

A man and a woman are smiling and working together to plant a tree. They are wearing purple shirts and yellow gloves. The man is using a shovel to transfer soil from a black bucket into a green wheelbarrow. The woman is holding the shovel. They are outdoors in a grassy area with trees in the background.

2012
Corporate
Social
Responsibility
Report

KOHL'S
expect great things[®]

KOHL'S
expect great things[®]



Dear Stakeholders:

At Kohl's, our mission is to bring brands, value and convenience to our customers. Corporate social responsibility at Kohl's is about making a positive impact. This impact affects the people we serve, the businesses we interact with and the environment that we all share. Once again, I am proud to present our achievements in sustainability initiatives, community relations and social responsibility.

In 2012, our commitment to sustainability extended to include more work in the Supply Chain. In this report you will learn about how we work collaboratively with our business partners to make the world a more sustainable and efficient place to conduct business.

Our dedication to social responsibility also extends to the community. Caring and commitment are the heart of our company. Through Kohl's Cares community giving and volunteer programs, we remain committed to furthering the causes of kids' health and education and women's health initiatives.

Equally important is our responsibility to operate our business in a socially responsible manner. We are dedicated to fair business practices and working with our vendor partners and other stakeholders to ensure the highest standards of ethical behavior in our business activities.

Thank you for taking time to review our 2012 Corporate Social Responsibility Report.

We're excited to share our progress around our key strategies and our plans for even greater things to come in the future.

Sincerely,

A handwritten signature in black ink that reads "Kevin Mansell".

Kevin Mansell
Chairman, President and CEO

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Company Information

Kohl's Department Stores, headquartered in Menomonee Falls, Wisconsin, is a publicly traded company that was organized in 1988. Kohl's operates family-oriented department stores that sell moderately priced apparel, footwear and accessories for women, men, and children, soft home product such as sheets and pillows, and housewares. In addition, Kohl's offers online shopping on Kohls.com. Originally an added service for customers who prefer to shop using the Internet, the website has grown to include a selection of items and categories beyond what is available in stores such as extended sizes, product line extensions and web-exclusive merchandise.

As of February 2, 2013, Kohl's operates 1,146 stores in 49 states of the United States of America. In fiscal 2012, Kohl's opened 20 new stores and remodeled 50 existing stores.

Reporting Period

This is the second annual Corporate Social Responsibility Report for Kohl's Department Stores, and it covers the fiscal year beginning January 29, 2012, to February 2, 2013, unless otherwise noted. Our last report was issued in May, 2012.

This Report Is for All of Our Stakeholders

Kohl's knows that its key stakeholders, including our customers, shareholders, vendors and associates, care about the environment, community and world. Kohl's cares about these matters and has assembled this report with these stakeholders in mind. This report will provide an update on how Kohl's is contributing to a more responsible world through its sustainability, community initiatives and social responsibility.

Contact or Feedback to This Report

Questions or comments regarding this report can be directed to: investor.relations@kohls.com

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To the Communities We Serve...

We believe in giving back, not just with money and resources, but also with talent and time. Through our community giving and volunteer program, we support kids' health and education, environmental initiatives and women's health. We envision a future where kids are healthy, resources are plentiful and we continue to make progress fighting the diseases that affect women and their families. Because the way we see it, giving back also means looking ahead.

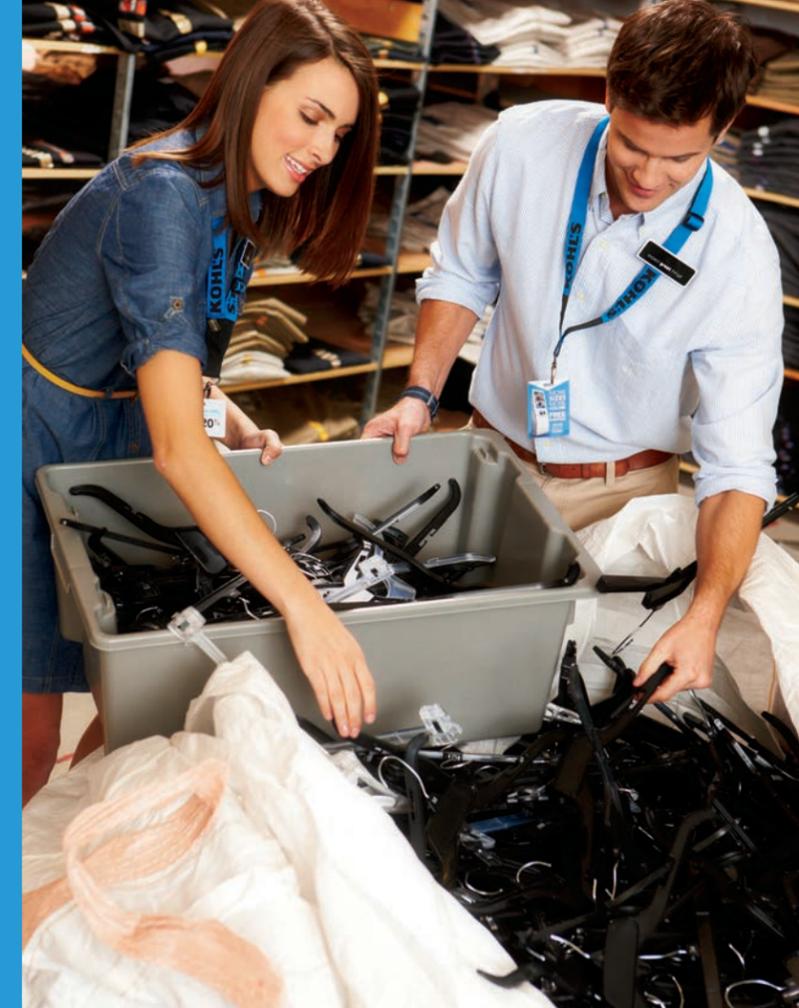


Sustainability Strategies



Sustainability Mission Statement

At Kohl's, we are committed to protecting and conserving the environment by seeking innovative solutions that encourage long-term sustainability. From large-scale initiatives like constructing environmentally friendly buildings, to everyday practices like recycling hangers, we're taking steps both big and small to ensure we leave a smaller footprint.



We strive to be the leading environmentally responsible retailer through our focused resource stewardship. Resource stewardship is the cornerstone of each of our Sustainability strategies. In 2012, our Sustainable Operations strategy remains the foundation of our work in this area. Every day, we focus on the management of our energy and carbon, our waste disposal and how we operate and build our stores.

Our sustainable leadership in our own operations makes it easy to inspire our stakeholders and supply chain. Key stakeholders include our customers, shareholders, vendors, associates and external partnerships. These groups are very interested in working and shopping at a responsible retail organization. In 2012, our work in the supply chain expanded to include not only merchandise vendors but also increased engagement with the many non-merchandise business partnerships required to operate our stores.

Our simple strategies continue to make a big difference in 2012!

Sustainable Operations: Energy and Carbon Reduction

Our use of energy to light, heat and cool our stores requires careful management to assure conservation of this costly resource. By leveraging technology and actively monitoring energy consumption we continue to reduce our energy footprint and drive savings to the bottom line.

- Goals:**
1. Achieve 800 ENERGY STAR® labeled stores by 2015
 2. Operate via 100% renewable energy
 3. Host and activate 200 solar arrays using rooftops by 2015
 4. Achieve net zero emissions for three years beginning 2010

Energy by the Numbers:

		2010	2011	2012
ENERGY STAR®	Kohl's Average ENERGY STAR® Score	75	77	77
	Total Number of ENERGY STAR® Labeled Stores	593	677	752
	% of ENERGY STAR® Labeled Stores	54%	60%	66%
Renewable Energy	Number of Renewable Energy Credits Purchased	1,367,376,000	1,420,080,000	1,528,378,000
	Total Number of Activated Solar Arrays	100	121	137
	Total Number of Wind Turbine Sites	0	2	2

Energy Program Highlights:

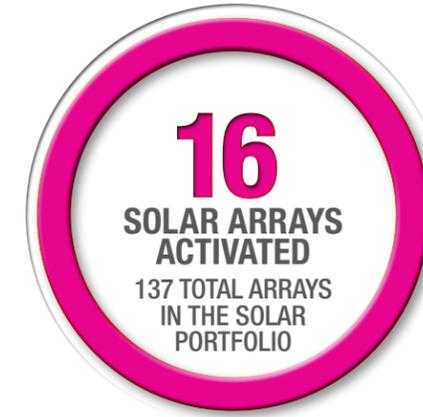
ENERGY STAR®



We have been a partner of the Environmental Protection Agency's (EPA) ENERGY STAR® Program since 1998. This partnership helped us make energy efficiency a priority by assessing our buildings, setting strategy, and developing action plans. In 2008, we began to measure the energy performance of our stores, scoring them on a scale of one to 100. Stores that achieve a score of 75 or higher are eligible for the ENERGY STAR® label. This indicates they are among the top 25% of retail stores in the country for energy performance.

In four short years, over 700 stores earned the ENERGY STAR® label. Going forward, we will audit eligible new stores and make energy improvements to existing stores with scores below 75. These actions will help us achieve energy efficiency in all of our stores.

2012 GOAL STATUS



Better Buildings Challenge



Through this challenge, we have set a goal to reduce energy use by 20% in more than 112 million square feet of occupied building space by 2020. In taking the next step to improve efficiency, we retrofitted a 17-year-old, single-story, 87,000-square-foot store in Niles, Ohio. We have designated this store a Department of Energy (DOE) Better Buildings showcase store. At the Niles store, a number of noteworthy upgrades were made to reduce overall energy use. The store's main sales floor was retrofitted with light-emitting diode (LED) fixtures, as well as some office areas and the store stockroom. All exterior building and parking lot lights were also retrofitted with LED fixtures. The store's nine heating, ventilation and air-conditioning units were replaced with high-efficiency units and the store was completely commissioned to assure all energy-management systems were working optimally. This store's energy performance will be monitored closely to determine how to deploy energy upgrades to additional stores in the Kohl's chain. Early performance data in 2012 shows reductions on par with meeting our Better Buildings Challenge goals.



Sustainable Operations:

Energy and Carbon Reduction

Lighting Upgrades

Light Emitting Diode (LED)

In 2012, over 71 new and remodeled Kohl's stores received all LED accent lighting (track lights, sales floor recessed cans, wall washers, and jewelry cove lights), and 305 Kohl's stores received LED jewelry showcase lighting. These lights are energy saving and have a longer lamp life lasting up to 10 years, compared to the two-year life of the previous lamps.

Powerball to LED Retrofit

621 existing Kohl's stores received a screw-in LED retrofit re-lamp program. The screw-in LED lamp replaced higher wattage and outdated halogen and metal halide technology while utilizing the existing spotlight fixtures. The screw-in LED replacement lamp has a 5-year life and reduces each store's daily energy demand by 720 watts.

Ambient Lighting Wattage Reduction

In 2012, we tested and rolled out a reduced wattage ambient lighting package. Four-foot fluorescent tubes utilized to light the vast majority of the sales floor, offices, and along the perimeter cornice were reduced from 32 watts to 28 watts per lamp. The wattage of all smaller length fluorescent lamps was also stepped down for a consistent reduction in overall ambient lighting. The reduced wattage program was rolled out to 216 stores in 2012 as part of regular re-lamping and in newly constructed stores. The estimated energy savings per location is 72,930 kWh per year.

Electric Vehicle Charging Stations

In 2012, we continued to expand our electric vehicle (EV) charge station pilot program that began in 2011 as part of two Department of Energy (DOE) programs aimed at understanding the usability and technology related to electric vehicles and charging infrastructure. The initial Kohl's locations that received EV charge stations were selected based on electric vehicle deployment nationwide. Regions with high numbers of electric vehicles had the greatest need for a public charging infrastructure to be in place, and were the best options for the DOE to collect data on the new, emerging technology.

Participating Kohl's locations have between one and four EV parking spaces, each marked with an EV charge station signage. We also provide radio frequency identification (RFID) cards at our customer service desks for customers to activate the charge stations. And charging is free to customers while they shop! As of December 31, 2012, we have 60 locations with EV charge stations in 16 states.

Re-Commissioning

Re-commissioning our existing stores maintains our commitment to energy efficiency by ensuring energy-using equipment is in good operating condition and running in accordance with prototypical sequence of operations. Re-commissioning is a tool we use to evaluate existing locations that are underperforming because they have high energy usage and low ENERGY STAR® scores. Performing a re-commissioning inspection generally pays dividends in energy performance, with a quick return on investment.

Energy systems check-ups and, more importantly, user-driven operational training are key to the success of re-commissioning at Kohl's. Regular equipment preventative maintenance (PM) does not always address energy optimization, but rather is focused on thermal comfort and seasonal operations. Re-commissioning gives existing stores an energy check-up and operational efficiency reminder to the users of the facilities. In 2012, we re-commissioned 47 stores directly after they were remodeled or that had low ENERGY STAR® scores in hopes of diagnosing and correcting the underlying performance issues.



Sustainable Operations:

Energy and Carbon Reduction

Renewable Energy Highlights:

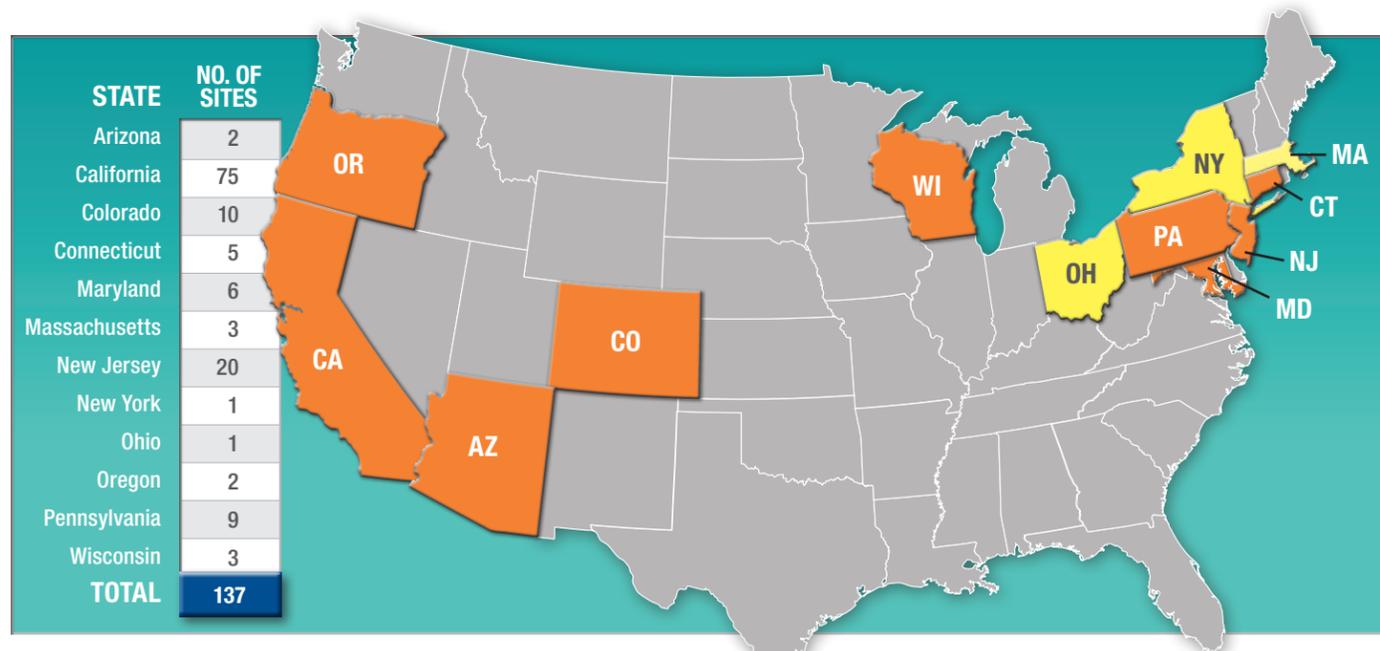
Renewable Energy Credits



In 2012, we again made a voluntary commitment to use renewable energy through the United States Environmental Protection Agency's Green Power Partnership. Renewable Energy Credits are a method for large companies to offset the power used in operations. In 2012, we purchased more than 1.5 billion kilowatt hours of Renewable Energy Credits representing 100% of our power use. This is the third year in a row that we have offset power use by 100%. This year we were recognized by the EPA with Green Power Leadership Award for Sustained Excellence; this was the sixth recognition by the EPA for our green power leadership.

Solar Power Portfolio

We continue to be one of the largest single hosts of solar electricity in North America. In 2012, our solar portfolio was increased by 16 arrays for a total of 137 activated arrays which will have the capacity to produce 44 megawatts of power, a 24% increase over 2011. We host most of the arrays through 20 year Solar Power Purchase Agreements (SPPA) with Sun Edison. These agreements allow us to purchase the energy produced by the arrays at a cost lower than the local utility. We have arrays activated in 12 states with three new states coming on board in 2012.



Also notable in 2012, we activated our largest solar array on the rooftop of our Edgewood, MD, E-commerce fulfillment center, which will produce 2.4 megawatts of power.

States with Existing Solar Arrays
 States with New Solar Arrays

Energy Innovation:

We are committed to testing innovations in energy efficiency. In 2012, we deployed two innovation programs—Ice Bear and Enerfit.

Ice Bear

The Ice Bear technology has been deployed at the Moreno Valley and Redding, California stores. This technology shifts the cooling demand from the hottest part of the day to the evening by making ice at night and melting it during the day for cooling of the store. This removes our electricity demand from the high-cost daytime hours to the lower-cost evening hours and helps to reduce the pressure on the grid. Based on the results of this innovative test, we will determine whether to deploy this technology at other locations.

Enerfit

Enerfit is a retrofit system for single zone HVAC units. Using a customized set of hardware, controls and logic, it scales the electrical and mechanical capacity of generally oversized HVAC units to yield significant energy savings and increase store temperature comfort.

Key points regarding the Enerfit application:

- Enerfit can be applied on any size HVAC unit, but is more cost effective on multiple compressor/larger units
- Largest savings will be seen in the “shoulder months” (spring and fall)

Additional benefits provided by the Enerfit application include:

- Reduces relative humidity by lowering the discharge air temperature
- Soft starts the fan motor – eliminating starting torque
- Extends fan belt life
- Extends fan and motor-bearing life

Preliminary Test:

Store South Lake, Texas, was tested in the fall of 2011. Despite record heat of 100+ degrees for more than 90 days (not ideal conditions for the test), the Enerfit application showed savings.

Carbon Reduction Highlights:

We are committed to energy efficiency and the reduction of our overall energy footprint. When we reduce our energy demand, we also reduce our overall carbon emissions. We publicly announced in 2009 our goal to be carbon neutral for a period of three years beginning in 2010. As of the end of 2012, we have achieved three years of carbon neutrality and have achieved our carbon reduction goal.

We have been measuring our overall carbon footprint since 2007 and do not limit measurements to just energy used. We also measure the impacts of business travel. Verified footprint progress is reported publicly in this report, as well as to the Carbon Disclosure Project on an annual basis.

YEAR	Scope 1 Direct*	Scope 2 Indirect*	Scope 3 Travel*	TOTAL EMISSIONS*	Per 1000 Sq. Ft. of Building Space	Number of Stores Operating	Normalized Emissions Per 1000 Sq. Ft.*	Emissions Reductions Renewable Energy Credits*	Reductions Carbon Offsets*	TOTAL REDUCTIONS*
2010	27,062	832,519	6,369	865,950	109,088	1,089	7.94	1,064,131	33,000	1,097,131
2011	27,722**	855,355	7,918	890,995	111,900	1,127	7.96	1,108,961	33,000	1,141,961
2012	22,784	866,703	8,330	897,817	115,965	1,146	7.74	1,193,532	33,000	1,226,532

*Metric tons of carbon equivalent—calendar year

**453MT of HVAC emissions were omitted in 2011 report, adjusted here

Sustainable Operations: Waste Stream Reduction

In 2012, we continued to work diligently on our recycling programs. We have expanded our waste avoidance strategy and added new initiatives, while continuing programs from prior years. We have also been working to implement and improve our Dry Waste program, a program that results in 85-90% recycling rates for participating stores. Learn more about our programs, goals, and achievements below:

Goal: To recycle 85% of all operating waste generated by Kohl's by 2015.

Recycling by the Numbers:

WASTE TYPE	2010	2011	2012
Corrugated Cardboard	118,609	105,459	111,485
Construction Debris	15,873	28,457	10,289
Mixed Plastic/Hangers	10,802	8,822	10,090
Mixed Office Paper	428	581	514
Wood Pallets	2,833	2,197	3,818
Metal	1,414	1,940	1,551
Carpet	500	1,354	486
Bottles & Cans	612	63*	6
Electronics	75	10	21
Light Bulbs/Fluorescent Lights	46	306	305
TOTAL TONS RECYCLED	151,192	149,189	138,565

Tons Recycled

*Overstated in 2011 report
**All data calendar year



2012 GOAL STATUS



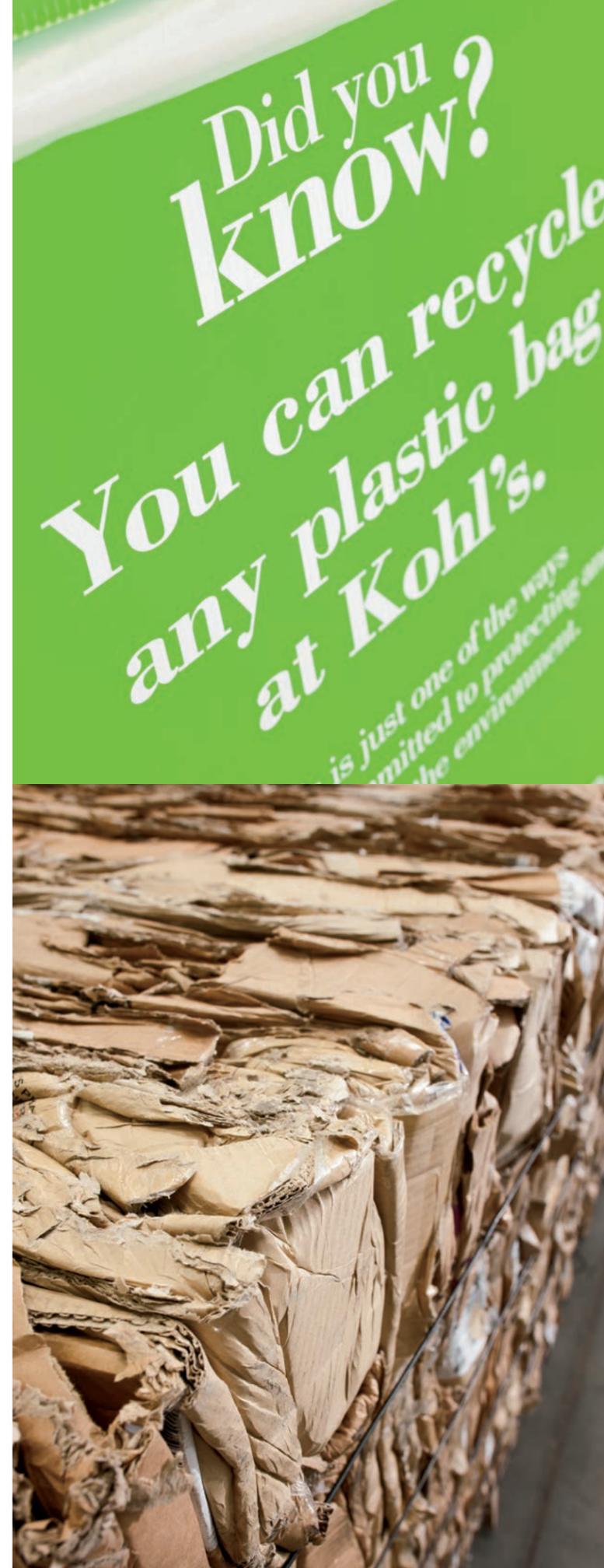
Recycling Highlights: Cardboard

Cardboard constitutes over 70% of all materials that we recycle. This makes it a central item in our waste stream. It's important that all store Associates understand the importance of recycling cardboard according to each store's procedures. For this reason, we put substantial effort into educating our Associates on cardboard recycling practices. When done properly, not only does recycling cardboard help us participate in preserving virgin material, but it also means rebates that contribute to our bottom line.

Dry Waste

In 2010, we partnered with waste vendors to create the Dry Waste program. As the name implies, "dry waste" is meant to exclude "wet" items, such as food waste or beverage containers that are not empty. With this program, stores place bagged trash, paper products, graphics and cardboard into a single compactor. The material collected in the compactor is taken to a facility, sorted, and appropriately recycled or disposed. Cardboard is the principal component of dry waste, and must constitute at least 85% of the volume of the container for the program to be successful.

Stores participating in the Dry Waste program will recycle 85-90% of all materials. As of December 2012, more than 640 Kohl's locations are in the Dry Waste program. We plan to convert more stores into the program as facility availability increases. Only certain stores qualify for the Dry Waste program. Certain city, county, and state regulations prevent all Kohl's stores from participating.



Construction Waste Management

In 2008, as part of the LEED for New Construction Volume Certification Program, we developed a comprehensive Construction Waste Management Plan (CWMP) to be utilized on each construction project. The CWMP provides guidance to general contractors on our expectations, requirements, diversion goals, on-site procedures, and training. Our CWMP is flexible in that it allows the contractors to work within the limits and availability of local recycling and diversion opportunities. A goal of 75% diversion is set for all projects nationwide, although we understand that not all communities across the country have the same waste policies and opportunities to recycle. Some communities have progressive commingled construction waste facilities that accept all waste and divert most materials, while other regions may only have available metals or cardboard recycling. In 2012, this effort diverted over 70% of construction waste from local landfills.

Waste Avoidance Programs:

We recycle many different items as a part of our Waste Stream Reduction strategy. It is also important, however, to determine innovative ways to avoid waste altogether where possible. For this reason, we have been developing Waste Avoidance programs that prevent waste from entering our stream. Some examples of programs already implemented are paperless statements for Kohl's Charge customers and mandatory paperless paychecks for our Associates.

Digital Signs

In 2010, we began implementing digital signs (e-Signs) in our stores. These battery-powered signs communicate wirelessly to receive pricing updates. E-Signs have been replacing paper signs, which amount to a significant reduction in paper use. As of fiscal year-end 2012, all 1,146 Kohl's stores have digital signs. This project saves 6-7 cases of paper per month storewide. That is nearly 35,000 sheets of paper eliminated from every store each month!

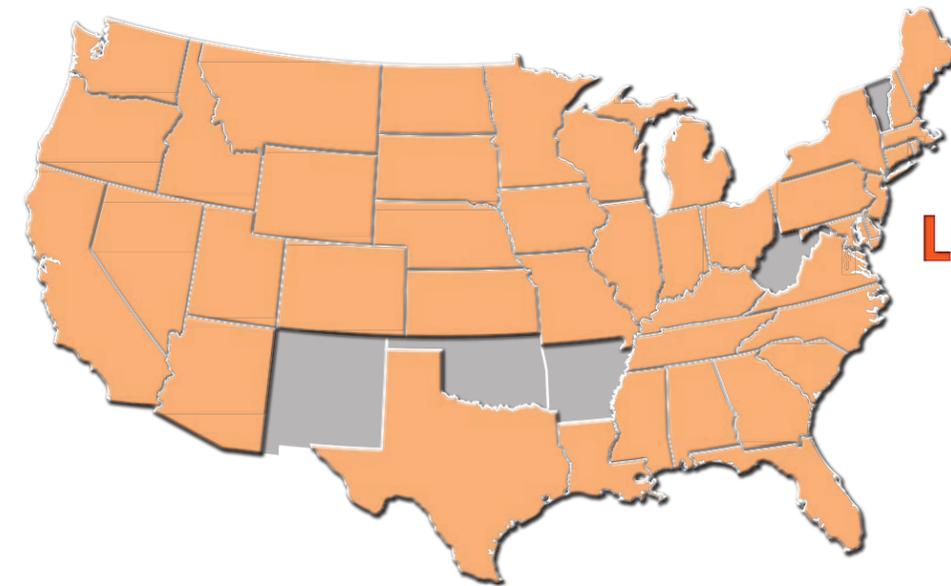
Paperless Receipts

In September 2012, we began piloting paperless receipts (e-Receipts). This functionality allows Kohl's Charge customers to receive their sales receipts via email instead of on paper in the store. Not only does this save a large amount of paper, but it also saves ink, and increases Associate productivity. Since the pilot, all Kohl's stores have been equipped with the ability to provide e-Receipts to all Kohl's Charge customers.

Sustainable Operations: Building Design

We are committed to achieving long-term sustainability through improved building design and operation. To focus this strategy we use the criteria developed by the U.S. Green Building Council (USGBC) in its Leadership in Energy and Environmental Design (LEED) programs. To be LEED certified, a building must meet the criteria which guide best practices for the design, construction and operation of high-performance green buildings. This section highlights our work in three USGBC programs.

- Goals:**
1. To continue to certify at least 50 existing Kohl's stores per year using the LEED for Existing Buildings: Operations Maintenance (EB) prototype
 2. To achieve LEED for retail: New Construction (NC) certification for all new stores using the Kohl's LEED NC volume prototype
 3. To LEED certify all new corporate buildings



**301
LEED Certified
Locations**



2012 GOAL STATUS



Building Design by the Numbers:

LEED Certification Type

EB (Existing Buildings: Operations & Maintenance)	172
NC (New Construction)	125
CI (Commercial Interiors)	4
TOTAL NUMBER OF LEED CERTIFIED BUILDINGS	301

LEED Certification Level

CERTIFIED	180
SILVER	115
GOLD	6
TOTAL NUMBER OF LEED CERTIFIED BUILDINGS	301

LEED Volume Programs:

As part of the USGBC's LEED volume certification program, we have achieved a Gold pre-certified LEED for Retail NC prototype and a Gold pre-certified LEED EB prototype. We are the only company to have a Gold volume prototype in both rating systems. The LEED NC prototype is used to certify all ground-up new stores built nationwide as they are constructed. The LEED EB prototype is used to certify the maintenance and operations of qualifying existing stores, however all Kohl's stores are operated using LEED EB guidelines and policies.

LEED NC Program Highlights

Sustainable Building Materials

An estimated 20% of the total building materials (by cost) used in the construction of a new Kohl's store contain recycled content and are regionally sourced from within 500 miles of each new store site. New stores are also constructed with low Volatile Organic Compound (VOC) materials like ceiling tile, flooring, paints and sealants.

Heat Island Effect

Our stores use a reflective ENERGY STAR® rated roofing material that mitigates the heat island impact which is caused by asphalt and other dark surfaces.

Water Efficiency

Using native and adaptive vegetation, drip irrigation, and a "smart" irrigation controller, new Kohl's stores have reduced water usage for landscaping irrigation. We have also reduced water consumption over 30% by using water-conserving plumbing fixtures in all new Kohl's stores.

Kohl's Sustainability Initiatives & LEED Synergies

Our LEED programs have a synergistic relationship with nearly every other sustainability initiative at Kohl's. Programs in Energy and Climate, Waste Reduction, Supply Chain Sustainability, and Stakeholder Engagement contribute LEED volume program credits. Conversely, requirements of LEED certification drive design improvements and consistency in new stores to improve overall energy performance of those buildings, and improving ENERGY STAR® scores and lowering the resulting carbon emissions.

LEED EB Program Highlights

Sustainable Purchasing

Our sustainable purchasing policy gives preference to products with reduced impact on the environment. There is recycled content in our merchandise bags, office supplies, corrugated boxes, restroom paper, and gift boxes. A minimum of 60% (by cost) of our operating purchases for Kohl's stores are sustainable products.

Green Cleaning

Our stores are cleaned using green housekeeping methods, green chemicals and equipment. Stores are audited monthly to monitor compliance. All restroom paper products are made from 100% recycled materials.

Energy Efficiency

All of our LEED EB stores are ENERGY STAR® labeled. We prioritize the most energy-efficient existing stores for the LEED EB volume certification program. The ENERGY STAR® rating for each store directly translates to points in the LEED EB rating system.



Sustainable Operations: Building Design

LEED Certified Corporate Facilities

We use the USGBC's LEED certification programs to guide best practices for the design, construction and operation of our facilities. Since constructing the Kohl's Photo Studio in 2007, we have made a commitment to build all new corporate projects to meet LEED standards and seek certification under the rigorous third party review.

Design Offices

Our New York Design Office is a LEED Gold for Commercial Interiors project. Located in Midtown Manhattan, the project achieved exemplary performance for development density and public transportation access. We are currently constructing a LEED registered addition, adding a third floor to the space.

The opening of our West Coast Design Office in Santa Monica, California, gives us a coast-to-coast design presence. The design office is located inside a LEED EB Silver certified building. The Kohl's office space has earned LEED for Commercial Interiors Silver certification.

Customer Service & Operations Centers (CSOCs)

Our CSOC in San Antonio, Texas, is a LEED for Commercial Interiors Gold certified project constructed inside a LEED Silver certified Core & Shell building. Currently, we are expanding on the site into a second building, which is registered as a LEED for New Construction project.

A highly reflective concrete parking garage was constructed during the CSOC addition, reducing the footprint needed for parking and the heat island effect of the site. Another addition completed in 2012 added office space and an on-site wellness center.

E-Fulfillment Centers (EFCs)

Our E-Fulfillment Center in Maryland is our first industrial facility to seek LEED certification, achieving LEED Gold for New Construction. We reused 99% of the 600,000 square foot existing building and built a 400,000 square foot addition. This facility will host our largest solar installation to date, generating 2.4 megawatts of power from over 8,000 solar panels.

Our fourth EFC is located in DeSoto, Texas. Over one million square feet in size, this building is registered for LEED NC certification and will be our second LEED certified logistics facility.

Wellness Centers

We added an on-site wellness center to our Patterson Distribution Center and San Bernardino E-Fulfillment Center to provide a convenient and low-cost location for our Associates and their eligible family members to receive medical care. Both locations are registered for LEED Commercial Interiors certification.

With exam rooms placed in the inner core, the design of the wellness center is set up to provide privacy to patients. Interior finishes are inviting and calming as well as sustainable. Low VOC (Volatile Organic Compound) materials like ceiling tile, flooring, paints and sealants were used throughout.





Stakeholder Engagement

Stakeholder Engagement: Associates, Customers and Partnerships

Associates

Drinking Water Responsibly

In the spring of 2012, we introduced a corporate initiative called “Drinking Water Responsibly.” This program recognized the importance of drinking water, but also the waste that can be associated with doing so. To decrease the use of single-use water cups and bottled water, all Corporate Associates were provided with a reusable water cup on Earth Day. We also installed “hydration stations” on each floor of our Corporate campus. These stations provide hands-free access to cold, filtered water and are also equipped with a counter that displays how many plastic bottles are avoided by the refilling of reusable cups. These two initiatives make it convenient for Associates to drink more water and use less waste.

Green Education Series

To celebrate Earth Day 2012, we held a series of classes to educate our Associates on environmental responsibility. Taking place once per month from April through September, these classes featured local and national speakers, cooks and authors. The demonstrations covered topics from composting and urban gardening to eating local and responsible cooking. We will hold our second set of Green Education Series classes in 2013.

Vegetable Gardens

In 2012, we installed our corporate vegetable gardens for the fourth consecutive year. Two of the gardens are located at the on-site daycare facilities and teach children of our Associates about gardening and healthy eating. 2012 was the first year the daycares started their plants from seed in the classroom before transitioning them outside to the garden. In 2012, the third garden, Garden for Good, experienced a record harvest, growing over 1,000 pounds, all of which was donated to the Milwaukee Hunger Task Force. All three gardens are tended by Kohl's Associate volunteers. To date, nearly 3,000 pounds of healthy vegetables have been donated.

Customer Outreach

Website

Our Sustainability website serves as a hub for Sustainability programs, goals and progress. By visiting www.kohlsgreen.com, our customers can get detailed information about our Sustainability strategies 24 hours a day, 7 days a week. Customers also have access to our CSR reports, and a map that displays stores with solar power, LEED certifications, ENERGY STAR® labels, and electric vehicle charging stations.

Store Messaging

We use overhead messaging to communicate with our customers as they shop our stores. These announcements let customers know if they are shopping at an ENERGY STAR® labeled location, LEED-certified store, or location with solar power. We also display our ENERGY STAR®, LEED, and solar counts on point-of-sale screensavers at checkout to give customers a glimpse of how many total stores we have in our portfolio with these designations.

Sustainability Mailbox

We have established an email box for public communication. Customers can email green@kohls.com with their questions, comments, suggestions, and other feedback on our environmental programs.

Partnerships

Growing Power

Located about five miles east of our corporate campus is the nonprofit, urban agriculture farm, Growing Power. We have established a partnership with Growing Power to engage Associates and maintain active involvement in the Milwaukee community. This partnership has evolved over the past four years to include many initiatives, including: corporate gardens, weekly farmers' markets, an affordable market basket program, Associates in Action volunteer events, composting, and sourcing locally grown food for our food service.

Nature Conservancy

We began a relationship with the Nature Conservancy of Wisconsin in 2011. We contributed financially, as well as with volunteer time, to support tree planting in Baraboo Baxter Hollow lands and Door County Conservancy lands. In 2012, we teamed up with the Nature Conservancy philanthropy team to plant prairie. Kohl's volunteers and Nature Conservancy staff hand-spread seeds over the Military Ridge Prairie Heritage Area, a 95,000-acre grassland in southeastern Wisconsin; this initiative covered 10 acres of prairie. We will continue working with this organization to protect the environment and promote conservation in Wisconsin.



Sustainable Supply Chain

Sustainable Supply Chain: Overview

Our commitment to Supply Chain Sustainability expanded in 2012. Merchandise Sustainability now includes analysis of our top 325 National Brand Vendors as well as 50 Private Brand Vendors. In addition, Supply Chain Sustainability engagement also includes some categories of Non-Merchandise Business relationships. As a retailer who embraces sustainable operations, we believe it is imperative to share our knowledge and leadership with all business partners. We do this through active sustainability collaboration to drive efficiency and resource conservation in our supply chain. The following pages of this report will highlight our supply chain sustainability focus and accomplishments in 2012.

- Goals:**
1. Conduct sustainability assessments with Kohl's Top 325 National Brand vendors, including scoring as 10% of each Vendor's Supply Chain Scorecard.
 2. Collaborate with National Brand Vendors on sustainability through education to improve overall average National Brand Vendor score from 58 in 2011 to 70 at the end of 2012.
 3. Implement a sustainability assessment with Kohl's Top 50 Private Brand Direct Import Suppliers displaying scoring as an informational category on each Vendor's Supply Chain Scorecard.
 4. Expand Supply Chain Sustainability to include Non-Merchandise Vendors in Transportation, Service Providers and Consumables deploying at least one sustainability assessment to selected Vendors.

2012 GOAL STATUS



Supply Chain Sustainability Assessments by the Numbers:

Vendor Category	Number of Vendors Assessed in 2012	2012 Year End Average Score by Vendor Category
National Brands	325	71%
Private Brands	50	56%
Domestic Transportation Carriers	17	63%
International Transportation Carriers	11	62%
Consumable Non-Merchandise Vendors	10	49%
TOTAL VENDORS ASSESSED	413	

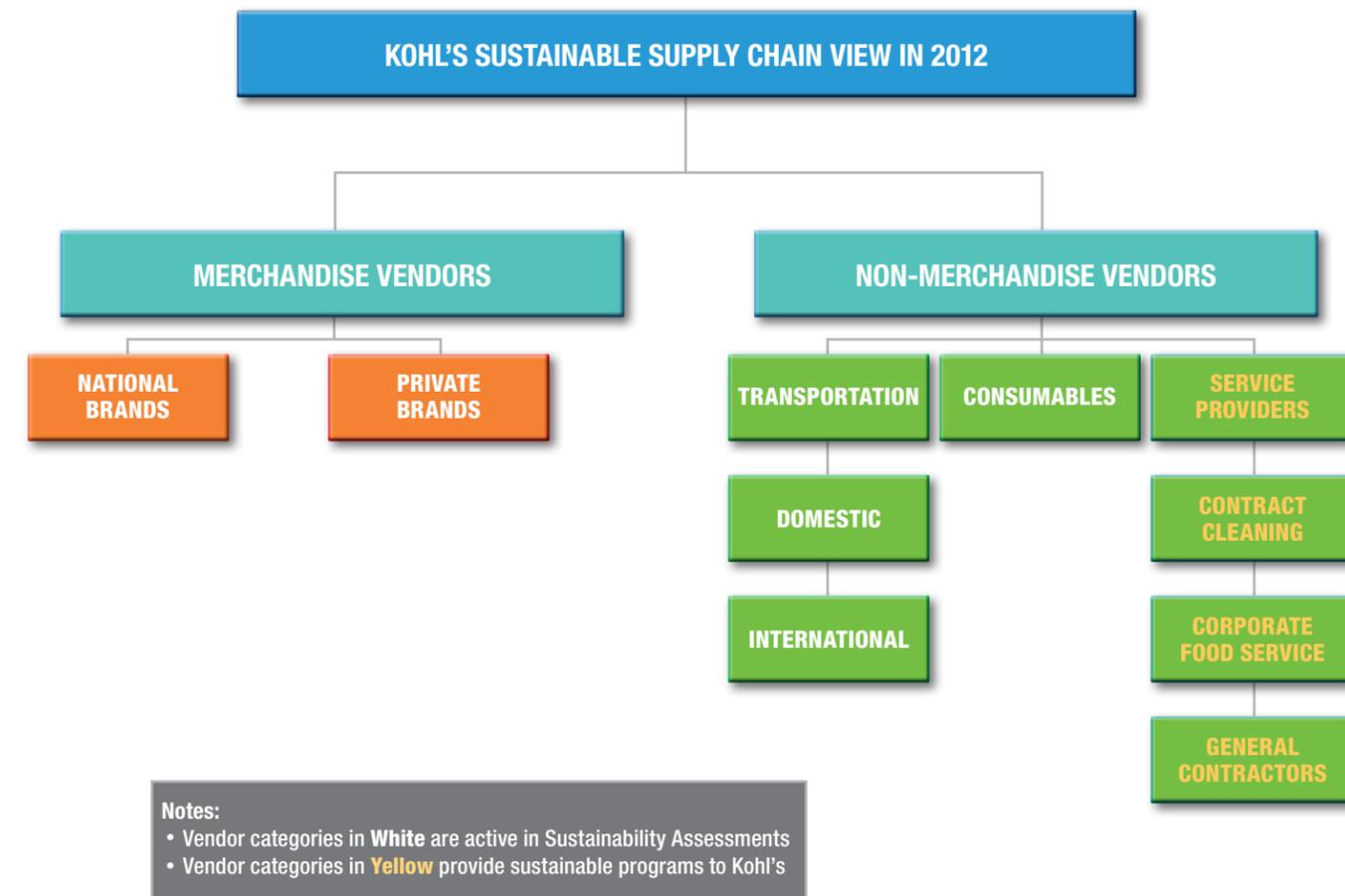
Sustainable Supply Chain:

Overview

Supply Chain Sustainability as a Strategy:

We know that Retail Sustainability efforts cannot be limited to the operations of our stores, offices and distribution centers. That is why we began our work in understanding our supply chain and its sustainability impacts in 2009, and in 2011 we formalized Supply Chain Sustainability as one of our three key Sustainability Strategies. We wanted to first achieve leadership in sustainability in our own operations before working with our many business partners. This was intentional, as we believe demonstration of commitment and accomplishments around our own operations give us the best foundation to collaborate with our vendors to make a similar commitment. Every year, our work in this area gives us more insight in how to view our supply chain and to break it into segments that can be challenged to be more efficient and to save resources.

In 2012, through the internal engagement of our Associates in Merchandising, Product Development, Logistics, Procurement, Human Resources and Operations, we defined our overall view of the supply chain as a roadmap for assessments and work with our many business partners. As result, we have mapped our supply chain as follows:



Kohl's Sustainability Assessment:

Sustainability Assessments are tailored to match the channel of business and particular category emphasis being stressed by Kohl's. In 2012, all merchandise vendors were reviewed on six key sustainability categories, while non-merchandise vendors were scored on five. Those categories and scoring breakdown are as follows:

Sustainability Assessments Scoring:

Category	Vendors		
	Merchandise	Transportation	Consumables
	Possible Assessment Points		
Management/Policy	20	20	35
Energy/Climate	35	50	35
Waste Management	15	10	15
Packaging	15	---	---
Partnerships	5	10	5
Supply Chain Sustainability	10	10	10
TOTAL	100	100	100

To improve the assessment experience, we implemented an Internet-based Sustainability Assessment tool using a third-party provider. This tool allowed us to communicate with the vendor via a web-enabled, password-protected link, and the data gathered from the vendor community is in a database that allows us to analyze and respond to vendor sustainability opportunities. Through implementation of this portal, the Supply Chain Sustainability Strategy can be easily modified and expanded as our business needs require.

Sustainable Supply Chain: Merchandise Vendor Sustainability

We are dedicated to continuous sustainability improvement on both sides of the buyer/supplier relationship. This commitment is fostered through consistent dialog and measurements of sustainability disciplines with our merchandise vendor community. The sustainability assessment process gives us insight into the realities of our business partners and helps us shape our interactions in a collaborative, voluntary format. In 2012, 375 merchandise vendors completed assessments, which represents approximately 90% of our overall merchandise spend. This year, in order to meet the needs of our vendor community, we further segmented our analysis into two categories to better focus our efforts in the supply chain. The assessment results of this analysis are as follows:

Merchandise Vendor Average Sustainability Performance by Category:

Merchandise Category	Management/Policy	Packaging	Energy/GHG	Waste	Partnerships	Supply Chain	Total Score
National Brands	78%	87%	67%	65%	70%	53%	71%
Private Brands	63%	74%	46%	43%	72%	60%	56%

Over a three-year period, Kohl's sustainability engagement has been largely organized around work with United States based National Brands suppliers. Significant progress has been made with these vendors in terms of development of sustainability commitments and the key measurements related to energy and waste management impacts as evidenced by the category average scores above. The Private Brands suppliers are just in the beginning of engagement as of 2012 and have opportunities in all categories of sustainability performance.

We have several methods to assist vendors in their sustainability performance. Annually, a series of vendor webinars are given to improve vendor knowledge around topics such as Navigating the Assessment, Energy and Greenhouse Gas Measurement and Supply Chain Sustainability. In 2012, 168 vendor participants participated in sustainability webinars. We also hosted an in-person "Sustainability Roundtable" meeting in Milwaukee to discuss Sustainability improvement in the supply chain, with representatives from 30 top vendor companies participating.

Sustainable Apparel Coalition



We are a founding circle member in the Sustainable Apparel Coalition (SAC). The SAC is a group of apparel manufacturers, retailers, brands and non-governmental organizations (NGOs) working together to standardize sustainability measurements in the apparel and footwear supply chain. In 2012, the coalition released the "Higg Index," which is an indicator-based tool for apparel that enables companies to evaluate material types, products, facilities and processes based on a range of environmental and product design choices. We have been active in the refinement of the facilities portion of the tool. We use the tool to measure the sustainability of factories that produce private brands for Kohl's.

Sustainable Supply Chain: Non-Merchandise Vendor Sustainability

Sustainability engagement was expanded to include key Non-Merchandise vendor partnerships in 2012. Sustainability assessment processes were conducted with vendors in transportation and consumable areas. The goal of these initial assessments was to open dialog with our vendor partners and to obtain a relative ranking in terms of sustainability performance in these areas. The following chart highlights non-merchandise vendor sustainability performance in 2012.

Non-Merchandise Vendor Average Sustainability Performance by Category:

Non-Merchandise Category	Management/Policy	Energy/GHG	Waste	Partnerships	Supply Chain	Total Score
Domestic Transportation	68%	58%	62%	94%	41%	63%
International Transportation	86%	53%	59%	68%	55%	62%
Consumables	53%	41%	57%	60%	55%	49%



Domestic Transportation

Our Domestic transportation team is actively involved in improving the efficiency of the transportation of the merchandise we sell. Carrier Sustainability assessment scores are now an informational portion of the Domestic Carrier scorecard as of 2012. We are a member of the EPA SmartWay Transport program, which stresses fuel efficiency and carbon-reduction strategies—and 100% of our domestic carriers are active members, as well. Our Domestic transportation team has also implemented backhaul, biofuel and rail programs to further reduce our impact on the environment.

Domestic Transportation:

Sustainability Milestone	2011	2012
Backhaul Eliminated Miles	2,437,669*	2,432,207
Rail Transportation %	52%	54%
Biofuel Miles	1,863,780	2,117,649

*2011 restated from review process

International Transportation



In 2012, we became a member of the Business for Social Responsibility (BSR) Clean Cargo Working Group (CCWG), which is dedicated to improving the environmental performance of marine container transport. The CCWG has created practical tools for measuring, evaluating and reporting the environmental impacts of global goods transportation. These tools provide guidance to our ocean freight carriers in a standardized format that will promote long-term sustainability improvements of this sector. In 2012, 11 of the top 15 world liner fleet operators were engaged in this dialog, covering 60% of the global container transport. We began including Sustainability Assessment metrics on our International Carrier scorecard in 2012. We also review the data submitted by member carriers from the CCWG.

Consumables

Sustainability assessments were conducted in 2012 with our top ten consumable supply vendors that provide items used in the operations of our stores. These vendors provide a wide range of supplies, including merchandise bags, gift boxes, cleaning supplies, graphics, merchandise tags, printing, paper and more. The assessment information is used for ongoing procurement dialog with these vendor partners, in terms of both improved performance and the supplies they sell to us.



Community Relations

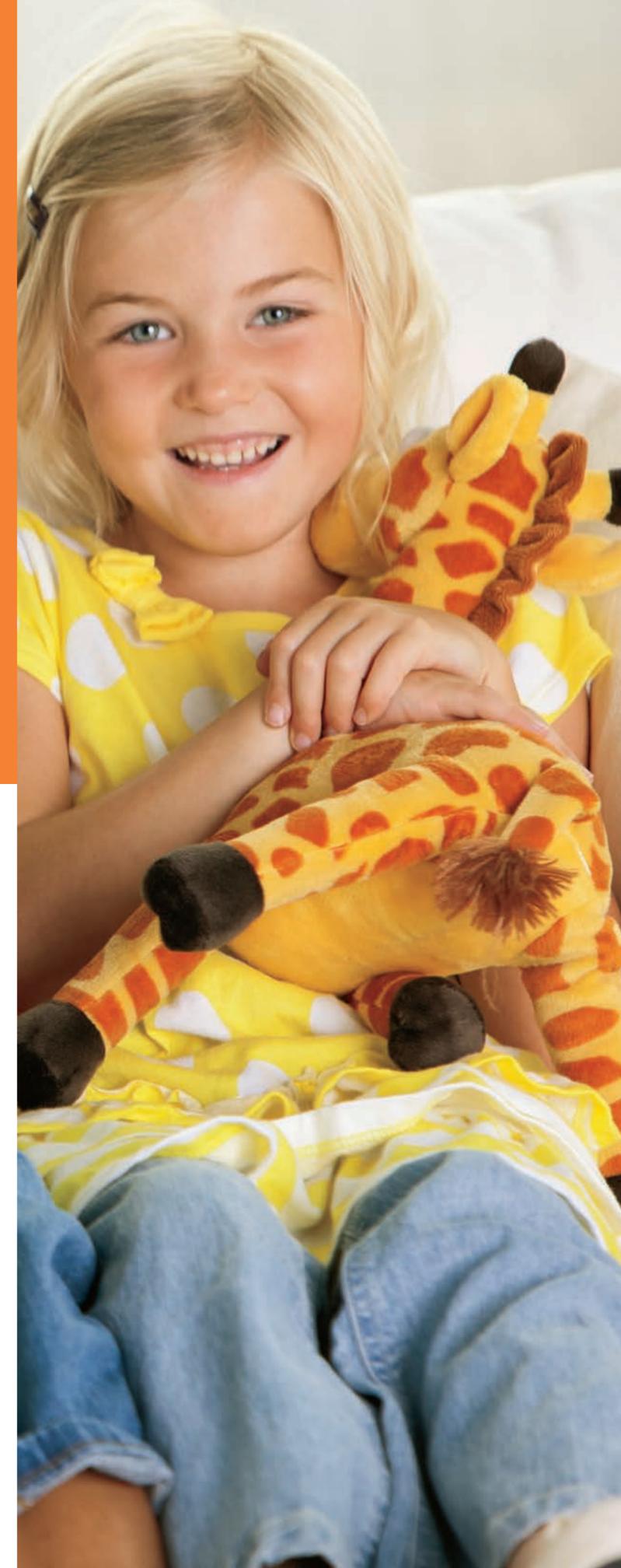
When it Comes to Kids, Kohl's Cares

We support kids' health and education initiatives in communities nationwide. With over a decade of dedication and millions of dollars raised, we aim to give kids a happier, healthier future. From injury prevention, immunization and nutrition programs to scholarships and cause merchandise, we are committed to making a difference for kids so that someday they can make a difference in the world.

Community Relations: Committed to Kids' Health and Education

Cause Merchandise Program

For over a decade, Kohl's has offered exclusive hardcover books and coordinating plush toys, featuring some of the world's most beloved characters. From The Cat in the Hat to Curious George, legendary talents such as Dr. Seuss, Eric Carle and others have made this program a success. Additional offerings have included cookbooks, holiday CDs and other family-friendly merchandise. Even better, 100% of the net profit is donated to support kids' health and education initiatives in communities nationwide. Since 2000, more than \$231 million has been raised through our Kohl's Cares cause merchandise program, with more than \$22.8 million raised in 2012 alone.



Community Relations:

Committed to Kids' Health and Education

Hospital Partnerships

Healthy kids, happy kids! Kohl's partners with more than 160 hospitals nationwide to help educate kids and their parents about injury prevention, childhood obesity, asthma, immunizations and more. We support community outreach programs focused on issues affecting kids and work with our hospital partners to tailor programs based on their communities' individual needs.



In 2012, Kohl's donated more than \$850,000 to Ann & Robert H. Lurie Children's Hospital of Chicago™. Since our partnership with the hospital began in 2000, we have donated nearly \$9.3 million, and are now focusing our efforts on "Kohl's Cares Safety Network."

The goal of this program is to implement community-based and data-driven interventions aimed at increasing awareness and reducing risk factors that threaten children's safety in their homes, neighborhoods, schools and communities. Current sub-programs of the Kohl's Cares Safety Network include:

- Kohl's Safe at Home, an initiative to reduce the number of injury-causing household dangers and foster healthy and protective home environments for all children
- Kohl's Safe at Play, an initiative to increase awareness of playground safety and create a network of safe places to play
- Kohl's Stop the Falls, a campaign aimed at preventing children from falling out of windows
- Kohl's Safe at School, an initiative to decrease injury among student athletes

The following action items are all part of the Kohl's Cares Safety Network program: distributing home-safety materials through the community, implementing a Kohl's Stop the Falls media campaign, building safe playgrounds, inspecting the safety of playgrounds throughout Chicago, implementing injury-reducing warm-up programs for youth sports teams, and being actively involved in awareness-generating community events.

Scholarships

The Kohl's Cares Scholarship Program is an annual opportunity to recognize and reward young volunteers ages 6-18 across the country for their contributions to their communities. Since 2001, Kohl's has recognized more than 17,500 kids with nearly \$3.5 million in scholarships and prizes. In 2012, Kohl's recognized more than 2,200 kids with more than \$420,000 in scholarships and prizes. Ten national winners received a total of \$10,000 in scholarships each for higher education. One of those winners is 17-year-old Matt Ferguson, who is making a difference in the lives of cancer patients.



Matthew Ferguson
Hillsboro, Oregon

After helping his mom through her breast cancer diagnosis, Matt Ferguson became concerned when he saw cancer patients going through chemotherapy without support. He developed a program called "Matt's Chemo Bags" that raises funds to purchase items such as custom-made pillows, fleece blankets, antibacterial lotion, warm socks, teddy bears and a personal letter. The bags are given to breast and ovarian cancer patients on their first day of treatment. Matt started the program in 2008 when he was 14 years old and initially did all the work himself. Since then, the program has gained support from students, businesses, 4-H clubs and the local Susan G. Komen for the Cure affiliate. In the past four years, Matt has helped more than 7,000 cancer patients and has just received final approval as a non-profit organization.

Fundraising

Recognizing that financial vitality is important to the success of any philanthropic effort, Kohl's Cares also offers a Fundraising Gift Card Program, providing a simple, effective way to help raise funds for schools and youth-serving nonprofit organizations. Since 2000, Kohl's Cares Fundraising Gift Card Program has raised more than \$38 million in fundraising dollars.



Where We Made Our Start – Giving Back to the Milwaukee Community

Since 2000, Kohl's and Kohl's Cares have combined to give approximately \$55 million to support charitable initiatives in the metro-Milwaukee area. We seek to develop focused partnerships with premier organizations in the Milwaukee community that align with Kohl's philanthropic platform of supporting kids' health and education. Currently, we have partnerships established with the following organizations:

Betty Brinn Children's Museum
Kohl's Healthy Kids

Milwaukee Art Museum
Kohl's Art Generation in the Kohl's Education Center

Discovery World
Kohl's Design It!

Penfield Children's Center
Kohl's Building Blocks

Hunger Task Force
Kohl's Serving Up Supper for Kids

Summerfest
Kohl's Family Day and Kohl's Captivation Station

JDRF (Juvenile Diabetes Research Foundation)
Title sponsor of Southeastern Wisconsin Annual Walk to Cure Diabetes and Gala

Wisconsin State Fair presented by U.S. Cellular
Kohl's Family Value Day

Junior Achievement of Wisconsin
Junior Achievement Capstone in the Kohl's Education Center

Zoological Society of Milwaukee
Kohl's Wild Theater

Zoological Society of Milwaukee / Kohl's Wild Theater

Kohl's is a proud partner of the Zoological Society of Milwaukee. In 2011, we worked together to launch Kohl's Wild Theater, a live, interactive, participatory theater directed primarily to children ages 3-13. The theater uses drama, puppetry, humor and song to help inspire children to care more about our natural world, learn ways to help animals here and around the world, and take action to make a difference.

From Memorial Day weekend through Labor Day, performances take place four times daily at the Kohl's Wild Theater stage. Audience members can also enjoy the spontaneity of shorter skits during the day as they walk through the Zoo. Kohl's Wild Theater also travels to schools, community events, and festivals, free of charge, within a one-hour radius of the Zoo. To date, Kohl's has contributed \$2.5 million to this program.

Discovery World / Kohl's Design It!

Kohl's partnered with Discovery World in 2010 and launched the Kohl's Design It! program. The hands-on, educational program invites kids to use advanced technology to transform design into reality. To date, Kohl's has donated \$4 million to the program, which consists of these two components:

- Kohl's Design It! Lab: A learning lab at Discovery World that provides students with a greater understanding of how things are made and how technology is involved in transforming ideas into objects. The lab includes workstations, tools, equipment and themed curriculum for students to create items such as personalized flashlights, jewelry inspired by designs found in nature or backpacks made with recycled materials.
- Kohl's Design It! Mobile Lab: A portable version of the on-site lab extends program delivery beyond the walls of Discovery World. Trained lab educators travel to schools, youth-serving agencies and community festivals.



Everyone Can Make a Difference

Our Associates are making a difference in the lives of children by volunteering for qualifying youth-serving 501(c)(3) nonprofit organizations and environmental initiatives. In Wisconsin, Associates are also encouraged to help make a difference in women's health by volunteering with qualifying Wisconsin based 501(c)(3) nonprofit organizations that focus on breast cancer.



Community Relations: Associates in Action

Associate Volunteering

We believe that every dollar counts and every hand helps. An established qualifying 501(c)(3) nonprofit can earn a Kohl's corporate grant when a minimum of five Associates from one location volunteer at least three consecutive hours of time in one day. A highlight of these efforts is Kohl's annual National Go Green Event held in April to celebrate both National Volunteer Week and Earth Day. During this event, Associates in communities across the country join forces to give back and go green.

Associates in Action by the Numbers

Since 2001, more than:

- 114,000 events
- 669,000 Associate volunteers
- 2.2 million hours volunteered
- \$63 million in grants donated

In 2012, more than:

- 28,000 events
- 160,000 Associate volunteers
- 528,000 hours volunteered
- \$15.7 million in grants donated

Featured AiA Event: Penfield Giving Tree Gift Delivery and Holiday Party Set-Up

- Event Date: December 7, 2012
- 15 Associates participated from the Corporate Office
- More than 45 hours were volunteered

Disaster Relief

When a major disaster occurs, Kohl's is committed to easing the hardship for our Associates and customers in communities we serve. By making charitable donations to the American Red Cross, we help deliver much-needed emergency assistance throughout affected areas. During 2012, Kohl's donated to the American Red Cross in support of relief efforts for disasters such as Midwest Tornadoes, Colorado Wildfires, Hurricane Isaac and Hurricane Sandy. In addition to financial contributions, Kohl's also encourages Associates to volunteer in support clean-up efforts through our Associates in Action program. In recognition of volunteer hours, Kohl's donates corporate grants to the nonprofit organizations being supported by Kohl's Associates.

Since 2001: More than \$5.5 million donated

In 2012: More than \$1.2 million donated



Committed to the Cause

The chance of a woman having invasive breast cancer in her lifetime is 1 in 8. And for every woman who is diagnosed, there is a family who hopes for a cure. In Wisconsin, through our cause merchandise program and partnerships with notable women's health organizations like the Southeast Wisconsin Affiliate of Susan G. Komen for the Cure and The American Cancer Society Midwest Division, we continue to fund research, raise awareness and educate women about the importance of regular exams and prevention.



Community Relations: Supporting Women's Health

As part of our commitment to fight breast cancer in Wisconsin, Kohl's partners with the American Cancer Society's Midwest Division and the Southeast Wisconsin Affiliate of Susan G. Komen for the Cure. Through collaborations with these premier breast cancer organizations, we have developed programs that focus on the continuum of a woman's breast health care—from prevention and screening through diagnosis and treatment, including research funding.

Additionally, partnerships include sponsorship of each organization's premier walk event in Wisconsin. In 2012, Kohl's represented the largest corporate team at each of these events with approximately 6,500 Associates, friends and family participating in the Komen Southeast Wisconsin Race for the Cure, and nearly 3,000 participating in the American Cancer Society's Milwaukee Making Strides Against Breast Cancer walk.

In the fall of 2010, Kohl's launched exclusive lines of breast cancer cause merchandise featuring some of our most popular brands: Simply Vera Vera Wang, Dana Buchman and FILA SPORT. This merchandise is available at our Wisconsin stores and online, and 100% of the net profit is donated to the fight against breast cancer.





Social Compliance

Our Philosophy

Kohl's Department Stores, Inc. is committed to high standards of behavior on issues of social responsibility. Through our Terms of Engagement ("our Policy"), we hold all of our Vendor Partners to these same high standards. Our Policy is designed to protect the interests of workers engaged in the manufacturing of merchandise procured for Kohl's and we select Vendor Partners who we believe share our commitment to the fair and ethical treatment of employees. Our compliance philosophy focuses on taking corrective action on identified issues and continuous improvement. Our Policy is posted at connection.kohls.com under the "new vendors" tab.

Kohl's Private and Exclusive Brands:



Socially Responsible Product Sourcing:

Our Policy

Our Policy spells out Kohl's expectations to our Vendor Partners regarding wages and benefits, working hours, the use of child or forced labor, which includes without limitation, prison and slave labor or human trafficking for those purposes, discrimination, disciplinary practices, women's rights, legally protected rights of workers to free association, health and safety issues and more.

We contract with numerous Vendor Partners, who in turn, contract with hundreds of manufacturing facilities worldwide to procure merchandise sold in our stores. It is critically important to us that each Vendor Partner's manufacturing facility treats its workers fairly, in compliance with local labor laws and all other terms of our Policy.

While the foundation of our efforts is our Policy, we believe compliance is a process that requires working closely with our Vendor Partners to identify and address challenges in a responsible manner that considers the needs and expectations of the affected Vendor Partner, its suppliers, employees and our shareholders. We continually monitor social compliance and challenge our Vendor Partners to protect the health, safety and human rights of workers.



Social Responsibility and Social Compliance: Policy and Education

Oversight of Our Policy

Kohl's organizational structure supports the uniform and objective application of the compliance program to all Vendor Partners. Dedicated policy compliance personnel are responsible for day-to-day duties and administration of the compliance program and are independent of the Product Development and Merchandising departments who are responsible for development, sourcing and merchandising. As a result, day-to-day decisions regarding the social compliance status of potential factories and those factories that are being used to produce merchandise for Kohl's are made by Associates not involved in actual purchase negotiation.

We expect our Vendor Partners to take all steps necessary to ensure compliance with our Policy in their manufacturing facilities that produce merchandise for us, whether the facility is operated by them or by one of their subcontractors. We require our Vendor Partners who produce private label and exclusive merchandise for us to identify all manufacturing facilities, domestic and foreign, that they plan to use to produce such merchandise and to provide us with written certification that each facility will operate in compliance with our Policy. Subcontractors that a Vendor Partner desires to use in the manufacturing process require our approval.

We recognize that publication of a statement of principles is insufficient to achieve compliance with these principles and that aggressive enforcement of our Policy is required. To achieve this goal, we actively monitor factories in which our merchandise is produced. We reserve the right to review all Vendor Partner facilities, including the use of unannounced on-site inspections of manufacturing facilities. Factory monitoring visits are performed by professional independent third-party monitors and are ongoing. Once deemed compliant with our Policy, factories are monitored periodically, based on established risk level.

Factory Monitoring Process

We have retained the services of two professional, independent third-party firms to monitor Vendor Partner compliance with our Policy. Our monitors have auditing professionals located in the territories in which the manufacturing facilities are located, able to speak the language of workers and management, and have extensive experience with monitoring social compliance on behalf of international customers.

The monitors visit each manufacturing facility, interviewing factory workers and management, observing facility conditions and performing detailed testing of facility business records in order to complete our factory-monitoring program to determine the level of compliance with our Policy and applicable laws. Our full compliance audit program includes the following modules:

- Laws and Regulations
- Wages and Benefits
- Working Hours
- Child Labor
- Health and Safety
- Discrimination
- Free Association
- Disciplinary Practices
- Women's Rights
- Monitoring and Compliance
- Health and Safety-Dormitories
- Environmental Requirements
- Communication and Record Keeping
- Subcontracting
- Forced/Slave Labor and Human Trafficking

During the course of each facility visit, the monitor documents all deficiencies related to our Policy. Upon completion of each visit, the monitor summarizes and discusses each deficiency with factory management to facilitate corrective actions and then sends a report to Kohl's. Kohl's Policy compliance team reviews factory monitoring reports and works with our Business Partners to implement corrective actions.



Education and Training

We provide training to Vendor Partners on our Policy and our expectation of compliance. We regularly communicate with our Vendor Partners on compliance issues. In 2012, we conducted numerous individual training sessions for Vendor Partners to promote understanding and compliance with our requirements. In this way, we clearly communicated our expectations and, in turn, our Vendor Partners had the opportunity to explain their practical challenges to us. The following topics were reviewed during training sessions:

- Expectations for Suppliers
- Policy Definitions
- Best Practices
- Site Verification Methods
- Reporting of Facility Assessments
- Remediation Methods
- Compliance Improvement

In addition, we strongly encourage our Vendor Partners to develop and/or enhance their own internal social compliance functions to raise awareness and to sustain performance improvements. We emphasize open, ongoing Vendor Partner communication.

We also conduct internal training sessions for Product Development Associates regarding our Policy requirements quarterly. We provide relevant Kohl's Associates who have direct responsibility for supply chain management training on human trafficking and slavery, particularly with respect to mitigating risks within the supply chain.

Corrective Action and Remediation

If noncompliance with Kohl's Policy is identified, we take appropriate action, which, depending on the severity of the deviation, ranges from working with our Vendor Partner to ensure adequate steps are taken to address deficiencies, to canceling affected orders, to terminating our relationship with our Vendor Partner. We require our Vendor Partners to adopt a corrective action plan whenever possible. Follow-up evaluations are completed to verify subsequent adherence to our Policy. We make every effort to attempt to bring noncompliant facilities into compliance, rather than terminate our business relationship.

Social Responsibility and Social Compliance: Policy and Education

Vendor Partner Certification of Compliance

Kohl's requires direct suppliers to certify compliance with all laws and regulations, including but not limited to, laws regarding slavery and human trafficking in the country or countries in which they do business.

Social/Labor Working Group—Sustainable Apparel Coalition

Kohl's is a member of the Social/Labor Working Group formed under the Sustainable Apparel Coalition. The Social/Labor Working Group is developing a component of the Apparel Index to align group members on a set of indicators meant to capture a continuum of performance—from basic awareness and compliance to aspirational and industry-leading practice at brand and facility levels.

Better Work Program Participant

In 2012, Kohl's participated in the Better Factories Cambodia (BFC) and Better Work Vietnam (BWW) programs, which are International Labour Organization programs focused on strengthening labor standards in export garment industries in specified countries. Our reliance upon BFC and BWW factory monitoring results helps reduce audit fatigue and factory monitoring costs, which provides factory management with more time to focus on corrective action and sustainable, continuous improvement.

Policy Regarding Cotton from Uzbekistan

Consistent with our commitment to social responsibility, Kohl's does not knowingly carry products that use cotton originating from any country that condones the use of child and/or forced labor. Kohl's does not source any private or exclusive brand products from Uzbekistan and, to the best of our knowledge, cotton from Uzbekistan is not used in goods produced for Kohl's in other countries. Until we are convinced that forced child labor is not being used to produce cotton in Uzbekistan, Kohl's specifically prohibits the use of Uzbekistan cotton in the manufacturing of merchandise intended for sale in our stores.

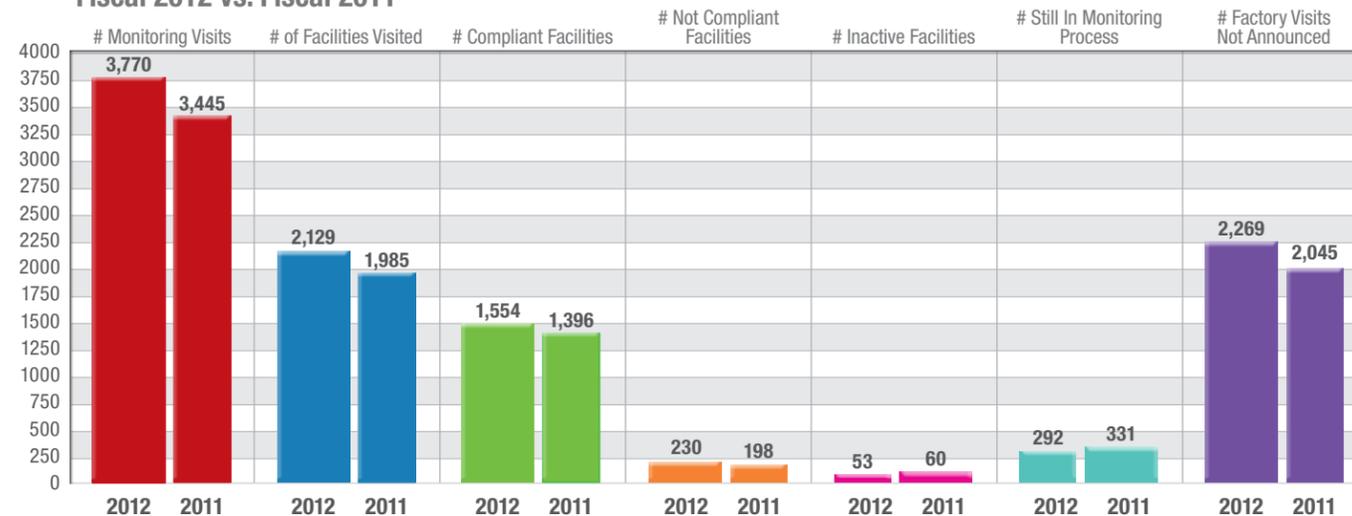
Clean Diamond Trade Act

We require our suppliers of diamonds and jewelry to ensure that the merchandise they sell to Kohl's meets the requirements of the Clean Diamond Trade Act and the Kimberly Process Certification—and that this merchandise does not contain conflict diamonds.



Compliance Program Performance Statistics

Fiscal 2012 vs. Fiscal 2011



GRI INDEX

We voluntarily used the Global Reporting Initiative (GRI) framework as guidance for the preparation of this report. The GRI is a nonprofit organization that promotes economic, environmental, and social sustainability. It provides companies with a comprehensive reporting framework that is widely used around the world.

STANDARD DISCLOSURES: Profile Disclosures

Profile Disclosure	Description	Reported	Reference
Strategy & Analysis			
1.1	Statement from the most senior decision-maker of the organization.	fully	2
Organizational Profile			
2.1	Name of the organization.	fully	3
2.2	Primary brands, products, and/or services.	fully	3
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	fully	3
2.4	Location of organization's headquarters.	fully	3
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	fully	3
2.6	Nature of ownership and legal form.	fully	3
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	fully	3
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	fully	3
2.10	Awards received in the reporting period.	fully	7, 11
Report Parameters			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	fully	3
3.2	Date of most recent previous report (if any).	fully	3
3.3	Reporting cycle (annual, biennial, etc.)	fully	3
3.4	Contact point for questions regarding the report or its contents.	fully	3
3.12	Table identifying the location of the Standard Disclosures in the report.	fully	41-42
Governance, Commitment, & Engagement			
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	fully	6, 36-39
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	fully	36-39
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	fully	7, 8, 11, 12, 15, 16, 20, 25, 26, 29, 30, 32, 34
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	fully	7, 8, 11, 12, 15, 20, 25, 26, 29, 30, 32, 34
4.14	List of stakeholder groups engaged by the organization.	fully	20
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	fully	20

STANDARD DISCLOSURES: Profile Disclosures

Profile Disclosure	Description	Reported	Reference
Economic			
Indirect Economic Impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	fully	29, 30, 32
Environmental			
Materials			
EN1	Materials used by weight or volume.	fully	13
Energy			
EN5	Energy saved due to conservation and efficiency improvements.	fully	7-9, 11, 12
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	fully	7-9, 11, 12
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	fully	7-9, 11, 12
Emissions, Effluents and Waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	fully	12
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	fully	11, 12
Products and Services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	fully	7-9, 11-17, 22-26
Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	fully	12, 26
Social: Labor Practices and Decent Work			
Occupational Health and Safety			
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	partially	29, 34, 37
Social: Human Rights			
Child Labor			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	partially	37
Forced and Compulsory Labor			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	partially	37
Assessment			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	partially	39
Social: Society			
Local Community			
S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	fully	20, 29-30, 32