

**KnowTheChain Apparel & Footwear Benchmark – Subset of Indicators
Additional Disclosure 2020/2021**

Company Name: Kohl's

Date: February 26, 2021

Guidance:

- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website.
- Note KnowTheChain has already undertaken a review of your website. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to.

Indicator 1: SUPPLIER CODE OF CONDUCT AND INTEGRATION INTO SUPPLIER CONTRACTS

The company:

(1) has a supplier code of conduct that requires suppliers to respect the ILO core labor standards, which include the elimination of forced labor; and

(2) integrates the ILO core labor standards, which include the elimination of forced labor, into supplier contracts.

Additional Support Comments

Our Terms of Engagement align with internationally recognized human rights principles developed by the United Nations, International Labour Organization (ILO) core labor standards, and other respected international organizations to promote and maintain fair business practices and put ethics and safety at the forefront of our business decisions. Our vendor partners are strictly held to our Terms of Engagement, which outlines our requirements and expectations of social compliance regarding wages and benefits, working hours, prohibited use of child or forced labor (which includes, without limitation, prison, slave, or bonded labor, or human trafficking), discrimination, disciplinary practices, women's rights, legally-protected rights of workers to free association, health and safety issues, environmental requirements, and more.

We implement our responsibility to human rights through our existing commitments laid out in our Purpose and Values, Code of Ethics, Business Partner Code of Conduct, Terms of Engagement (TOE) and business programs covered in our [CSR Report](#). Our approach on human rights is guided by internationally recognized principles as articulated in: United Nations Guiding Principles on Business and Human Rights, Core Conventions of the International Labour Organization (ILO), ILO Declaration on Fundamental Principles and Rights at Work, UN Universal Declaration of Human Rights, International Bill of Human Rights, United Nations Women Empowerment Principles, and UNICEF's Children's Rights and Business.

Additional Documentation

Kohl's 2019 CSR Report, Page 49

<https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/landing-page/Kohls-2019-CSR-Report.pdf>

Kohl's Global Human Rights Policy

<https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/responsible-sourcing/Kohls%20Human%20Rights%20Policy.pdf>

Kohl's Code of Ethics, Page 17

https://s26.q4cdn.com/950703131/files/doc_govs/Code_of_Ethics_Policy_629_April_2020.pdf

Non-Merchandise Purchase Order Terms & Conditions

https://corporate.kohls.com/content/dam/kohlscorp/company/suppliers/NonMerchandise%20Purchase%20Order%20-%20Kohls%2003_2020.pdf

Indicator 2: MANAGEMENT AND ACCOUNTABILITY

The company:

- (1) has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labor and human trafficking; and
- (2) has tasked a board member or board committee with oversight of its supply chain policies that address forced labor and human trafficking.

Additional Support Comments

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

Additional Documentation

Kohl's 2019 CSR Report, Page 53

<https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/landing-page/Kohls-2019-CSR-Report.pdf>

Indicator 3: STAKEHOLDER ENGAGEMENT

To fully understand and address working conditions in sourcing countries, companies need to engage with potentially affected groups and local stakeholders such as trade unions, worker organizations, or local NGOs—in addition to engaging suppliers. Furthermore, as forced labor risks tend to be systemic in nature, collaboration with other companies, for example, to engage policy makers to strengthen labor legislation, is needed to address forced labor in supply chains.

In the last three years, the company has engaged relevant stakeholders by:

- (1) providing at least two examples of engagements on forced labor and human trafficking with stakeholders such as policy makers, worker rights organizations, or local NGOs in countries in which its first-tier suppliers and suppliers below the first tier operate; and

(2) actively participating in one or more multi-stakeholder or industry initiatives focused on eradicating forced labor and human trafficking across the industry.

Additional Support Comments

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

We implement our responsibility to human rights through our existing commitments laid out in our Purpose and Values, Code of Ethics, Business Partner Code of Conduct, Terms of Engagement (TOE) and business programs covered in our [CSR Report](#). Our approach on human rights is guided by internationally recognized principles as articulated in: United Nations Guiding Principles on Business and Human Rights, Core Conventions of the International Labour Organization (ILO), ILO Declaration on Fundamental Principles and Rights at Work, UN Universal Declaration of Human Rights, International Bill of Human Rights, United Nations Women Empowerment Principles, and UNICEF's Children's Rights and Business.

Kohl's engages policy makers to strengthen labor legislation through the company's membership in a variety of organizations, including: American Apparel & Footwear Association (AAFA), National Retail Federation (NRF), Retail Industry Leaders Association (RILA), the United States Fashion Industry Association (USFIA), and others.

The company is part of the [joint AAFA/NRF/RILA/USFIA Forced Labor Working Group](#), a group of brands and associations working on forced labor issues, including best practices and innovative approaches, communications, and lobbying and advocacy.

Additional Documentation

Kohl's Global Human Rights Policy

<https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/responsible-sourcing/Kohls%20Human%20Rights%20Policy.pdf>

Indicator 5: RISK ASSESSMENT

Risk assessment involves evaluating the potential that a company has (by virtue of who its suppliers are and where they are located) of being linked to forced labor and human trafficking. Risk assessment is a process that is carried out in addition to and outside of auditing. It helps identify potential forced labor risks as well as actual impacts that may be hard to detect through audits. This process may involve engaging local stakeholders, labor rights experts, independent sources, and assessing risks associated with specific raw materials, regions, or groups of workers such as migrant workers.

The company discloses:

(1) details on how it conducts human rights supply chain risk or impact assessments that include forced labor risks or assessments that focus specifically on forced labor risks; and

(2) details on forced labor risks identified in different tiers of its supply chains.

Additional Documentation

Kohl's 2019 CSR Report, Page 51 "Social Monitoring Visits Explained"

<https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/landing-page/Kohls-2019-CSR-Report.pdf>

Indicator 6: PURCHASING PRACTICES

Purchasing practices and pricing may both positively impact labor standards in the company's supply chains and increase risks of forced labor and human trafficking. The company:

(1) is adopting responsible purchasing practices in the first tier of its supply chains, which include planning and forecasting; and

(2) provides procurement incentives to first-tier suppliers to encourage or reward good labor practices (such as price premiums, increased orders, and longer-term contracts).

Additional Support Comments

Vendor and facility compliance with our Terms of Engagement is a critical factor in determining whether or not the production of our proprietary goods may be placed at a facility. We review production capacities and working conditions prior to placing production in order to support our commitment to human rights.

Additional Documentation

Kohl's 2019 CSR Report, Page 49

<https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/landing-page/Kohls-2019-CSR-Report.pdf>

Kohl's Code of Ethics, Page 17

https://s26.q4cdn.com/950703131/files/doc_govs/Code_of_Ethics_Policy_629_April_2020.pdf

Non-Merchandise Purchase Order Terms & Conditions

https://corporate.kohls.com/content/dam/kohlscorp/company/suppliers/NonMerchandise%20Purchase%20Order%20-%20Kohls%2003_2020.pdf

Indicator 7: RECRUITMENT FEES

According to the ILO, workers should not be charged directly or indirectly, in whole or in part, any fees for recruitment or related costs (such as costs for training, medical tests, or travel).

The company:

(1) requires that no worker in its supply chains should pay for a job—the costs of recruitment (i.e., recruitment fees and related costs) should be borne not by the worker but by the employer ("Employer Pays Principle"); and

(2) takes steps to ensure that such fees are reimbursed to the workers and/or provides evidence of payment of recruitment-related fees by suppliers if it discovers that fees have been paid by workers in its supply chains.

Additional Support Comments

Business Partners who use foreign contract labor must treat all workers fairly and equally. Migrant workers, those who move from one country to another for the purpose of employment, must be employed voluntarily and must be free to terminate their employment at any time. Workers must not be required to make any monetary deposits or surrender any original identification documents as a condition of employment. Kohl's prohibits the use of recruitment fees or fees for levy or legal work documents.

Additional Documentation

Kohl's 2019 CSR Report, Page 49

<https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/landing-page/Kohls-2019-CSR-Report.pdf>

Terms of Engagement, Page 7

<https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/responsible-sourcing/TOE%20Corporate%20Website%20Version.pdf>

Kohl's Global Human Rights Policy

<https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/responsible-sourcing/Kohls%20Human%20Rights%20Policy.pdf>

Indicator 8: FREEDOM OF ASSOCIATION

The company:

- (1) works with independent local or global trade unions to support freedom of association in its supply chains; and
- (2) provides at least two examples covering different supply chain contexts of how it improved freedom of association and/or collective bargaining for its suppliers' workers such as migrant workers (e.g., by taking action where suppliers impede workers' rights to freedom of association and/or collective bargaining or by engaging policy makers to improve respect for such rights).

Additional Documentation

Kohl's Terms of Engagement, Page 7

<https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/responsible-sourcing/TOE%20Corporate%20Website%20Version.pdf>

Kohl's 2019 CSR Report, Page 49

<https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/landing-page/Kohls-2019-CSR-Report.pdf>

Kohl's Global Human Rights Policy

<https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/responsible-sourcing/Kohls%20Human%20Rights%20Policy.pdf>

Indicator 9: GRIEVANCE MECHANISM

The company:

(1) takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labor conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives; and

(2) discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved, or an evaluation of the effectiveness of the mechanism.

Additional Support Comments

Business Partners must provide an appropriate avenue for workers to lodge complaints or grievances and make suggestions. All instances must be fully investigated and resolved in a fair, unbiased manner. Workers must be trained on the policy and procedures for the handling of complaints and grievances. Any form of retaliation or victimization in response to a complaint or grievance is strictly prohibited by Kohl's. Suspected violations can be reported anonymously through the following channels for further investigation: Kohl's Integrity Hotline (1-800-837-7297), via the www.kohlsintegrity.com website, or via email: factory.compliance@kohls.com.

Additional Documentation

Terms of Engagement, Page 15

<https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/responsible-sourcing/TOE%20Corporate%20Website%20Version.pdf>

Kohl's Global Human Right Policy

<https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/responsible-sourcing/Kohls%20Human%20Rights%20Policy.pdf>

Indicator 10: REMEDY PROGRAMS / RESPONSE TO ALLEGATIONS

A. The company discloses:

(1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking; and

(2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers; and

(3) a description of what actions it is taking to prevent and remediate the use of forced Uyghur labor.

B.1. If one or more allegations regarding forced labor in the first or lower tier of a company's supply chains have been identified and disclosed by a third party(ies) in the last three years, the company discloses:

(1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking; and

(2) outcomes of the remedy process in the case of the allegation(s), including evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

B.2. If one or more allegations regarding forced labor in the company's supply chains have been identified in the last three years, and the company denies the allegation, the company discloses:

(1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking; and

(2) a description of what actions it would take to prevent and remediate the alleged impacts.

Additional Support Comments

Kohl's is part of the [joint AAFA/NRF/RILA/USFIA Forced Labor Working Group](#), a group of brands and associations working on forced labor issues, including best practices and innovative approaches, communications, and lobbying and advocacy.

Additional Documentation

Terms of Engagement, Page 15

<https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/responsible-sourcing/TOE%20Corporate%20Website%20Version.pdf>

Kohl's 2019 CSR Report, Page 50

<https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/landing-page/Kohls-2019-CSR-Report.pdf>