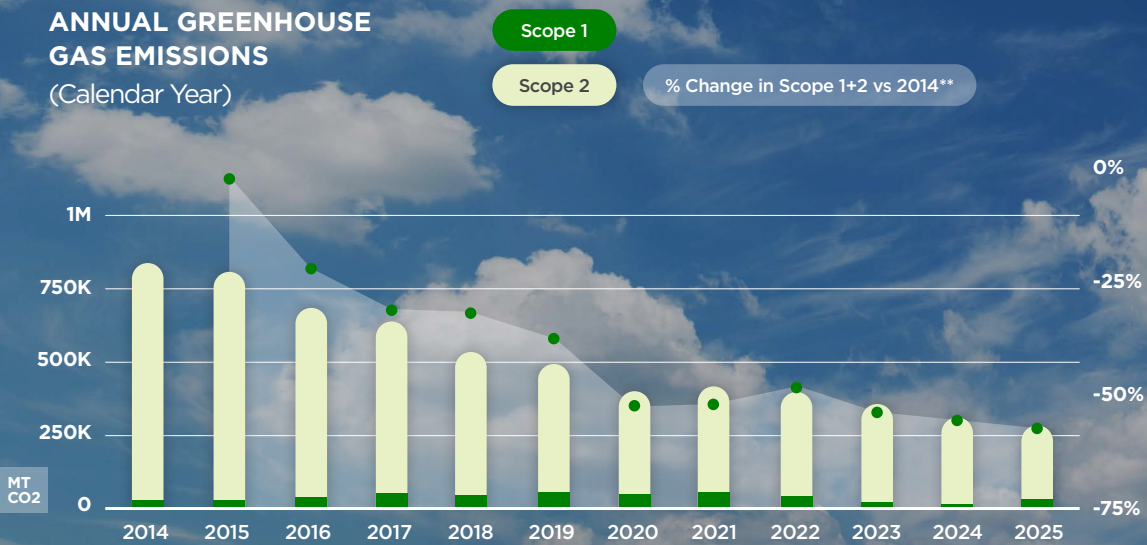
Environmental and sustainability-related risks are an important component of Kohl's Enterprise Risk Management (ERM) program. Risks are identified through industry benchmarking, regulatory review, macroeconomic analysis, and brand reputation considerations, and are assessed based on type, velocity, and potential stakeholder impact. Climate-related and environmental risks are integrated into annual risk assessments to support business planning and risk mitigation.

GREENHOUSE GAS EMISSIONS

Kohl's tracks Scope 1, 2, and 3 emissions and reports these metrics annually.* Greenhouse gas emissions are regularly audited, and data is verified annually by third parties. The following charts show emissions data and carbon intensity verified in accordance with the International Organization for Standardization 14064-3:2019.

Based on a 2014 baseline and methodology, Kohl's achieved a 58.46% reduction in Scope 1 and 2 emissions at the end of CY 2025.

Kohl's joined the Science Based Targets initiative in 2021 and has developed and validated Scope 1, 2, and 3 greenhouse gas emissions reduction targets. Kohl's is also a partner in the U.S. Department of Energy's Better Climate Challenge, through which we share emissions reduction progress and strategies.



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 2025 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

Kohl's works to manage energy use, improve efficiency, and increase renewable energy across its facilities. Central energy management systems operate most interior and exterior lighting, heating, and cooling systems across stores.

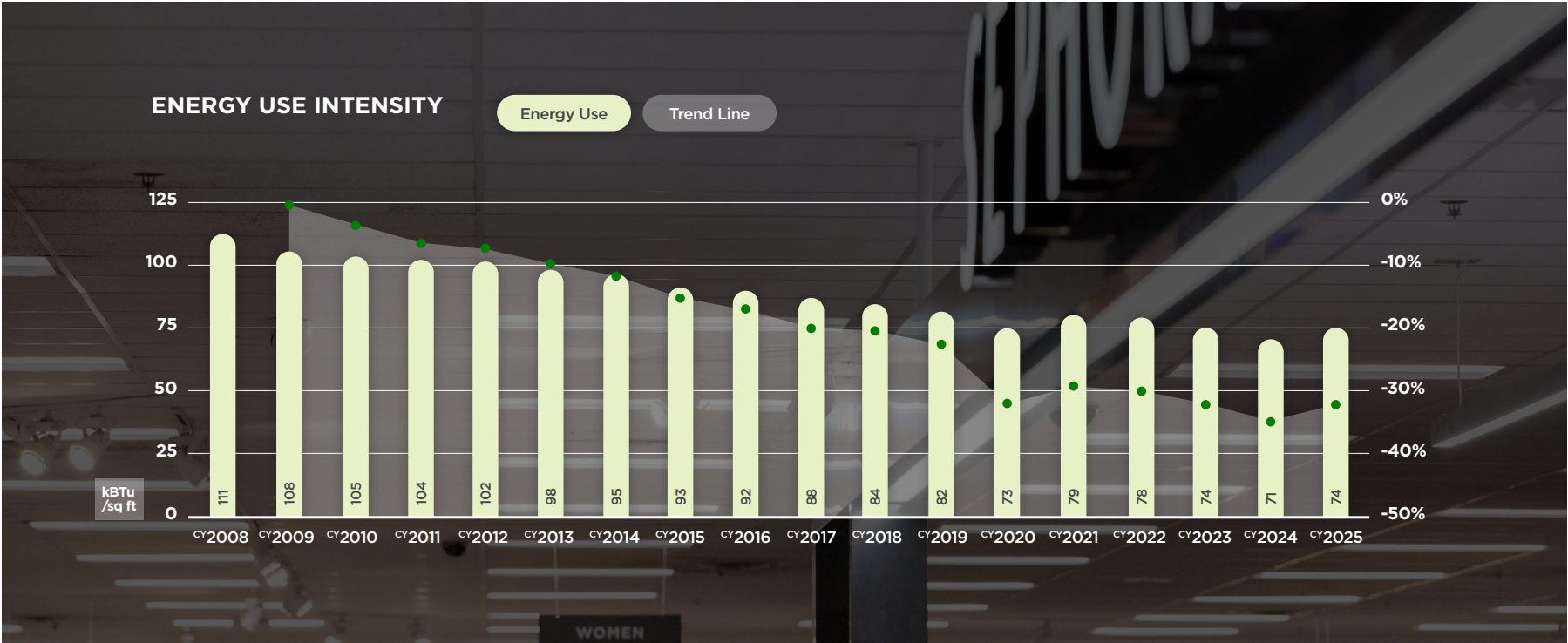
Kohl's achieved a 34% reduction in energy consumption from 2008 through CY 2025, achieving the company's goal of reducing energy consumption by 30% at facilities versus the 2008 baseline. In addition, Kohl's has successfully maintained reductions above the 30% target for four years running. As a participant in the U.S. Department of Energy's Better Building Challenge, Kohl's continues to use energy performance data to identify efficiency opportunities.

Kohl's has also partnered with the **EPA's ENERGY STAR®** program since 1998. In CY 2025, 97% of Kohl's stores maintained ENERGY STAR certification. Kohl's also uses ENERGY STAR-rated equipment and appliances to help reduce energy consumption. 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. Building on this foundation, three of our retail stores also achieved the ENERGY STAR NextGen certification, which exceeds the criteria of traditional ENERGY STAR certifications and verifies these locations as being among the nation's most energy-efficient and low-emissions buildings.

LIGHTING AND HVAC UPGRADES

Kohl's continues to retrofit stores with high-efficiency LED lighting. In CY 2025, Kohl's completed 40 LED retrofits, which will save more than 4.9 million kilowatt-hours (kWh) annually. By the end of CY 2025, 85% of Kohl's stores had received LED retrofits across the majority of their floor plans.

In CY 2025, 34 stores received HVAC system replacements for greater efficiency. Through HVAC recycling partnerships, Kohl's recycled 241 total HVAC units in 2025, diverting over 4,500 tons of material from landfills.



Renewable Energy & EV Charging

SOLAR

In CY 2025, Kohl's used an estimated 46,905 megawatt-hours (MWh) of solar energy, representing nearly 6% of the electricity used to power its business. As of CY 2025, Kohl's hosted 176 solar arrays across the country, totaling nearly 250,000 solar panels.

RENEWABLE ENERGY CREDITS

Kohl's supports renewable energy use through the purchase and production of renewable energy credits. In 2025, Kohl's secured RECs totaling approximately 68,213 MWh, including 18,213 MWh from on-site solar arrays, where we retain or own the RECs.

EV CHARGING

Kohl's supports customers who drive electric vehicles by offering EV charging across select store locations. At the end of 2025, we had more than 393 electric vehicle charging ports spread across 165 locations. These charging ports powered over 3.6 million miles of driving and saved nearly 160,000 gallons of gasoline annually.

Logistics

Kohl's uses a complex logistics network to provide products to customers, stores, and distribution centers. We work with transportation partners to improve efficiency, reduce emissions, and strengthen supply chain resilience. Kohl's fleet is managed by vendor partners who are evaluated in part on their sustainability practices. Kohl's also continues to explore new technologies within the supply chain, including the use of three fully electric yard trucks at its California Distribution Center.

Kohl's is a shipper partner of the **U.S. EPA SmartWay® Transport Program**. In 2025, 100% of Kohl's domestic shipping mileage was driven by SmartWay members. SmartWay tools help Kohl's measure freight transportation efficiency, identify opportunities to reduce fuel consumption, and report progress to the EPA.

Kohl's also uses rail transportation to improve freight efficiency, with rail representing 63% of inbound freight loads. Additional logistics efficiency practices include backhaul optimization, drop-and-hook shipping methods, trailer efficiency improvements, and collaboration with carriers investing in lower-emission technologies. The California fleet is compliant with the California Air Resources Board.

Kohl's ocean carriers are engaged through the Smart Freight Centre Clean Cargo Working Group, and many participate in environmental benchmarking programs.



All renewable energy data on this page is as of CY 2025.

Waste Management

Kohl's works to reduce waste across operations and expand recycling programs for customers and associates to improve material recovery and resource efficiency. Teams receive training and communications to support Kohl's recycling goals and improve diversion rates.

WASTE DIVERSION

In 2020, Kohl's established a goal to divert 85% of operational waste from landfills annually. In CY 2025, Kohl's achieved an 80.6% diversion rate.

The 2025 results reflect a shifting operational landscape. Intentional inventory reductions led to fewer shipping cartons, reducing the volume of recyclable cardboard and plastic available. In addition, one-time impacts from store and E-commerce Fulfillment Center (EFC) closures contributed to temporary landfill volume increases.

None of Kohl's landfilled waste is hazardous. Hazardous materials across operations are collected and disposed of separately in accordance with U.S. regulatory requirements.

RECYCLING AND MATERIAL RECOVERY

Kohl's solid waste management policy governs waste and recycling practices in stores and corporate facilities. Separating cardboard, paper, and plastic is a key company-wide practice.

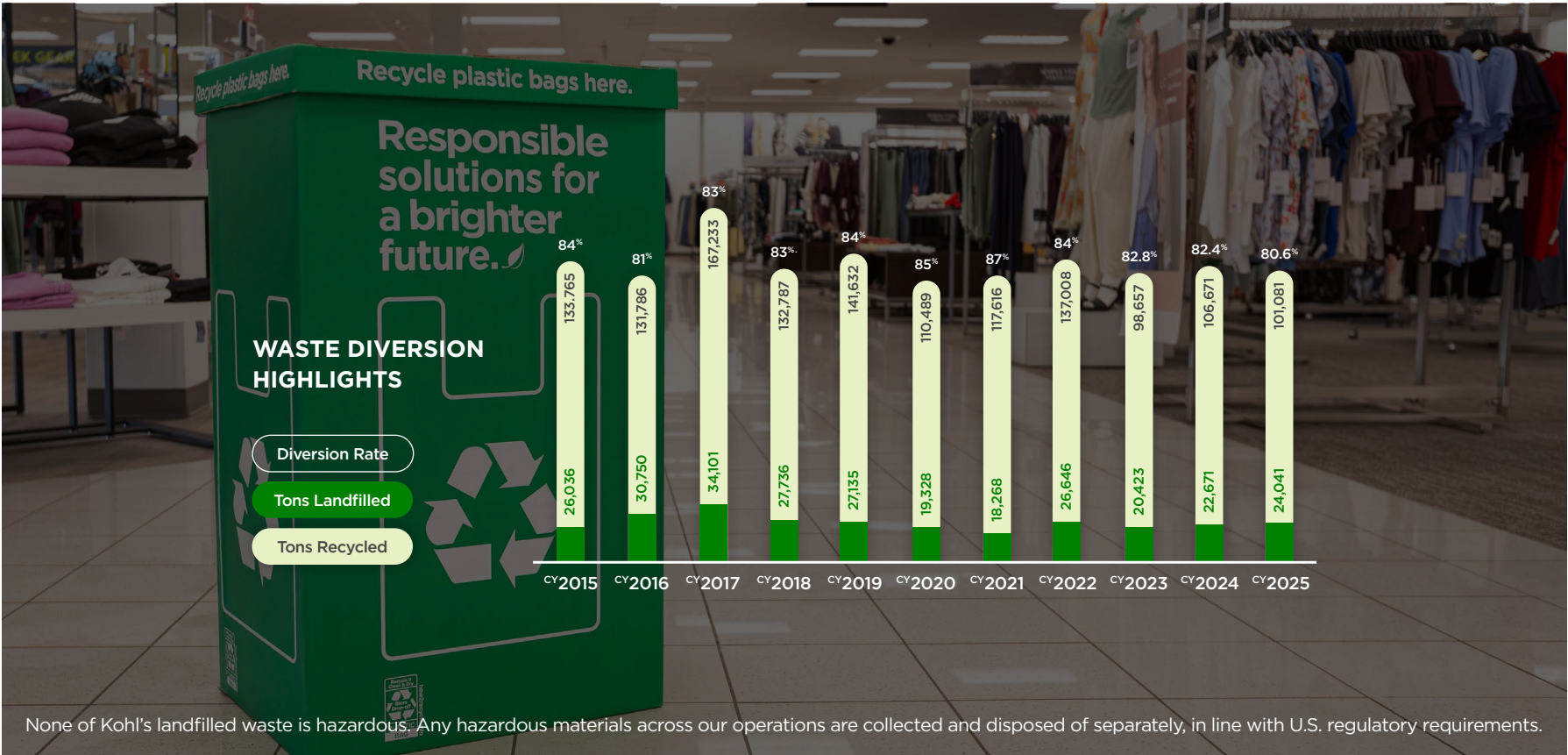
94% of Kohl's stores utilize auto-haul programs with scheduled cardboard and trash compactor pickups, helping improve recycling efficiency and reduce recyclable material entering the waste stream.

In 2025, Kohl's recycled more than 9 million pounds of hangers through reverse logistics and specialized recycling partners. Hangers are sorted for reuse on new garments or transformed into raw plastic pellets for new products.

Kohl's-branded gift cards sold in stores are made from recyclable paper, eliminating an estimated 9,500 pounds of plastic from landfills each year. E-gift cards provide an additional zero-waste option for customers.

Kohl's also recycles fabric scraps from its Milwaukee and New York Design Offices. In 2025, Kohl's recycled more than 3,500 pounds of fabric scraps. Additionally, to support extended product life and help keep used products out of landfills, Kohl's offers textile collection points at corporate offices and select stores across five states. In 2025, customers and associates donated more than 29,000 pounds of gently used shoes and textiles.

Through in-kind donations, Kohl's and its vendors redirect surplus brand and beauty merchandise to local nonprofits, Kohl's hometown partners, and Good360, helping keep products out of landfills while supporting communities.



Packaging

HOW2RECYCLE

As an active member of How2Recycle, Kohl's uses standardized labeling to help customers recycle packaging correctly where space allows. In 2020, we set a goal to produce 100% of Kohl's-brand packaging with How2Recycle labels by 2025.

Kohl's achieved and maintained 100% labeling for high-volume materials, including Kohl's-branded shipping bags and boxes, Kohl's proprietary brand shoeboxes, and in-store shopping bags. Apparel, accessories, and jewelry are excluded due to the small size of their packaging.

While Kohl's did not fully reach the 100% target across the entirety of its portfolio, the company continued to improve labeling in key categories. In Home, core product packaging labeling increased from 65% in 2024 to 74% in 2025; core product refers to nonseasonal products that are sold throughout the year. Labeling home goods presents unique complexities because of diverse, multicomponent packaging. Kohl's will continue evaluating its packaging portfolio to identify clear labeling opportunities that support responsible recycling.

BRANDED APPAREL PACKAGING AND LABELS

Kohl's works to incorporate more sustainable solutions into packaging beginning at the design stage. Since 2019, Kohl's has 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 Kohl's proprietary brands.

In 2025, nearly 100% of Kohl's estimated 1.5 million pounds of branded apparel packaging paper was converted to Forest Stewardship Council-certified paper. In addition, 84% of apparel and accessories packaging is sourced with certified or recyclable content, and 95% of garment labels were sourced with certified recycled content.

OPERATIONAL PACKAGING INITIATIVES

Kohl's merchant and logistics teams continue working to reduce packaging used for customer, store, and distribution center shipments. In 2025, Kohl's eliminated pack slips for orders fulfilled through stores and select fulfillment centers, saving over 12.3 million square feet of label stock.

Kohl's two newest e-fulfillment centers offer right-size packaging capabilities for boxes, bags, and bubble mailers. In 2025, 30% of packages fulfilled from these facilities are right-sized, totalling 6.9 million packages. Right-sized packaging reduced dunnage consumption by 52% compared with traditional packing methods, and right-sized bagging reduced plastic material usage by 18% compared with traditional made-to-order bag packing. Kohl's also utilizes padded mailers, reducing dunnage use and saving an estimated 3,000-3,800 pounds of plastic waste in 2025.



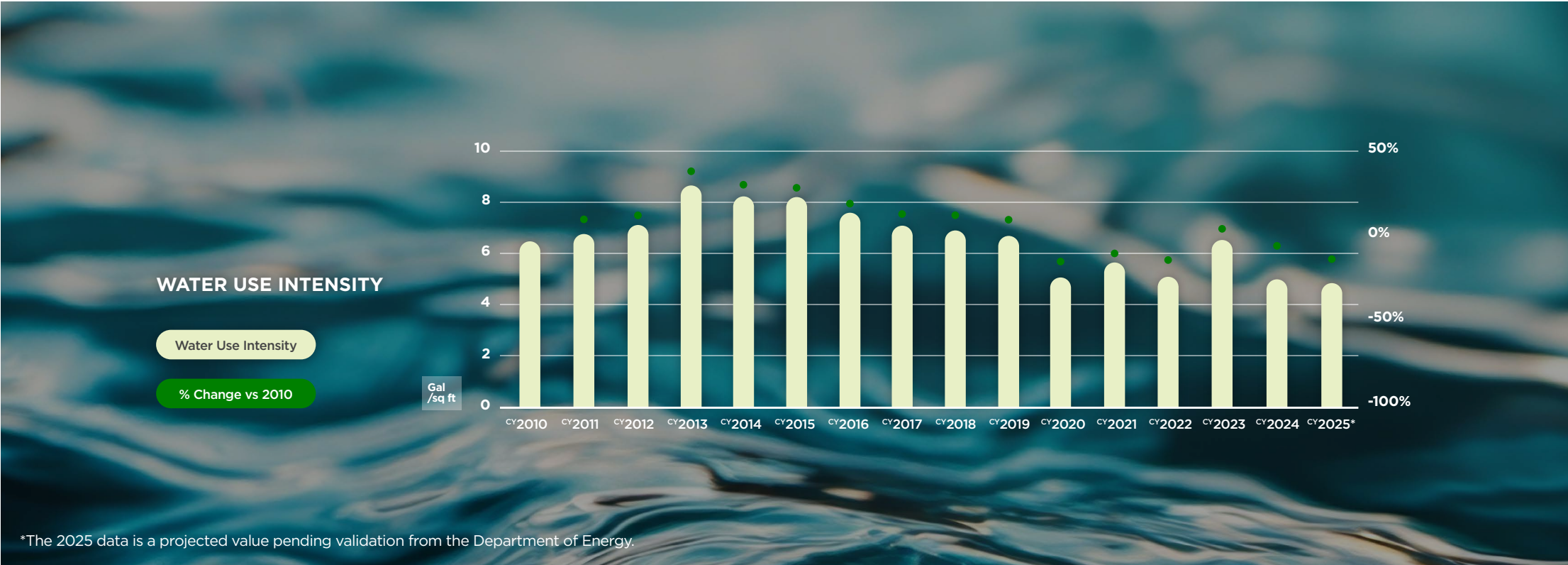
Water Management

Kohl's works to manage water use across its operations and supply chain. New stores are designed with water efficiency in mind, including low-flow faucets and toilets. Smart irrigation controllers use live weather data to adjust outdoor water usage and reduce irrigation demand.

As a **U.S. Department of Energy Better Buildings Water Savings Network Partner**, Kohl's works to reduce portfolio-wide water use intensity and to continuously improve compared to a set baseline. Since 2010, Kohl's has improved water performance by 20% across its portfolio.

WATER USE INTENSITY

Water consumption from 2020-2022 was significantly lower than a typical year due to COVID-19-related building closures and reduced occupancy. Water Management relates to Calendar Year.

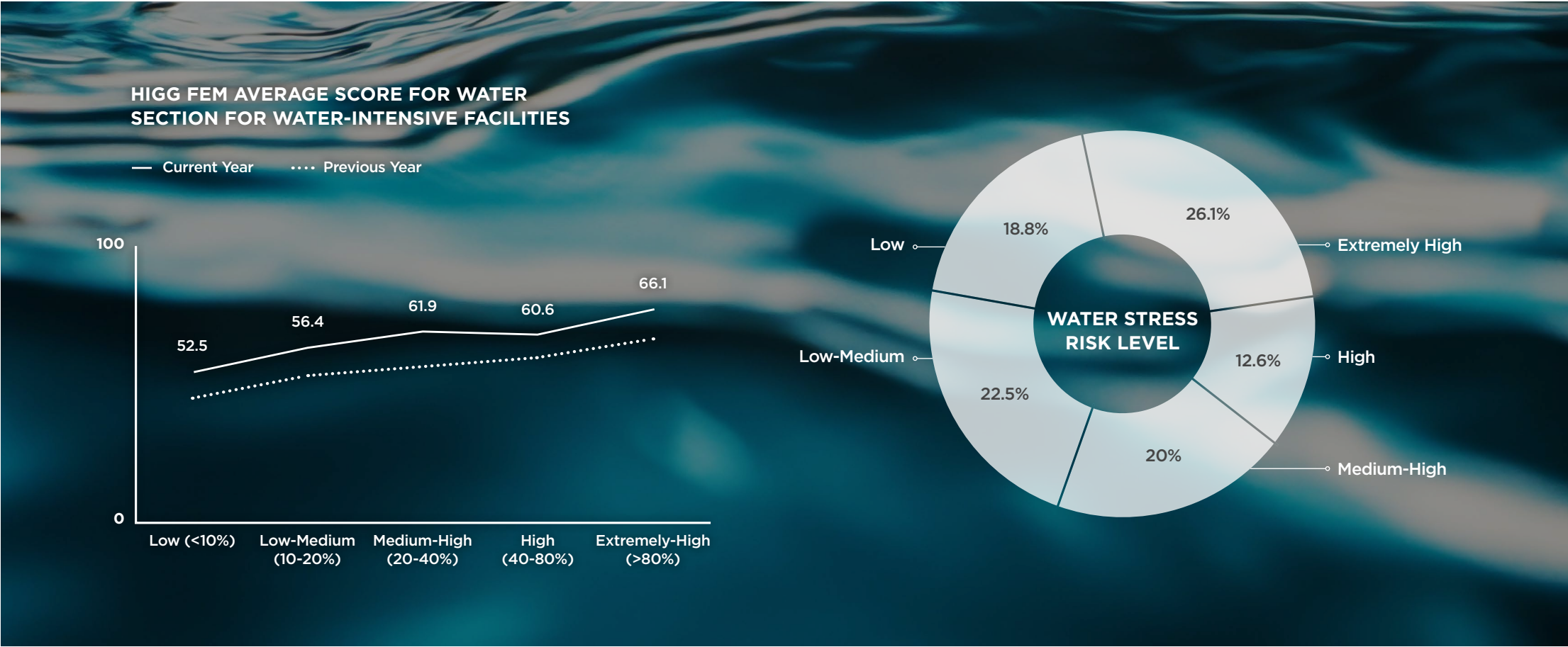


Water Scarcity

Kohl's works with its proprietary brand suppliers to understand which facilities are located in water-stressed regions. Kohl's completed a water risk assessment using the World Resources Institute's (WRI) Aqueduct Water Risk Atlas to map water risks across its global supply chain. Strategic suppliers are specifically audited for their water usage, reflecting a continuing commitment to water reduction, which aligns with Kohl's minimum score requirements.

Kohl's supplier engagement work, along with Higg FEM 2024 performance analysis for water-intensive facilities, revealed that suppliers in the most water-stressed regions generally had strong water management practices in place, including consumption monitoring, baselines, targets, and implementation plans.

Kohl's will continue using these tools to shape its water reduction strategy and engage suppliers in water-stressed regions to support performance improvement and water efficiency.



Environmentally Responsible Sourcing

Kohl's integrates social and environmental factors into procurement practices for Kohl's proprietary branded products. Supply chain operations can affect the environment through energy and water use, emissions, wastewater, chemical use, and waste disposal. We collaborate with suppliers to communicate our expectations in their sustainability efforts.

CASCALE'S HIGG INDEX

Kohl's was one of the founding members of Cascale, formerly known as Sustainable Apparel Coalition, and remains an active member. Cascale brings together manufacturers, retailers, brands, and nongovernmental organizations to standardize supply chain sustainability measures.

Kohl's collaborates with industry groups, suppliers, and other stakeholders to support more sustainable supply chain practices and continuous environmental improvement.

Kohl's uses the Higg Index, developed by Cascale, to assess environmental and social impacts within the supply chain. The Higg Facility Environmental Module (FEM) assesses energy use, greenhouse gas emissions, water use, wastewater, waste management, environmental management systems, and chemical management. These tools help Kohl's identify risks, benchmark supply chain performance against industry peers, and support environmental and labor improvements that can benefit factory workers, local communities, and the environment.

Kohl's requires all approved facilities producing proprietary brand products to complete the Higg FEM. In 2024, 89% of all approved facilities completed the Higg FEM, including 92% of Tier 1 suppliers and 84% of Tier 2 and beyond suppliers.

Strategic suppliers are also required to complete the Higg Verified Facility Environmental Module (VFEM), and the Higg Facility Social and Labor Module (FSLM). Strategic suppliers are required to have Higg FEM data verified by accredited third-party professionals. We use verified data to measure supply chain greenhouse gas emissions and inform environmental management and continuous improvement efforts across our supplier base.

Type of supplier	Percentage that have completed the HIGG FEM	Percentage in compliance with wastewater discharge permits and/or contractual agreement
Tier 1	92%	75%
Beyond Tier 1	84%	88%

One key component is comparing year-to-year results to determine if progress is being made. Kohl's had a total of 1,009 Tier 1 facilities and 572 Tier-2-and-beyond facilities that were required to complete the 2024 Higg FEM. Additionally, the wastewater section was updated in the 2024 Higg FEM to capture more accurate supplier data; performance data will not be comparable to prior years.

In 2022, we established environmental standards in five key areas for strategic suppliers, and they were assessed for compliance in 2023 and 2024. Their performance is assessed on a quarterly and annual basis for compliance. As a result of Cascale's upgraded module, we maintained these environmental standards to re-establish a baseline with the new system requirements.

Kohl's continues to leverage the Higg FEM to assess and measure its supply chain partners' environmental performance and identify best practices. To support business partners' continuous improvement efforts, a variety of training opportunities are offered by Cascale and Worldly (platform host of the Higg Index Tools).

Additional information on sustainability efforts is available in Kohl's [Environmental Policy](#).

CHEMICAL MANAGEMENT AND ZERO DISCHARGE OF HAZARDOUS CHEMICALS

Kohl's works to strengthen chemical compliance across its supply chain through supplier requirements, training, and industry tools. Kohl's requires Restricted Substance List (RSL) and Manufacturing Restricted Substance List (MRSL) compliance and uses the ZDHC Gateway platform to support chemical inventory management and compliance.

Since 2024, Kohl's has been a ZDHC Signatory Brand. Kohl's requires suppliers to adhere to the latest ZDHC Manufacturing Restricted Substances List, which restricts or prohibits more than 250 chemicals in manufacturing.

The Higg FEM Chemical Management section supports chemical management measurement and aligns with industry efforts from Cascale, the Outdoor Industry Association, and ZDHC.

Of 300+ Worldly accounts (brands, retailers, large manufacturers) that have used the adoption tool to track 2024 FEM completion, Kohl's saw the following rankings and percentage improvement:

#7

Highest absolute number

of received posted 2024 FEM self-assessment modules

#4

Highest absolute number

of received posted verified F2024 FEM modules

34%

Average score

performance improvement

against 2023*

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

Raw Material Sourcing

Kohl's considers social and environmental factors when evaluating raw materials used in its proprietary brands. Environmental risks associated with raw materials include chemical management, water and energy consumption, biodiversity loss, deforestation, and climate change.

Kohl's raw materials sourcing strategy focuses on priority materials that account for most raw material consumption, including cotton, polyester, nylon, and manufactured cellulosic fibers. Kohl's product development, design, and sourcing teams work to increase the use of responsibly sourced materials.

As of CY 2025, 98% of Kohl's proprietary brand textile towels, curtains, and rugs are MADE IN GREEN or STANDARD 100 by OEKO-TEX®.

COTTON (NATURAL FIBERS)

Cotton is Kohl's single largest commodity. Kohl's uses certifications including the Organic Cotton Standard and Global Organic Textile Standard for its proprietary brands containing natural fibers. Kohl's also works with suppliers to verify cotton is sourced through responsible farming practices.

As of CY 2025, 82% of cotton used for Kohl's proprietary brands was responsibly sourced, and 100% of Kohl's proprietary brand denim is responsibly sourced cotton. Kohl's also tracks the **Environmental Impact Measure** scores for all denim washes to monitor environmental impact.

Kohl's set a 2025 goal to achieve 100% responsibly sourced cotton for its proprietary brands. While the company reached 82% in 2025, performance is based on supplier-reported data. Kohl's continues to engage suppliers quarterly to support compliance and reporting accuracy.

POLYESTER (SYNTHETIC FIBERS)

Kohl's continues to explore opportunities to transition from virgin polyester to recycled options. Kohl's uses the Global Recycle Standard and Recycled Claim Standard to provide certifications for several products within its proprietary brands.

In 2025, 17% of Kohl's proprietary brand polyester styles contained recycled polyester.

Kohl's set a 2025 goal for 50% of polyester styles in its proprietary brands to contain recycled materials. While 17% of styles met this criteria in 2025, supply constraints and price volatility for certified recycled fibers affected the ability to source recycled polyester at scale.

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 **Canopy**, in its proprietary brand apparel products. Kohl's requests that fiber suppliers align sourcing with producers that have completed annual CanopyStyle audits and have achieved strong performance scores.

See Kohl's [Responsible Forest Policy](#).

FUR-FREE POLICY (ANIMAL-DERIVED FIBERS)

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

RESPONSIBLE BRAND STORIES

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

Sonoma Goods For Life® offers a cross-category assortment of apparel and home goods for the modern family. We source responsible materials and use responsible methods.



Little Co. by Lauren Conrad is a thoughtfully designed children's collection made with responsibly sourced materials, including knit garments certified to globally recognized standards such as Global Organic Textile Standard and Organic Content Standard.



FLX® is a specialty athleisure brand designed for premium comfort and style. With responsible materials at its core, the apparel collection features the use of recycled nylon, recycled polyester, or cotton that supports more-responsible farming.



Responsible Business

Ethics & Governance

ETHICS

Kohl's expects associates to act honestly and remain accountable. All associates complete annual ethics training focusing on key concepts, such as ethical decision-making, reporting concerns, and following company guidelines and policies, including cybersecurity and privacy. Managers also complete additional Leadership Ethics training, focused on their role in reinforcing ethical culture, leading with integrity, and fostering a work environment that reflects our Code of Ethics.

Kohl's provides multiple channels for associates, customers, business partners, and stakeholders to raise concerns, including through the Associate Relations team or anonymously via the Kohl's Integrity Hotline, which is available to the entire value chain. Kohl's prohibits retaliation against any party who raises concerns in good faith.

Additionally, the Business Partner Code of Conduct outlines expectations for third-party contractors to operate in a lawful and ethical manner and to report potential concerns or violations. Click [here](#) to learn more about our ethics program.

GLOBAL HUMAN RIGHTS POLICY

Kohl's Global [Human Rights Policy](#) applies to our workforce, suppliers, partners, and customers. It outlines Kohl's commitment to protecting human rights and safety and prohibits child labor, forced labor, and human trafficking.

Kohl's continuously evaluates its operations and value chain to identify, assess, and address significant human rights risks. Oversight of the Human Rights Policy is led by the SVP of Risk & Compliance and Chief People Officer, with support from a cross-functional team.

We implement our responsibility to human rights through 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. Kohl's 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 Principles.

Kohl's communicates expectations and provides training to associates and business partners on relevant topics covered within the Code of Ethics, Business Partner Code of Conduct, and Terms of Engagement, including access to the Kohl's Integrity Hotline. Kohl's is committed to providing associates and business partners with appropriate access to channels for reporting and addressing concerns. Kohl's takes appropriate actions in response to violations of our policies, regulations, or the applicable laws intended to respect human rights; anyone in violation is subject to disciplinary action, up to and including termination. All instances are fully investigated and resolved in a fair, unbiased manner.

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.

GOVERNANCE

Strong governance practices support effective risk management, accountability, and transparency. Board oversight of our ESG strategy is essential to sustain the long-term interests of all stakeholders.

Cross-functional Governance committees support oversight in key areas including Artificial Intelligence, Enterprise Risk Management, Ethics & Integrity, Information Security, Philanthropy, Privacy, PFAS (forever chemicals), Extended Producer Responsibility, 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 compliance obligations.

Social Supply Chain Management

At Kohl's, responsible sourcing begins with the business partners we choose to produce Kohl's proprietary 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, Kohl's expects all business partners to abide by its policies, including the [Global Human Rights Policy](#) and [Environmental Policy](#).

Kohl's Global Sourcing, Production & Product Services, and Merchant teams identify product categories for its proprietary brands, develop individual product styles, and negotiate the purchase transaction with our business partners; social, economic, environmental, and risk management considerations are integrated into Kohl's purchasing processes. The Factory Compliance team works closely with agents, vendors, 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

Kohl's is committed to respecting human rights across the supply chain and operations. We hold ourselves to high ethical standards to create a positive social impact and expect the same from business partners. Kohl's requires vendors and facility partners to adhere to its [Terms of Engagement](#), along with domestic and international laws and treaties. Kohl's Terms of Engagement reflect its high standards and seek to protect the human rights and safety of the workers who manufacture products procured for sale in stores and online, as well as the environment they live in.

Kohl's 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.

Additionally, Kohl's Terms of Engagement address areas including 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. Compliance with these standards is required for facilities producing Kohl's proprietary brand merchandise.

Kohl's uses independent third-party firms to monitor compliance with its Terms of Engagement. Kohl's also updates policies and standards periodically to address emerging human rights and industry risks and communicates these expectations to vendor and facility partners to diligently monitor our supply chain.

Kohl's communicates Terms of Engagement requirements to vendor and facility partners through onboarding materials, vendor communications, training sessions, and the vendor portal. New Kohl's proprietary brand vendors are required to acknowledge compliance with applicable legal and policy requirements. They 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, Kohl's 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 human rights and industry risks evolve, Kohl's may implement additional certifications or compliance requirements.

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 Kohl's Terms of Engagement is a threshold determination of whether or not the production of Kohl's proprietary brand goods may be placed at a facility. Kohl's reviews production capacities and working conditions before placing production to support our social and environmental commitments.

ZERO-TOLERANCE POLICY

Kohl's compliance philosophy focuses on continuous improvement; however, we communicate and enforce a zero-tolerance policy for certain violations of our Terms of Engagement, which may result in immediate termination of the 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, including 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

Kohl's communicates these expectations through supplier meetings, training sessions, business correspondence, and ongoing compliance engagement to confirm awareness and understanding of these critical issues.



Identifying Human Rights Risks

Kohl's maintains a formalized risk identification and monitoring process across its supply chain. We regularly assess social compliance practices and work with vendor and facility partners to identify and address health, safety, and human rights risks in a responsible manner that considers the needs and expectations of the affected vendor and its suppliers, the workforce, and our stakeholders.

Our social compliance audit program has been in place for more than two decades. The program includes a capacity-building component to develop and strengthen compliance within our supply chain, along with 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 proprietary brand products.

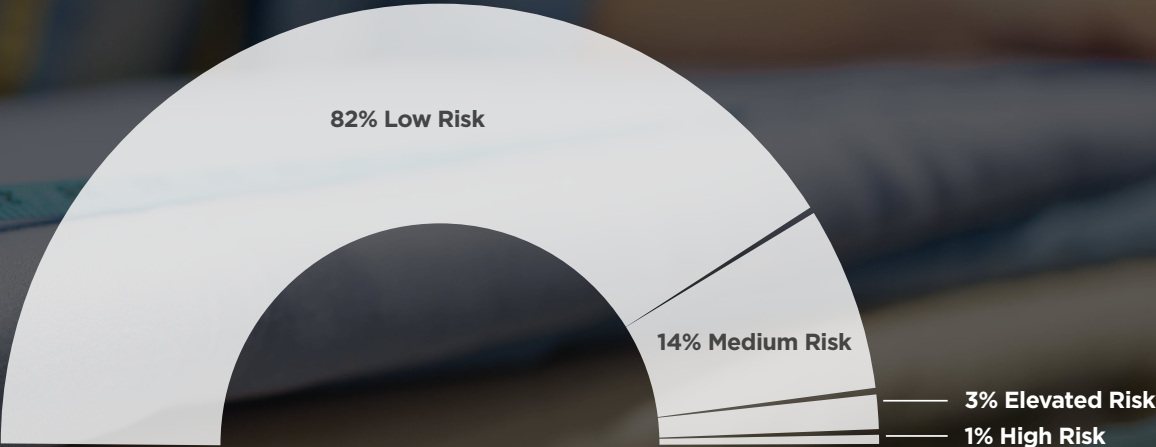
Social Monitoring Visits & Facility Audits

Kohl's uses independent third-party audit firms to evaluate facility partner compliance with our Terms of Engagement. Additionally, these auditing professionals speak the language of the workers and management. Facilities are evaluated for compliance regularly using a risk-based approach that considers factors including geographic risks, management commitment, historical audit performance, open-source information, and issues identified outside of the standard audit process.

Facilities are assigned risk ratings ranging from low risk to high risk, which helps determine audit frequency and follow-up requirements. Kohl's reserves the right to review vendor partner facilities and conduct unannounced on-site inspections.

Audits include facility walkthroughs, random and confidential worker interviews, and reviews of records such as timecards, wage payments, and age verification documentation. Auditors document instances of potential noncompliance for further review and remediation.

	Total Number of Production Facilities	Facilities Deemed Not Authorized to Produce for Kohl's	Total Number of Audits Conducted	Unannounced Audit Visits
2025	1,082	7	676	340 (50%)
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	1,101	266 (24%)
2020	1,253	3	1,112	282 (23%)



Addressing Noncompliances

Following facility inspections, auditors summarize instances of noncompliance with facility management and corrective actions are documented through an online Corrective Action Plan (CAP) system. Kohl's works with vendors and facilities to support remediation efforts and may conduct follow-up audits and investigations as needed. All business partners can submit questions, provide comments, and upload supporting documentation.

Corrective actions may include targeted training, additional third-party audits and investigations, and reviewing our future business relationship. Whenever possible, Kohl's works toward improvement and attempts to bring underperforming facilities into compliance. 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%; in CY 2025, suppliers reached a 99% CAP completion rate. 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

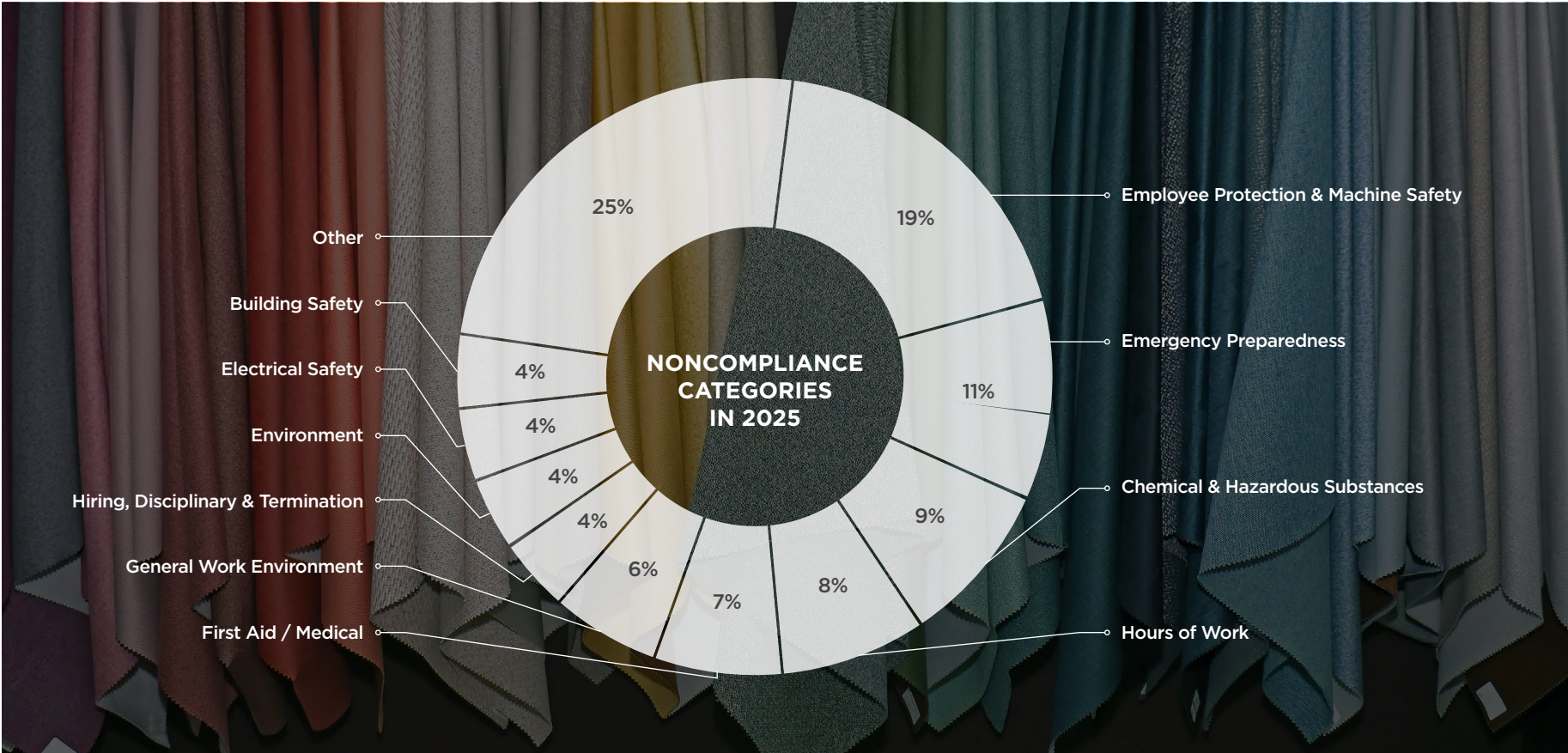
Kohl's expects all vendor partners to verify that merchandise sold to us is free of any conflict minerals associated with human rights abuses, and that all vendors are committed to eliminating conflict minerals from their products and supply chains. Kohl's maintains policies, a due diligence framework, and management systems to support compliance with the SEC's Conflict Minerals Rule reporting requirements.

Kohl's is a member of the Responsible Minerals Initiative (RMI), which supports responsible mineral sourcing through supply chain audits, country-of-origin information, industry collaboration, and information and insights about developments on regional issues, sourcing initiatives, and regulatory schemes in support of responsible sourcing. Kohl's is part of a multistakeholder RMI committee that addresses industry-responsible mineral-sourcing issues in supply chains.

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.

Diamond jewelry suppliers must verify that the merchandise they sell to Kohl's 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.

Additional information is available in [Kohl's Policy on Conflict Minerals](#) and [Kohl's Conflict Minerals Report](#) for further details.



FORCED LABOR/HUMAN TRAFFICKING

Kohl's does not knowingly carry products that are made, in whole or in part, with child or forced labor. Vendors are required to provide written confirmation that products are not sourced from regions or suppliers that utilize or condone child or forced labor.

Kohl's prohibits 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, Kohl's partners with vendors and nominated mills to establish a joint commitment to supply chain traceability.

Kohl's continues to strengthen due diligence efforts and monitoring programs to address forced labor risks, including alignment with the Fair Labor Association responsible recruitment principles. 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.

CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT

Kohl's Terms of Engagement further require compliance with the California Transparency in Supply Chains Act, implemented in January 2012. The 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.

Training Vendors in Kohl's Compliance

267 vendors

1,059 Tier 1 facilities

388 Tier 2 facilities

All required to complete training for Supply Chain Traceability, Forced Labor Due Diligence, Transparency and Business Integrity, Climate Change and Greenhouse Gas Emission, Environmental Expectations, Preventing Bullying, Harassment, and Abuse, and Supply Chain Security (CTPAT)

Kohl's 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.

Training and engagement sessions address requirements and country-specific challenges, including political, cultural, social, and economic factors. Additional training is offered based on risk level, audit performance, and business relationship maturity.

In 2025, Kohl's delivered web-based training on topics such as human rights, environmental sustainability, supply chain security, and introduced customized anti-corruption training for Kohl's proprietary brand suppliers to support compliance with U.S. laws, ethical standards, and data protection requirements.

Facilities producing Kohl's proprietary brand goods are required to post our Terms of Engagement, including a worker grievance channel, in accessible locations and local languages.

Associates with supply chain responsibilities receive additional training on industry trends and compliance expectations, including forced labor, human trafficking, sustainability compliance, and CTPAT requirements.

Governance & Oversight

Kohl's **Social Responsibility Committee** guides the direction, assessment, and continuous improvement of social, CTPAT, and sustainability compliance programs. The committee is composed of executives, including our Chief Merchandising Officer, Chief Legal Officer & Corporate Secretary, Chief Marketing Officer, 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.

Kohl's human rights commitments are communicated to and approved by the Board of Directors, and compliance obligations are overseen by the Nominating & ESG Committee. Kohl's Chief Legal Officer & Corporate Secretary oversees Factory Compliance and the implementation of our human rights commitments.

The Factory Compliance team operates independently from the Global Sourcing, Production and Product Services, and Merchandising departments. Compliance decisions regarding facilities producing Kohl's proprietary brand merchandise are made independently from purchasing negotiations to support strong governance and avoid potential conflicts of interest.

INDUSTRY PARTNERSHIPS AND COLLABORATION

Kohl's participates in several industry initiatives and partnerships that support responsible sourcing, worker safety, environmental compliance, and supply chain security.

Customs Trade Partnership Against Terrorism (CTPAT)

Kohl's has participated in the CTPAT program since 2006 and maintains Tier III certified trusted trader status, the program's highest designation. Kohl's works with international facilities, suppliers, carriers, contractors, and employees to implement, comply, and abide by CTPAT Minimum Security Criteria (MSC), and maintain procedures and practices consistent with the CTPAT Importer Security Criteria.

Kohl's has requested almost 2,900 CTPAT security Supplier Compliance Audit Network (SCAN) audits to validate our supply chain compliance. Additional information is available in Kohl's Corporate [CTPAT Commitment Policy](#).

Kohl's has participated in SCAN since 2018. SCAN helps standardize supply chain security audits and reduce duplicative audits across facilities through shared audit programs. SCAN has performed over 39,000 supply chain security audits in 92 countries and has more than 36,000 facilities within the SCAN Audit Sharing Network since its inception in 2014.

Better Work Programs

Kohl's participates in the ILO's Better Work Vietnam, Better Work Nicaragua, and Better Work Indonesia programs which support labor standards and human rights improvements within export garment industries. These programs assess facilities and provide advisory services to improve compliance with ILO core labor standards and national laws regarding compensation, contracts, occupational health and safety, and working hours.

Nirapon

Kohl's joined Nirapon in 2019 following participation as a founding member of the Alliance for Bangladesh Worker Safety (ABWS). 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)

IPE is a nonprofit environmental research organization from China that collects and analyzes government and corporate environmental information to provide supplier compliance transparency. For CY 2025, Kohl's used the IPE data collected in the Higg FEM to monitor supplier compliance and remediation of IPE violations. Kohl's plans to continue expanding the scope of its supplier screening and advise suppliers to remediate environmental non-compliance issues.

Chemical Management & Product Safety

Kohl's maintains chemical management standards across its supply chain and operations, including requirements for vendors and facility partners. We continue to advance our restricted substances standards and specifications and seek to reduce the use of hazardous chemicals in our products. Kohl's also aims to enhance transparency regarding chemicals present in or used to manufacture products.

Kohl's [Chemical Management Policy](#), [Restricted Substance List \(RSL\)](#) and the [Zero Discharge of Hazardous Chemicals \(ZDHC\) Manufacturing Restricted Substances List \(MRSL\)](#) apply to all of its proprietary 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 more than 160 chemicals in products manufactured for and sold to Kohl's. The RSL supplements applicable laws and, in certain cases, sets stricter limits, including for formaldehyde and flame retardants.

Kohl's also requires suppliers to adhere to the most current ZDHC MRSL, which limits or prohibits the use of more than 250 chemicals in the manufacturing process.

Kohl's became a ZDHC Signatory Brand in 2024, strengthening alignment with industry standards and increasing visibility into chemical use across our supply chain. This strategic alignment with ZDHC improves visibility throughout our supply chain, offers access to expert industry knowledge, and intensifies our participation in the Roadmap to Zero program.

SAFER CHEMICAL ALTERNATIVES & THIRD PARTY STANDARDS

Kohl's works with its vendors and facility partners to support the use of safer chemical alternatives and meet our RSL/MRSL requirements. Vendors and suppliers are required to undergo third-party testing to confirm compliance with all applicable laws and Kohl's standards.

Kohl's also partners with organizations, including OEKO-TEX® and Global Organic Textile Standard (GOTS), to certify select products within proprietary brands. Certification information is provided on product packaging and at Kohls.com in the product details section. Learn more about these certifications on Kohl's [corporate website](#).

SUPPLIER DISCLOSURE & ACCOUNTABILITY

Kohl's monitors supplier environmental impacts through the Higg Facility Environmental Module (Higg FEM). All approved facilities producing Kohl's proprietary brand products are required to complete the Higg FEM annually, including its chemical management components.

Supplier requirements are outlined in our Purchase Order Terms and Conditions, which require compliance with applicable federal, state, and local laws and regulations, and Kohl's standards related to chemical safety and restricted substances. Compliance with these requirements is a condition of doing business with Kohl's.

PRODUCT SAFETY

Kohl's proprietary brand products are evaluated through its corporate testing program to ensure they meet safety, regulatory, performance, and quality standards. Testing is conducted through independent third-party laboratories, with oversight from the Quality Assurance & Product Integrity team.

Vendor agreements require compliance with applicable laws and product safety requirements, including testing, labeling, and packaging standards. Vendors are responsible for ensuring products are safe for their intended use.



Kohl's defines a safer chemical alternative as a chemical or process that is less hazardous to humans or the environment than the existing option.

Cybersecurity & Privacy

PRIVACY

Kohl's manages personal information for its customers, associates, and business partners in accordance with applicable privacy laws and regulations. Kohl's [Privacy Policy](#) outlines the types of information it collects and how it's used.

Kohl's privacy program is supported by a cross-functional Privacy Committee responsible for identifying and managing privacy risks. The committee includes oversight from senior leaders in Risk and Compliance, Technology, Financial Services, Marketing, Human Resources, and Legal.

CYBERSECURITY

Kohl's maintains a cybersecurity program designed to protect confidential information and support business operations. This program aligns with industry frameworks and requires training for all associates, encompasses third-party oversight, and includes an incident response plan.

AUDITS & ASSESSMENTS

The Enterprise Risk Services (ERS) department serves as an independent auditing function. ERS conducts cybersecurity, privacy, environmental, and other compliance audits across the company.

Audits include Sarbanes-Oxley compliance, Payment Card Industry standards, access controls, and other processes supporting IT infrastructure and applications. ERS also evaluates broader compliance areas, including employment, financial, credit, and environmental controls.

ANNUAL TRAINING

Kohl's requires all associates to complete annual ethics training, which includes cybersecurity and data protection topics such as phishing awareness, password security, and handling sensitive data. This training is part of Kohl's Defender of Data program, which reinforces associate accountability and awareness of cybersecurity and privacy risks.

Business Continuity

Kohl's Business Continuity team manages preparedness and response efforts for unplanned incidents including natural disasters, pandemics, civil unrest, active threats, and other disruptions. The team develops and maintains business continuity plans designed to prioritize safety and support the continuity or timely restoration of operations.

These plans identify critical business functions, systems, vendors, and staffing requirements, along with defined recovery time objectives. Plans are reviewed annually, updated as needed, and approved by senior leadership.

To support preparedness, the Business Continuity team conducts regular exercises and simulations across the organization. The exercises vary in scenario and test response strategies and include participation from key areas such as supply chain and logistics network, credit servicing, and other critical business functions.

During incidents, the team coordinates cross-functional response efforts, provides updates, and supports impacted locations to help mitigate operational and safety risks.

ACTIVE THREAT

Associates complete annual active threat training, aligned with U.S. Department of Homeland Security guidelines. The training focuses on personal safety and response protocols.

A third-party emergency notification system enables timely communications during incidents, including alerts, operational updates, and associate well-being check-ins across multiple channels.

CRISIS MANAGEMENT

Kohl's Crisis Management team, composed of senior leaders across the company, provides guidance and oversight during significant events. The team participates in annual simulations designed to test company-wide response to high-impact scenarios, such as system outages and natural disasters.

Updates on crisis management and business continuity preparedness are periodically provided to the Board of Directors.

DISASTER PREPAREDNESS

Kohl's provides annual training on responding to major natural disasters, including earthquakes and hurricanes. These sessions prepare associates to respond safely during incidents, outline communication protocols, and explain how Kohl's supports associates and local communities during significant disruptions.





Disclosures

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. Certain data points and metrics include information from years prior to 2025, 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 available methods. Many of the standards, methods, and metrics used in preparing this report 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.

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 Part I, Item 1A in the company's Annual Report on Form 10-K for the fiscal year ended January 31, 2026, 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 security holder voting decision.