

2013
CORPORATE SOCIAL
responsibility
REPORT



Dear Stakeholders:

At Kohl's, we strive to deliver great things. For more than 50 years, we've been committed to innovating on behalf of our customers, their families and the communities we serve. We continue to have an unwavering commitment to this goal, and it influences every aspect of how we do business.

Through our work, we want to ensure we're making a meaningful impact on the people we serve, the businesses we interact with and the environment we share — not just today, but for future generations.

Over the past year, we've made significant progress against our social responsibility and sustainability initiatives. We set ambitious goals and, in some cases, we exceeded them. Here are a few milestones:

- **SUSTAINABLE OPERATIONS:** We exceeded our goal to achieve ENERGY STAR® certification for 800 stores (821 stores are currently certified) and met our goal two years ahead of schedule. In addition, we now have 383 LEED-certified buildings. These efforts save money and minimize our carbon footprint with benefits that can be seen both locally and globally.
- **RESPONSIBLE SOURCING:** We're focused on working with our vendors and stakeholders to maintain fair business practices. We put ethics, safety and the importance of an engaged workforce at the forefront of everything we do. In 2013, we conducted numerous training sessions for our vendor partners to discuss our policy, expectations, best practices, compliance improvements and more. We also actively encourage them to develop or enhance their own internal social compliance functions.
- **COMMUNITY RELATIONS:** We pride ourselves on giving back to the communities we serve and are continually committed to children's health and education and women's health initiatives. We support these key areas through our Kohl's Cares community giving and volunteer programs. During 2013, we donated more than \$49 million to support communities nationwide and our Associates contributed greatly to local communities through our Associates in Action program by giving more than 495,000 volunteer hours.

With that, I'd like to highlight our Associates — they're a vital part of who we are as a company and are truly our greatest asset. Taking care of our Associates ultimately means we're taking care of our customers. Our Associates' passion and commitment is reflected in the work they do every day. All of their contributions, big and small, deserve to be recognized.

Thank you for taking the time to review our 2013 Corporate Social Responsibility Report. We're proud of all we have accomplished and look forward to furthering these key initiatives in the years to come.

Sincerely,

Kevin Mansell
Chairman, President and CEO



CONTENTS

ENVIRONMENTAL SUSTAINABILITY

Overview.....	05-06
Sustainable Operations.....	07-18
Sustainable Supply Chain.....	19-24

RESPONSIBLE SOURCING

Our Philosophy	25-26
Social Responsibility & Compliance.....	27-34
Corporate Governance	35-36

KOHL'S ASSOCIATES

Great Associates.....	37-38
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Great Recognition	39-41
Great Teams.....	42
Great Values.....	43-44
Great Results	44

COMMUNITY RELATIONS

Kohl's Cares	45-46
Kids' Health & Education	47-48
Partnerships	49-50
Committed to the Cause	51-52
Associates in Action	53-54

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 its website 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 special sizes, product line extensions and web-exclusive merchandise.

As of February 1, 2014, Kohl's operated 1,158 stores in 49 states of the United States of America. In fiscal 2013, Kohl's opened 12 new stores and remodeled 30 existing stores.

REPORTING PERIOD This is the third annual Corporate Social Responsibility Report for Kohl's Department Stores, and it covers the fiscal year February 2, 2013, to February 1, 2014, unless otherwise noted.

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 programs.

CONTACT OR FEEDBACK TO THIS REPORT Questions or comments regarding this report can be directed to: investor.relations@kohls.com.



ENVIRONMENTAL sustainability

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.



SUSTAINABLE OPERATIONS

ENERGY & CARBON REDUCTION

Our biggest environmental footprint comes from lighting, heating and cooling our stores. Through innovative technology, accurate measurement and careful management of consumption, we have been able to reduce our energy footprint and send savings to the bottom line.

GOAL 1:

800

ENERGY STAR®-CERTIFIED STORES BY 2015

GOAL 2:

OPERATE VIA

100%

RENEWABLE ENERGY

GOAL 3:

200

SOLAR ARRAYS HOSTED AND ACTIVATED USING ROOFTOPS BY 2015

GOAL 4:

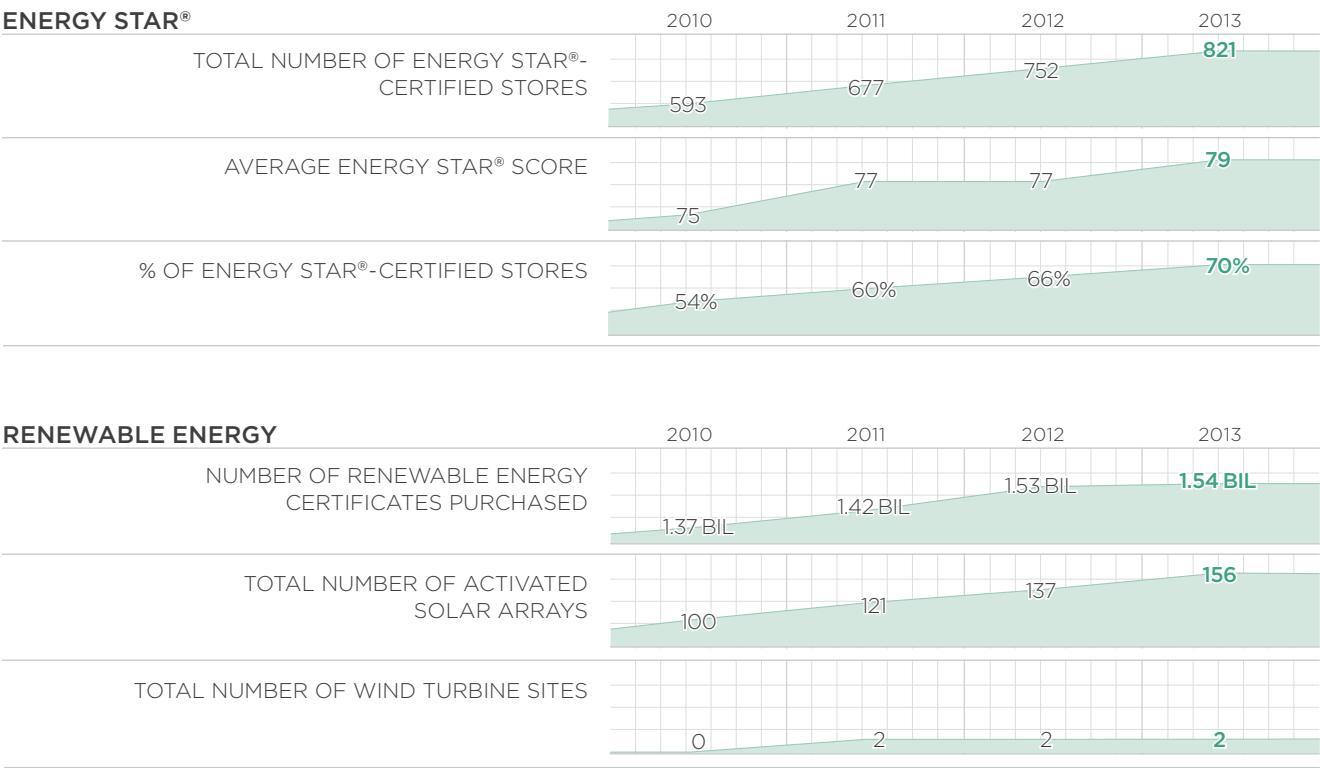
NET **ZERO**

EMISSIONS FOR THREE YEARS BEGINNING 2010

2013 GOAL STATUS

- 1. WE MET THIS GOAL EARLY, ACHIEVING A TOTAL OF 821 ENERGY STAR® STORES IN FISCAL 2013.
- 2. 1.54 BILLION RENEWABLE ENERGY CERTIFICATES PURCHASED TO OFFSET 100% OF OUR ENERGY USE.
- 3. 19 ARRAYS WERE ACTIVATED IN 2013 FOR A TOTAL OF 156 ARRAYS IN OUR SOLAR PORTFOLIO.
- 4. WE COMPLETED THIS GOAL IN 2012.

ENERGY BY THE NUMBERS



ENERGY PROGRAM HIGHLIGHTS



ENERGY STAR® This year, we reached a 15-year milestone in our partnership with the Environmental Protection Agency’s (EPA) ENERGY STAR® program. Throughout this time, we have been assessing our building performance and setting goals to improve energy efficiency. In 2008, we began to measure the energy performance of our stores on a scale of one to 100. A score of 75 or higher achieves ENERGY STAR® certification. This indicates they are among the top 25 percent of retail stores in the country for energy performance. To date, 821 of our 1,158 stores have been ENERGY STAR®-certified.

In 2013, we were presented with an ENERGY STAR® Sustained Excellence Award for our continued commitment to energy efficiency.



BETTER BUILDINGS CHALLENGE Through this challenge, we have set a goal to reduce energy usage by 20 percent in more than 112 million square feet of occupied building space by 2020.

We designated our store in Niles, Ohio, as the showcase store for the Better Buildings Challenge. The store’s sales floor, stockroom, exterior and parking lights were upgraded in 2012 and nine heating, ventilation and air conditioning (HVAC) units were replaced. These upgrades produced a 37 percent decrease in lighting energy use. The HVAC unit energy reduction was lower than expected, but after reprogramming the equipment, we expect a reduction near 20 percent by the summer of 2014.

We will continue to carefully monitor and measure the new installations and results from our Niles store. Components of the lighting and HVAC projects have already been implemented in select stores in order to drive progress toward our 2020 goal.

ELECTRIC VEHICLE CHARGING STATIONS Our electric vehicle (EV) charging station program began in 2011 as part of two Department of Energy (DOE) projects designed to gain understanding of the usability and technology related to electric vehicles and charging infrastructure. In 2013, we continued to expand our program, adding 16 charging-station locations for a total of 76.

Participating Kohl’s locations have between one and four EV parking spaces, each marked with an EV charging station sign. We provide radio frequency identification (RFID) cards at our customer service desk for customers to activate the charging stations. Charging is free to customers while they shop.

RECOMMISSIONING Recommissioning is a tool we use to evaluate existing locations that are underperforming and have high energy usage and low ENERGY STAR® scores. Performing a recommissioning inspection generally pays dividends in energy performance, with a quick return on investment. Recommissioning our existing stores maintains our commitment to energy efficiency by ensuring energy-using equipment is in good operating condition and is running in accordance with the prototypical sequence of operations. In 2013, we recommissioned 17 stores directly after they were remodeled; we recommissioned another 39 stores that had low ENERGY STAR® scores.

SALES FLOOR LED LIGHTING UPGRADE In fall 2013, we began rolling out an upgrade to our sales floor lighting. We replaced 2x4 fluorescent fixtures with an LED retrofit kit. These updates will reduce our per-store energy consumption by an anticipated 235,000 kilowatt-hours annually per store. From October through the end of our fiscal 2013 year, we upgraded sales floor lighting fixtures in 27 stores. We will continue upgrading sales floor lights in select stores going forward.



RENEWABLE ENERGY HIGHLIGHTS



RENEWABLE ENERGY CERTIFICATES The purchase of Renewable Energy Certificates (RECs) in the United States helps support the development of renewable energy sources. In 2013, we purchased 1.5 billion kwh of RECs, offsetting 100 percent of our usage. In 2013, we were ranked No. 1 on the EPA's Green Power Partnership list in the retail sector, and third overall. We are an active member of the EPA's Green Power Partnership, and in 2013 we again received an award for Sustained Excellence, recognizing our long-term commitment to the use of renewable energy.

SOLAR POWER PORTFOLIO Our arrays are hosted through Solar Power Purchase Agreements, which allow us to purchase energy at a lower cost than through the local utility. In 2013, we added solar arrays to 19 locations for a total of 156 activated solar arrays. Currently we have solar arrays in 12 states, representing nearly 50 megawatts of power.



ENERGY INNOVATION

DEDICATED OUTSIDE AIR UNITS In 2013, we collaborated with a group of consultants to brainstorm possible innovation opportunities. We identified our planned HVAC replacement program as an area for improvement. By replacing select HVAC equipment with dedicated outside air (DOA) units, we expect reduction in our energy use for HVAC with an estimated payback of less than two years. DOA units have been installed into two existing Kohl's locations during our initial test phase. Detailed measurement and verification is currently underway to determine actual savings. In the fall of 2014, we will fully evaluate this test and determine if additional locations will receive DOA units.

CARBON REDUCTION HIGHLIGHTS

In 2009 we set a goal to be carbon neutral for three years: 2010 through 2012. We successfully met this goal. Our dedication to energy efficiency will continue to be a motivating force in reporting our carbon footprint. Our footprint is reported annually to the Carbon Disclosure Project.

EMISSIONS MEASUREMENTS

	2010	2011	2012	2013
SCOPE 1 DIRECT*	27,062	27,722	22,784	35,580
SCOPE 2 INDIRECT*	832,519	855,355	866,703	832,433
SCOPE 3 TRAVEL*	6,369	7,918	8,330	6,684
TOTAL EMISSIONS*	865,950	890,995	897,817	874,697
PER 1,000 SQ. FT. BUILDING SPACE	109,088	111,900	115,965	116,972
NUMBER OF STORES OPERATING	1,089	1,127	1,146	1,158
NORMALIZED EMISSIONS PER 1,000 SQ. FT.	7.94	7.96	7.74	7.48
EMISSIONS REDUCTIONS RENEWABLE ENERGY CREDITS	1,064,131	1,108,961	1,193,532	1,199,897
REDUCTIONS CARBON OFFSETS	33,000	33,000	33,000	28,000
TOTAL REDUCTIONS*	1,097,131	1,141,961	1,226,532	1,227,897

*Metric tons of carbon equivalent — calendar year

WASTE STREAM REDUCTION

Over the past few years, we have implemented new recycling programs and innovative ways to minimize waste. Our Dry Waste program has proven effective, while other innovations, such as paperless receipts and digital signs, continue to prevent waste from entering our stream.



2013 GOAL STATUS


IN 2013, WE RECYCLED 85 PERCENT OF ALL OPERATING WASTE, REACHING OUR 2015 GOAL TWO YEARS AHEAD OF PLAN.

RECYCLING HIGHLIGHTS

DRY WASTE In this program, store Associates place paper, graphics, cardboard and bagged trash into a single compactor. The materials are delivered to a facility to be sorted before being appropriately recycled or disposed. Stores participating in the Dry Waste program recycle 85-90 percent of all materials. At the end of 2013, 647 stores participated in the program. Due to city, county and state regulations, only select stores are able to participate.

WASTE TO ENERGY Waste to Energy (WtE) is the process of using waste to generate energy in the form of heat or electricity. We began working with our waste hauler to pilot WtE at select stores in 2012. Like Dry Waste, WtE can only be implemented at select stores due to regulations and proximity of WtE sites to Kohl's stores. In 2013, we were able to divert 1,026 tons of trash from the landfill by using the WtE program. We continue to evaluate additional store locations for participation in the WtE program.

RECYCLING NUMBERS IN TONS

	WASTE TYPE	2010	2011	2012	2013
	CORRUGATED CARDBOARD	118,609	105,459	111,485	108,605
	CONSTRUCTION DEBRIS	15,873	28,457	10,289	3,276
	MIXED PLASTIC/HANGERS	10,802	8,822	10,090	10,292
	MIXED OFFICE PAPER	428	581	514	138
	WOOD PALLETS	2,833	2,197	3,818	647
	METAL	1,414	1,940	1,515	441
	CARPET	500	1,354	486	329
	BOTTLES & CANS	612	63	6	186
	ELECTRONICS	75	10	21	49
	LIGHT BULBS/FLUORESCENT LIGHTS	46	306	305	229
	TOTAL TONS RECYCLED	151,192	149,189	138,565	120,914

All data calendar year

ENVIRONMENTAL COMPLIANCE



“kNOw BEFORE YOU THROW”— REGULATED WASTE We are committed to providing training and implementing best processes to reach our environmental goals and increase compliance in handling regulated materials. We raise awareness of our waste and recycling programs among our Associates in order to reduce negative environmental impact.

Just as our voluntary recycling efforts are focused on minimizing waste, we prioritize processes that allow our regulated materials to be recycled or reused. Throughout the stockroom and other Associate areas, Associates are reminded of the “kNOw Before You Throw” program with its distinctive green stop-sign symbol. The slogan is a reminder to ensure proper disposal of items that should be kept out of landfills. The NO in kNOw is emphasized to remind Associates that we should not throw certain items in the compactor or trash cans. “kNOw Before You Throw” emphasizes safety and awareness of these regulated items and explains how to obtain handling information.

Consistent and memorable training provides guidance for Associates to maintain high environmental standards. The “kNOw Before You Throw” tagline, reinforced with video training and on-location visuals, provides an identifiable message that triggers behaviors aimed at keeping Associates safe and our communities environmentally clean.

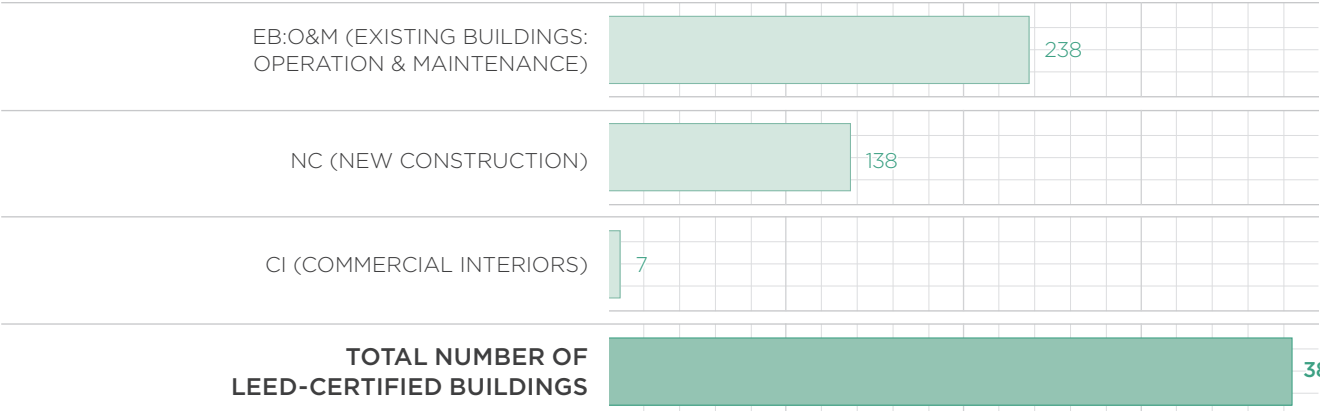
BUILDING DESIGN



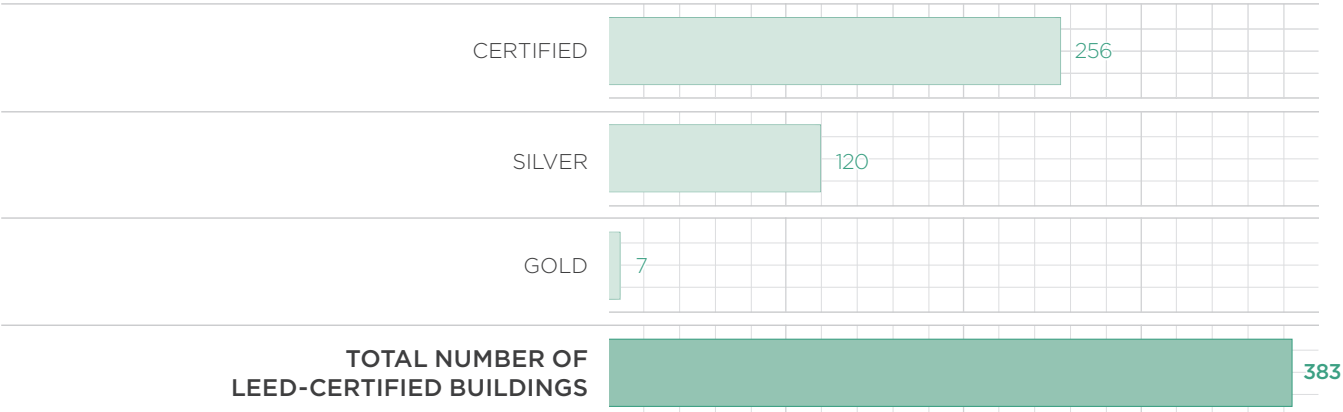
We are committed to achieving long-term sustainability through improved building design and operation. To focus this strategy, we use the criteria developed by the U.S. Green Building Council (USGBC) in our Leadership in Energy and Environmental Design (LEED) programs. To be LEED certified, a building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

BUILDING DESIGN BY THE NUMBERS

LEED CERTIFICATION TYPE



LEED CERTIFICATION LEVEL



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:O&M 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 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 of our stores are operated using LEED EB guidelines and policies.

LEED NC PROGRAM HIGHLIGHTS

Energy Efficiency

All of our stores have a building automation system that monitors store heating, cooling and ventilation. Other energy-saving measures include low lighting-power density, reflective membrane roof, high-efficiency HVAC systems and demand-control ventilation. All of our building-standard footprints are extensively energy-modeled to anticipate efficiency and performance in every climate zone nationwide.

Recycling Construction Waste

Recycling maximum amounts of construction waste at each new construction site is encouraged for each project. We have 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 and on-site procedures, allowing flexibility to work within the limits of local recycling and diversion opportunities.

Indoor Air Quality

Improved indoor air quality enhances the environment for our Associates and customers. HVAC units are programmed to provide an increased supply of outside air constantly circulating throughout new stores. There is a no-smoking policy at all of our stores. Smoking is not permitted indoors or within 25 feet of any entrances.

LEED EB PROGRAM HIGHLIGHTS

Recommissioning

Recommissioning our existing stores maintains our commitment to energy efficiency by ensuring energy-using equipment is in good operating condition and running in accordance with the prototypical sequence of operations. Recommissioning is a tool we use to evaluate existing locations that are underperforming with high energy usage and low ENERGY STAR® scores. Regular equipment preventative maintenance does not always address energy optimization, but rather is focused on thermal comfort and seasonal operations. Recommissioning gives existing stores an energy check-up and gives facility users an operational efficiency reminder.

Waste Management

All of our stores have active recycling programs. Our Solid Waste Management Policy encompasses all ongoing consumables and durable goods. Our national waste vendors provide monthly data at the store level for cardboard, trash, paper and comingled recyclables. Plastic wrap, gift cards and hangers are sent from each store back to distribution centers for recycling. To continually improve waste diversion rates, we conduct regular waste audits at the stores. The audit examines the waste in both the cardboard and trash compactors to ensure waste is correctly sorted for maximum recycling.

Emissions

Our voluntary measurement of greenhouse gas emissions produced as a result of our operations demonstrates our serious commitment to environmentally sound business operations, and helped us earn an Innovation in Operations LEED credit.

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 construction of our 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 process. To date, we have a total of eight corporate projects that are LEED certified.

Design Offices

The NY Design Office is a LEED Gold for Commercial Interiors Project. Located in central Manhattan, the project achieved exemplary performance for development density and public transportation access. The first expansion of this space is currently under LEED review, while a second expansion — the addition of a fourth floor — is set to begin. We anticipate both additions will be LEED certified.

Customer Service Operations Centers (CSOCs)

We are utilizing two existing buildings in Dallas, Texas, to open another CSOC. The interior space, currently under construction for both buildings, will use recycled materials, low-VOC materials and water-efficient plumbing fixtures. The project is registered for LEED Commercial Interiors certification.



SUSTAINABLE SUPPLY CHAIN

Our commitment to Supply Chain Sustainability remained strong and focused in 2013. Merchandise Sustainability now includes analysis of our top 389 merchandise vendors representing national brands as well as direct-import vendors who supply our private/exclusive brands. Supply Chain Sustainability engagement also includes some categories of non-merchandise business relationships. As a retailer that embraces sustainable operations, it is imperative we 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.

GOAL 1:
IMPROVE NATIONAL BRAND
AVERAGE SUSTAINABILITY
SCORE TO **76%**
AT THE END OF 2013
THROUGH COLLABORATION
AND EDUCATION

GOAL 2:
IMPROVE PRIVATE BRAND
AVERAGE SUSTAINABILITY
SCORE TO **74%**
AT THE END OF 2013
THROUGH COLLABORATION
AND EDUCATION

GOAL 3:
DEPLOY SUSTAINABLE
APPAREL COALITION'S
HIGG FACILITIES MODULE
TO ALL PRIVATE-BRAND
FACTORIES THAT PRODUCE
1 MILLION
OR MORE UNITS ANNUALLY

GOAL 4:
PILOT SUSTAINABLE
APPAREL COALITION'S
HIGG FOOTWEAR MODULES
WITH **FOUR**
DRESS/CASUAL STYLES
IN 2013

2013 GOAL STATUS

- 1. NATIONAL BRAND VENDOR SUSTAINABILITY PERFORMANCE IMPROVED 10 PERCENT, REACHING THE GOAL OF 76 POINTS BY THE END OF 2013.
- 2. PRIVATE BRAND VENDOR SUSTAINABILITY PERFORMANCE IMPROVED BY 11 PERCENT, EXCEEDING GOAL BY ONE POINT TO END 2013 AT 75 POINTS.
- 3. 62 FACTORIES WERE IDENTIFIED AND COMPLETED HIGG FACILITIES MODULE WITH 17 COMPLETING FOR SECOND YEAR IN A ROW.
- 4. FOUR STYLES WERE PILOTED, ENGAGING 8 VENDORS, 26 FACILITIES AND OUR PRODUCT DEVELOPMENT TEAM TO COMPLETE THE HIGG FOOTWEAR PRODUCT, BRAND AND FACILITIES MODULES IN 2013.

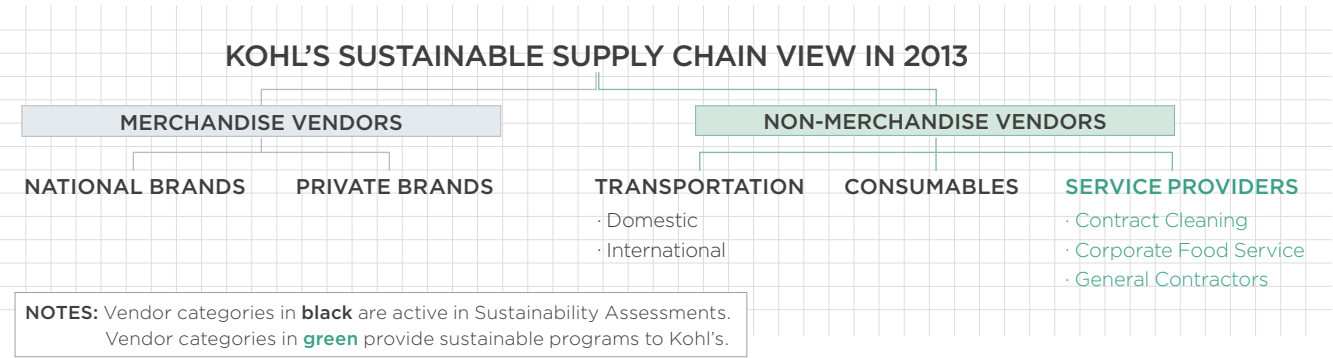
SUPPLY CHAIN SUSTAINABILITY ASSESSMENTS BY THE NUMBERS

VENDOR CATEGORY	Numbers of Vendors Assessed in 2013	2013 Year-End Average Score by Vendor Category
NATIONAL BRANDS	315	76%
PRIVATE BRANDS	74	75%
DOMESTIC TRANSPORTATION CARRIERS	25	76%
INTERNATIONAL TRANSPORTATION CARRIERS	4	64%
TOTAL VENDORS ASSESSED	418	



SUPPLY CHAIN SUSTAINABILITY AS A STRATEGY

In 2013, we were even more committed to improving environmental performance in our supply chain.



SUSTAINABLE APPAREL COALITION (SAC) The SAC is a group of apparel manufacturers, retailers, brands and non-governmental organizations working together to standardize sustainability measurements in the apparel and footwear supply chain. We are a founding circle member in the SAC. In 2013, the coalition released the Higg Index 2.0, 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 designs. The 2.0 tool is now web based and will give the apparel and footwear industry measurement and benchmarking tools to drive supply chain improvement. In 2013, we participated in many working groups of the SAC, including the Adoption Working Group and Index Development Council. We are active in the refinement of the facilities portion of the tool, and we use the tool to measure the sustainability of factories that produce our private brands.

MERCHANDISE VENDOR SUSTAINABILITY

We are committed to long-term sustainability through consistent collaboration with our merchandise vendors on a quarterly basis. To move our assessment closer to the industry standard in 2013, we revised our questions and categories to mirror the key areas of the Sustainable Apparel Coalition's Higg Index 1.0 Facilities module. This new assessment based on industry collaboration is the tool used to measure vendor performance for two years. Our vendors engage with us on a voluntary basis and the assessment helps us identify opportunities. We assist our vendors to improve performance through one-on-one coaching, webinars and annual vendor conferences. National and private-brand vendors are assessed on five key sustainability categories, while private brands also are assessed on hazardous substances.

NATIONAL BRAND VENDOR PERFORMANCE BY CATEGORY

	Sustainability Policy and Management	Energy Management/ Emissions	Waste Management	Supply Chain Sustainability	Water	Total/ Overall Average
WEIGHT PER CATEGORY	20%	35%	15%	25%	5%	100%
AVERAGE SCORE	83%	67%	91%	70%	88%	76%

National-brand vendors receive a monthly Supply Chain Scorecard where sustainability is 10 percent of the overall score.

PRIVATE BRAND VENDOR PERFORMANCE BY CATEGORY

	Sustainability Policy and Management	Energy Management/ Emissions	Waste Management	Supply Chain Sustainability	Water	Hazardous Substances	Total/ Overall Average
WEIGHT PER CATEGORY	20%	35%	10%	20%	10%	5%	100%
AVERAGE SCORE	85%	59%	87%	82%	83%	90%	75%





DOMESTIC TRANSPORTATION

Our domestic transportation team is actively involved in improving the efficiency of the transportation of the merchandise we sell. Since 2012, carrier sustainability assessment scores have been an informational portion of the domestic carrier scorecard. We are a member of the EPA SmartWay Transport program, which stresses fuel efficiency and carbon-reduction strategies. All of our domestic carriers are currently active members. In 2013, we modified our domestic carrier sustainability assessment to include data from the EPA SmartWay partnership in an effort to align with industry standards. We have illustrated the categories and average scores below.

	KOHL'S SUSTAINABILITY ASSESSMENT (50%)					EPA SMARTWAY SCORES (50%)			
	Policy & Management	Energy & Emissions	Waste & Recycling	Supply Chain	Water	SmartWay CO2 g/mile	SmartWay NOx g/mile	SmartWay PM g/mile	Total/Overall Average
WEIGHT PER CATEGORY	20%	15%	5%	5%	5%	25%	15%	10%	100%
DOMESTIC TRANSPORTATION	80%	73%	88%	60%	60%	80%	80%	70%	76%

Reflects Q1 2013

SUSTAINABILITY MILESTONE	2013
BACKHAUL ELIMINATED MILES	3,229,980
RAIL TRANSPORTATION %	57%
BIOFUEL MILES	2,843,638

Calendar year

Our team also continues to support backhaul, biofuel and rail programs to further reduce our impacts on the environment.



INTERNATIONAL TRANSPORTATION

We are 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. We moved to using the CCWG scorecard as the key sustainability metric in 2013 for our internal carrier scorecard.

	BSR CLEAN CARGO WORKING GROUP PERFORMANCE METRICS (100%)						
	CO2 Emissions	SOx Emissions	NOx Emissions	Environmental Management Systems	Waste, Water & Chemicals	Transparency	Total/Overall Average
WEIGHT PER CATEGORY	40%	20%	10%	10%	10%	10%	100%
OCEAN TRANSPORTATION	82%	59%	4%	77%	44%	69%	64%





RESPONSIBLE sourcing

OUR PHILOSOPHY

KOHL'S HOLDS ALL OF OUR VENDOR PARTNERS TO OUR TERMS OF ENGAGEMENT FOR KOHL'S BUSINESS PARTNERS (OUR POLICY). 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 WWW.CONNECTION.KOHL'S.COM UNDER THE "NEW VENDORS" TAB.

SELECT KOHL'S PRIVATE AND EXCLUSIVE BRANDS:

ELLE
CONTEMPORARY COLLECTION

Candie's sonoma
LIFE + STYLE™

Mudd

Croft&Barrow

food
network

JENNIFER LOPEZ

APT. 9

LC LAUREN CONRAD

HAWK

R&R
ROCK & REPUBLIC

Simply Vera
VERA WANG

FILA
SPORT

BOBBY FLAY

HELIX

TE
TEK GEAR™

DANA BUCHMAN

Juicy Couture
los angeles, california

MARC ANTHONY

urban
PIPELINE *up*

CHAPS
EST. 1978

Princess
VERA WANG

jumping beans®

So
SOUTHERN CALIFORNIA

SOCIAL RESPONSIBILITY & COMPLIANCE

OUR POLICY

Our Policy spells out our expectations to our Vendor Partners regarding wages and benefits, working hours, prohibiting 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. We do not own or operate the manufacturing facilities in which the merchandise we sell is produced, nor do we control the production capacity of such facilities. 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.

We have several processes to ensure that the merchandise we sell is produced in compliance with our Policy: selecting Vendor Partners who share our commitment to the principles contained in our Policy, monitoring our Vendor Partners’ compliance efforts and exercising our ability to take corrective action when necessary. 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. As a result, we closely monitor social compliance and encourage our Vendor Partners to continually enhance their processes and procedures to protect the health, safety and human rights of workers.

Our Policy includes the following requirements for our Vendor Partners and factories engaged in the manufacturing of merchandise procured for us:

LAWS AND REGULATIONS Vendor Partners and factories must operate in full compliance with all applicable local and national laws, rules and regulations pertaining to all aspects of factory operations in the jurisdiction in which they conduct business.

WAGES AND BENEFITS Workers must be paid wages and legally mandated benefits that comply with the higher of (a) any applicable law or (b) to match the prevailing local manufacturing or industry practices.

WORKING HOURS We expect Vendor Partners and factories to operate based on prevailing local work hours. Subject to the requirements of local law, a regularly scheduled work week of no more than 60 hours and one day off in every seven-day period is encouraged.

CHILD LABOR Use of child labor is strictly prohibited. “Child” is defined as a person who is younger than 15 (or 14 where the law of that country permits) or younger than the age for completing compulsory education in the country where such age is higher than 15.

PRISON LABOR/FORCED LABOR/SLAVERY/HUMAN TRAFFICKING Use of prison labor, bonded labor, indentured labor or forced labor in the manufacture or finishing of products we order is not permitted. “Forced labor” is defined as any work or service which is extracted from any person under the threat of penalty for its non-performance and for which the worker does not offer him/herself voluntarily and includes, without limitation, prison and slave labor or human trafficking for the purposes thereof.

DISCRIMINATION Employment (hiring, wages, benefits, advancement, termination and retirement) shall be based on the worker’s ability and not on personal characteristics, such as gender, age, disability, sexual orientation, racial characteristics, cultural or religious beliefs or similar factors.

FREE ASSOCIATION All workers must be free to join organizations of their own choice and to bargain collectively.

DISCIPLINARY PRACTICES All workers must be treated with respect and dignity. We will not tolerate the use of corporal punishment; physical, sexual, psychological or verbal harassment or other forms of mental or physical coercion, abuse or intimidation.

ETHICAL STANDARDS Bribes, kickbacks or other similar unlawful or improper payments are strictly prohibited to be given to any person or entity to obtain or retain business.

ENVIRONMENTAL REQUIREMENTS We will only do business with Vendor Partners and factories that comply with all applicable government laws and regulations, international standards, U.S. regulations prohibiting the use of ozone-depleting chemicals (hydrochlorofluorocarbons) and the International Trade in Endangered Species of Wild Fauna and Flora, as listed in the United States Endangered Species Act of 1973.

COMMUNICATION Our Policy must be posted in the factories used to produce our private and exclusive branded merchandise in places that are readily accessible to workers, translated into the language of the workers and supervisors and our Policy must be communicated to all workers.

MONITORING AND COMPLIANCE We take affirmative measures to monitor compliance with our Policy and our Purchase Order Terms and Conditions. Such measures may include prescreening Vendor Partners and factories, and scheduled or random, announced and unannounced on-site inspections of factories by our representatives.

RECORD KEEPING All documentation necessary to demonstrate compliance with our Policy must be maintained in factories producing merchandise for us.

SUBCONTRACTING Vendor Partners may not utilize subcontractors for the production of our merchandise, or components thereof, without our prior written approval and only after the subcontractor has agreed to comply with our Policy.



CORRECTIVE ACTION If a Vendor Partner or factory is in violation of our Policy, we will try to work with the Vendor Partner and factory to remediate the violation, if possible.

COUNTRY EXCEPTIONS Vendor Partners will not produce merchandise for us in countries we consider to be denying basic human rights.

EGREGIOUS POLICY VIOLATIONS

Our compliance philosophy is focused on continuous improvement; however, we have a zero-tolerance policy regarding egregious violations of our Policy. Egregious violations include:

- Child labor
- Prison labor, forced labor, slavery, human trafficking
- Physical or sexual abuse
- Non-payment of wages
- Unauthorized subcontracting
- Ethical standards: attempted bribery of social compliance or quality assurance auditors
- Transshipment or altering/tampering with country-of-origin markings

If any of the above issues are identified, we immediately terminate our business relationship with the factory and do not accept merchandise produced under such conditions.

CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT

Our Policy strictly prohibits the use of prison labor, bonded labor, indentured labor or forced labor in the manufacture or finishing of products we order, including, without limitation, prison and slave labor or human trafficking for the purposes thereof.

To enforce compliance with our Policy, we:

1. Work with our Vendor Partners and agents to raise awareness of this issue.
2. Require all Vendor Partners to certify that each facility used to produce merchandise we purchase will operate in compliance with all applicable laws and our Policy, including but not limited to, laws regarding slavery and human trafficking in the countries in which they do business.
3. Provide training for relevant policy compliance management and team members regarding identification and mitigation of risk.
4. Contract the services of independent, professional, third party social-compliance monitoring firms to perform both announced and unannounced factory audits.
5. Enforce our zero-tolerance policy regarding forced labor, prison labor, slavery and human trafficking.



MONITORING & EDUCATION

SOCIAL COMPLIANCE MONITORING PROCESS

Our organizational structure supports the uniform and objective application of our social 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 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 us, are made by employees 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 that 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. Once deemed compliant with our Policy, factories are monitored periodically based on established risk level.

Risk assessment is based upon the following factors:

- Social conditions in the geographic location of the factory
- Factory management commitment toward social compliance
- Vendor Partner historical performance across all factories they use to produce merchandise for us
- Historical factory audit results
- Open-source risk information
- Potential issues reported via public media

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 who are able to speak the language of workers and management and who have extensive experience with monitoring social compliance on behalf of international customers. Completion of our full audit program requires a two-day factory visit, while follow-up audits are completed in one day.



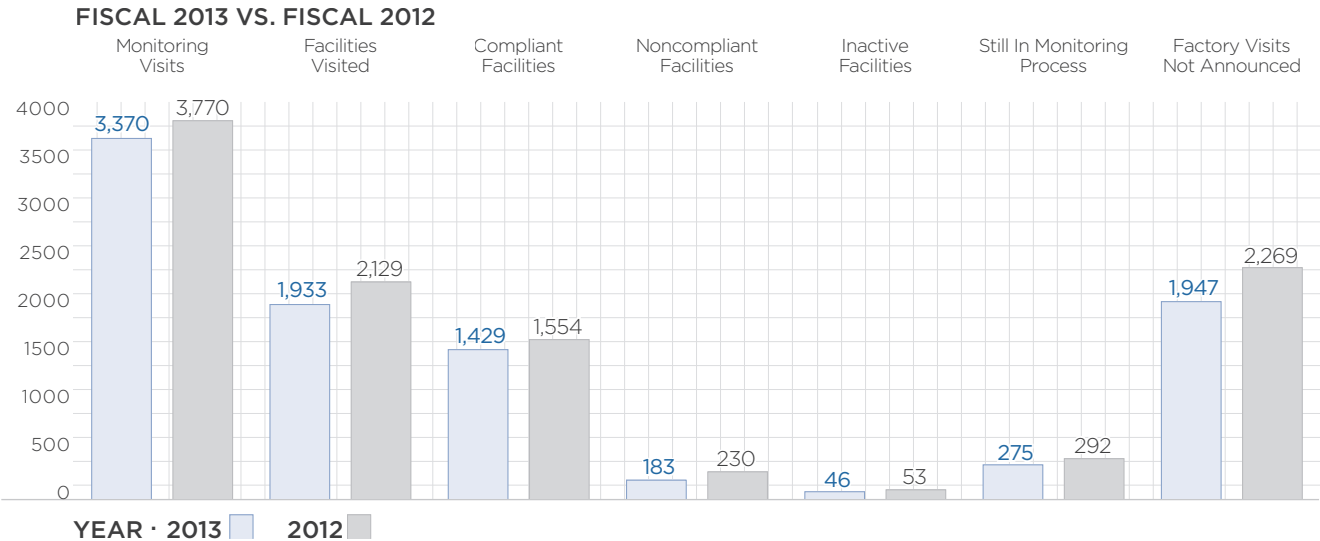
Upon arrival at a factory, our third-party social-compliance monitors conduct an opening meeting with facility management to review our Policy, discuss the monitoring process and request documentation required for review. The auditor immediately notifies us if factory management denies access to the facility. Our policy-compliance team researches the reason for the denied access to determine if the facility will receive another visit. If so, the policy compliance team schedules an unannounced visit. If factory management denies access to the auditor a second time, we terminate our business relationship with the factory.

Upon completion of the opening meeting, a factory tour is conducted and workers are randomly selected to be interviewed. Worker interviews are conducted in a private place and in the local language of the workers. The content of worker interviews is kept strictly confidential.

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 immediate corrective actions and sends an audit report to our policy compliance team. Our compliance team reviews factory monitoring reports and works with our Vendor Partners to implement corrective actions.

If noncompliance with our 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. Whenever possible we attempt to bring noncompliant facilities into compliance rather than terminate our business relationship.

COMPLIANCE PROGRAM PERFORMANCE STATISTICS



EDUCATION & 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 2013, we conducted numerous individual training sessions for Vendor Partners to promote understanding and compliance with our Policy. 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
- Indicators of noncompliance
- Reporting of facility assessments
- Remediation methods
- Compliance improvement
- Sustainability

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 quarterly internal training sessions for Product Development employees regarding our Policy requirements. 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.

ALLIANCE FOR BANGLADESH WORKER SAFETY

We are a founding member of the Bangladesh Alliance for Worker Safety, which formed in July 2013. The Alliance includes more than 25 North American apparel industry brands and buyers in partnership with multiple stakeholders that are committed to improving fire and building safety in Bangladesh. The Alliance is focused on protecting and empowering workers and elevating fire and building safety in Bangladeshi garment factories.

The Alliance has committed to:

- Develop standardized fire and building safety standards and a standardized inspection protocol to be implemented in all factories that members source from in Bangladesh.
- Empower workers through Worker Participation Committees, and provide fire and building safety training to workers and factory management.
- Be transparent about fire and building safety inspections and share progress on the implementation of corrective action plans.
- Help ensure appropriate levels of funding and support exist to drive results.

BETTER WORK VIETNAM

We participate in the Better Work Vietnam (BWV) program, which is an International Labour Organization program focused on strengthening labor standards in export garment industries in Vietnam. Our reliance upon BWV factory-monitoring results in Vietnam, in lieu of performing our own scheduled audits, helps reduce audit fatigue and factory monitoring costs. This provides factory management with more time to focus on corrective action and sustainable, continuous improvement.

PRODUCT SAFETY

Delivering quality products is our business. In order to ensure we are living up to our deliverables, product integrity considerations are built into the product-development process. During the product-development process, we check to ensure products developed are safe and meet applicable federal and state mandates.

Product compliance and safety are the driving force of our Product Integrity department. The department works with manufacturers, vendors and agents to ensure all private and exclusive brand products are subjected to rigorous testing prior to shipment. Testing is conducted at independent third-party laboratories approved by us. Depending on the end product, testing can range from checking for mechanical hazards, choking hazards or chemical hazards to flammability of fabrics.

Our Product Integrity department works continually to remain current regarding changes in consumer product regulations. During the past year, this department has been very closely monitoring product compliance and safety developments at the federal, state and local levels. The department is responsible to ensure that such changes are incorporated into our product-development culture. Additionally, we have taken proactive steps in voluntarily adopting product safety programs in the best interests of our customers.

The goal of our Product Integrity department is to ensure that the Product Development team adopts and embraces changes made to our Corporate Testing Program. The Product Integrity department understands the importance of training, awareness and communication and is responsible for training our internal staff, agents and vendors on topics ranging from Product Safety and Children’s Sleepwear to Footwear Testing. The goal is to deliver a safe, quality product to our stores.

CONFLICT MINERALS RULE PURSUANT TO THE DODD-FRANK ACT

We expect all Vendor Partners to ensure merchandise sold to us is free of any minerals designated as “conflict minerals” that finance conflict in the Democratic Republic of the Congo or an adjoining country. We have been actively working to put in place policies, due diligence frameworks and management systems to verify our Vendor Partners’ compliance with this expectation and to enable us to comply with the reporting requirements of the Conflict Minerals Rule. We have engaged an outside firm with specialized expertise and experience in mapping and tracing supply chains to support our conflict minerals compliance program. We expect Vendor Partners to establish their own due diligence programs to ensure conflict-free supply chains and take any other steps necessary to abide by the contractual commitments provided to us.

CLEAN DIAMOND TRADE ACT

We require all diamond jewelry suppliers to ensure that the merchandise they sell to us meets the requirements of the Clean Diamond Trade Act and the Kimberly Process Certification and ensure merchandise sold to us does not contain diamonds involved in funding conflict.

UZBEKISTAN COTTON

We do not knowingly carry products that use cotton originating from any country that condones the use of child and/or forced labor. We do 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 us in other countries. Until we are convinced that forced child labor is not being used to produce cotton in Uzbekistan, we specifically prohibit the use of Uzbekistan cotton in the manufacture of merchandise intended for sale in our stores.



CORPORATE GOVERNANCE

We are committed to responsible corporate citizenship and integrate social, economic and environmental considerations into our purchasing and risk-management processes. Acting with integrity is a company value; therefore, we incorporate socially responsible principles into our daily business activities not only for the present, but also for the future.

SOCIAL RESPONSIBILITY COMMITTEE

Implementation of our Policy is subject to the review and guidance of our Social Responsibility Committee. The Committee includes corporate senior leadership, senior executives responsible for business operations and executives directly responsible for the day-to-day efforts of our social compliance program. Senior executives from multiple areas of our business, including Product Development, Merchandising, Planning and Allocation, Sourcing, Human Resources, Legal, Risk Management, Compliance, Finance and Sustainability convene at least quarterly to discuss current social responsibility topics, historical performance, emerging trends and opportunities.

Our Social Responsibility Committee guides the overall direction, assessment and continuous improvement of our compliance program. The Committee ensures a uniform focus and consistent direction to our social compliance program. In addition, the Audit Committee of our Board of Directors reviews our Policy and social compliance program efforts and results on an annual basis.





KOHL'S associates

GREAT ASSOCIATES

OUR ASSOCIATES ARE OUR GREATEST ASSET. WHEN WE TAKE CARE OF OUR ASSOCIATES, OUR ASSOCIATES TAKE CARE OF OUR CUSTOMERS. WE APPRECIATE AND RECOGNIZE OUR ASSOCIATES FOR THEIR CONTRIBUTIONS, BOTH BIG AND SMALL, BECAUSE IT DRIVES US TO WORK HARDER AND MAKE AN EVEN GREATER IMPACT IN OUR JOBS AND IN OUR COMMUNITIES.

OUR VALUES ARE AT THE HEART OF EVERYTHING WE DO:

- Put customers first
- Act with integrity
- Build great teams
- Drive results

These values guide our everyday decision-making to ensure we are having the most positive impact on ourselves and each other.



GREAT RECOGNITION

All Associates are encouraged to take the time to celebrate success and recognize greatness across the organization when they see it, using our four pillars:

- Great Job ... you made a difference **today**
- Great Dedication ... for all you do, **thank you**
- Great Results ... consistently delivers **excellence**
- Great Moments ... it's time to **celebrate**

We are committed to recognizing greatness at all levels of the organization with a balance of instant recognition, general appreciation, broader achievements and important personal life events.

WE INTRODUCED A NEW ONLINE TOOL TO HELP OUR ASSOCIATES RECOGNIZE EACH OTHER ACROSS THE COUNTRY. WE ARE PROUD TO SHARE THAT IN THE FIRST YEAR, MORE THAN **90,000 E-RECOGNITIONS** WERE GIVEN ACROSS THE ORGANIZATION.

TOTAL REWARDS

WELLNESS CENTER Convenient, quality care for Associates and their families.

When Associates are at their best, they're more likely to create a great experience for our customers and contribute to strong business results. Our Wellness Centers are part of the company's unique Total Rewards package and help Associates and their families maintain and improve their health.

Our Wellness Centers are designed to treat patients' total well-being. Associates and their family members can visit the on-site wellness centers for everything from preventive exams, treatment of routine illnesses, lab services and personalized weight-management coaching to chronic condition-management support.

Other services include:

- Pediatric care
- Physical therapy
- Immunizations and allergy care
- Health risk assessments
- Diagnostic X-ray services
- Health coaching

Our Wellness Centers are staffed by physicians, nurse practitioners, medical assistants, physical therapists and registered nurses. Staff members understand the company's culture and the work environment specific to the location they serve. That means Associates can expect compassionate, individualized care tailored to their specific needs in a setting that's warm and caring.

SINCE OPENING IN JULY 2007, MORE THAN 50 PERCENT OF OUR CORPORATE HEADQUARTER ASSOCIATES HAVE USED THE WELLNESS CENTER, WITH MORE THAN **100,000 PATIENT VISITS** IN THE PAST SIX YEARS.

ON-SITE MOBILE MAMMOGRAPHY By bringing services directly to Associates, we make it easy for them to access care and focus on their health. That's the goal of our on-site mobile mammography program. With this program, female Associates 40 years and older can get their annual mammograms at work for free. In 2013, 500 Associates in six states took advantage of these preventive screenings.

HEALTHY REWARDS PROGRAM The Healthy Rewards Program is our signature health-improvement program. The program provides a financial incentive for Associates and spouses or same-sex domestic partners who are enrolled in a Kohl's medical plan.

Those who complete a well-being assessment and health screening within a designated time frame are eligible for a significant medical premium credit, which reduces their paycheck costs for Kohl's medical coverage. The program is free, confidential and encourages Associates to "know their numbers" and take greater ownership of their personal health.

EMPLOYEE ASSISTANCE PROGRAM (EAP) SUPPORT/ON-SITE LIFE SOLUTIONS We recognize the diverse goals and challenges our Associates face — both within and outside of work. We are committed to providing a variety of resources and programs to help our Associates live their best lives for themselves, their families and friends, and for Kohl's.

As part of our commitment, we offer a comprehensive EAP that extends beyond the traditional model. Not only do we offer all of our Associates access to confidential in-person and/or telephonic counseling, we also provide a variety of telephonic and online work-life resources, such as complimentary access to certified financial planners, resources to help locate care providers, guidance navigating the college search process, financial assistance for ongoing education, 24-hour access to legal resources/guidance for personal matters, and even just an extra pair of helping hands to do the research when they are looking to make a major purchase or plan a family vacation.

Additionally, at our Distribution Centers, E-Commerce Fulfillment Centers and Credit Services Operation Centers we offer an even more personalized approach: On-Site Life Solutions. As part of our on-site program, Associates have in-person access to a dedicated work-life professional that can provide support with a wide variety of personal concerns and work-life issues and help connect our Associates with local community resources to find solutions that work for them.

70 PERCENT PARTICIPATION RATE WITH OUR ON-SITE LIFE SOLUTIONS PROGRAM.

CRITICAL INCIDENT SUPPORT While we always hope that we will not have a need for this program, when the unexpected happens we are prepared for how it might affect our business, and more importantly, how it will affect our Associates and their families.

In circumstances such as a robbery, death, natural disaster or traumatic events, we are there to provide expert guidance, up-to-date information on community resources and in-person/ group counseling to help our Associates effectively deal with the crises and return to normalcy more quickly.

Through our traditional EAP, On-Site Life Solutions, online resources and Critical Incident Support we were able to make a direct impact in the lives of more than 15,000 Associates in 2013.

ASSOCIATE INTEREST GROUPS Our Associate Interest Groups are voluntary and primarily focused around health and wellness, networking, hobbies and the environment. These Associate-driven groups include sporting leagues, hobby-based groups and business-based groups. Our intention is to provide Associates who share a common passion or interest outside of the office with the opportunity to enjoy their interests with fellow Associates.

Here are a few highlights of our groups in 2013:

The Gardening Group

This group had oversight of three gardens at our corporate office in partnership with our Sustainability team and our on-site food service. Two of these gardens were used to teach the children in our on-site day care how to grow, care for and harvest vegetables that were then used as part of their meal planning and overall education on the importance of nutrition. The third garden was used by our on-site food service to provide “seed-to-plate” produce for our cafes.

The Marquette Alumni Group

This group established a partnership with Marquette University to bring to life an ongoing lecture series to engage Associates around their passion for Marquette University and provide them an opportunity to hear from professors on topics that affect the current business and economic environment. One of the group’s long-term goals and objectives is to serve as mentors and assist in the onboarding of interns and recent college graduates, helping them make the transition from college to career.

Knot Just Knitters Group

This recently formed group, based out of our New York Design Office, took on their very first project and combined their love of knitting with their desire to give back to their community. This group came together and hand-knit preemie caps, which they donated to a local hospital's neo-natal intensive care unit.

WE PROVIDED **300 HOURS** OF CRITICAL INCIDENT SUPPORT ACROSS THE ORGANIZATION.

THERE ARE MORE THAN **140 UNIQUE** ASSOCIATE INTEREST GROUPS.

GREAT TEAMS

We are collaborative. We share the common goal of keeping our Customers happy. We are a diverse community of Associates who work hard as individuals, but we are stronger as a team. We bring out the best in each other and are driven by purposeful change — not just a drive to succeed, but movement that has purpose behind it.

UNIVERSITY RELATIONS We don't want interns or trainees to blend in — we challenge them to stand out and make a difference. Looking for our future leaders and fresh new perspectives, we hire more than 1,000 Associates from more than 100 campuses across the country into our Stores, Corporate Offices, Distribution Centers and Contact Center programs. The intern program has grown dramatically from 300 interns in 2009 to 650 in 2013. Full-time hiring from the University Relations program has grown as well, from 250 hires in 2009 to 450 hires in 2013. Since 2009, we have hired more than 2,400 interns and 2,000 full-time Associates through the University Relations process.

During our 10-week internship or full-time trainee programs, we do not waste time. Through our Learning and Development team, Associates hit the ground running on day one, learning processes, philosophies and systems in order to become active and successful members of the team. Both interns and entry-level Associates are seen as contributors to our mission and vision. Many of the projects these teams launch are implemented on a company-wide scale.

ANNUAL ETHICS TRAINING We engage in annual training for Associates on Ethical Standards and Responsibilities. Annual ethics training is refreshed every year to include emerging issues and topics for a more engaging learning experience while remaining consistent with prior trainings.

Industry research indicates there is a strong correlation between engagement and an ethical culture. Our annual training is designed to drive engagement, develop understanding and enhance our culture of honesty, integrity and fairness. Understanding our responsibilities to ourselves, each other, our consumers, our investors, our business partners and our communities is our foundation as we deliver great results.



GREAT VALUES

We take a lot of pride in our values because they help define who we are and how we work, as individual Associates and as a team. Our values guide every decision we make. We have a strong work ethic and sense of responsibility, not because it's learned or inherited — it's truly who we are.

COMPANY SAFETY

COMMITMENT TO SAFETY We strive to offer an environment that is safe for all of our Customers and Associates. Through proactive loss-control programs and strong operational integration, safety is a cornerstone of our business operations and a fundamental belief that positively impacts our Customer and Associate experience.

Our approach to safety is multifaceted, and includes a focus on product, store design, fixtures, equipment and behaviors. Every phase of our business processes is taken into account. Considering safety during the phases of product development, testing and planning has helped drive down the frequency of product-related claims. Establishing best practices for how products move through our supply chain and ultimately get assembled and merchandised ensures a safe environment for our Customers and Associates.



FOCUS ON OPERATIONAL INTEGRATION C.A.R.L., our safety mascot, represents the key principles that every Associate is accountable for: Cleanliness, Awareness, Responsibility and Leading by Example. C.A.R.L. supports our initiatives by serving as a recognizable reminder of safety across all business units and more than 130,000 Associates. In addition to C.A.R.L., strong safety programs and best practices — along with specific focuses on communication, recognition and coaching for safe behaviors — have helped us reduce accident frequency and promote a culture of safety across our company. As an important part of our overall business operations, our Store and Logistics leadership teams discuss safety with their Associates every day.

We continuously work to identify trends and build programs to drive down frequency of accidents. For example, in 2012, in response to a leading trend, we developed and implemented a specific program for material handling and safe lifting across our distribution and e-commerce centers. As a result, during 2012 and 2013, we saw a corresponding 48 percent decrease in lifting-related claims. With consistent training and discussion about safety, our Stores and DCs/EFCs have achieved 32 percent and 58 percent reduction in total accident frequency over the past six years, respectively.

To ensure ongoing commitment, we continue to integrate safety messaging and best practices into business operations. This helps keep safety and the C.A.R.L. principles in the forefront of our leadership direction and Associate decision-making.

LEADERSHIP DEVELOPMENT PROGRAMS & TRAINING

Every Associate works as part of a team, often more than one. Every team has a leader, and Associates look to their leaders to model our values and to sustain the positive, engaging work environment that makes Kohl's a great place to work.

This is why supporting the continuous development of our leaders is a priority. We provide individualized executive coaching for new leaders and for leaders in transition, offering customized team dynamics services to support change. These services are heavily focused on the connection between leaders and their Associates.

We work individually with leaders to build the most positive relationship possible, allowing the team to drive the best results.

We also provide development for Associates with leadership potential. Our premier development program, “Field Development Days,” gives top talent within our stores the opportunity to enhance their leadership skills by learning from their peers and from executive leadership. We also design custom development training for our corporate departments with opportunities for growth, ensuring they have the appropriate bench to promote talent from within.

Most importantly, we recognize leaders as mature professionals, each with unique development needs. Our leadership development approach aims to support each leader’s strengths while maintaining a consistent focus on company values.

By knowing our talent personally and focusing on their individual development, we have successfully filled 70 percent of our leadership roles from within. This is an industry-leading figure that supports our commitment to developing our Associates.

GREAT RESULTS

We are business-minded. We are driven by success and results — it's what has taken us from a small-town store to one of the nation's largest retailers. We expect greatness and reach it by making smart, thoughtful decisions and working in an environment of loyalty, trust and accountability.

CUSTOMER SERVICE — KOHL'S SERVICE PROMISE (KSP)

Customer Service is core to everything we do at Kohl's. It's important that we bring every Associate in every store together to discuss, learn and practice delivering our KSP. That's a big investment. We are committed to providing a consistently GREAT experience for every Customer, every time, in every store. That's our Kohl's Service Promise.

ENGAGEMENT SURVEY

Associates are the cornerstone of our business. The Associate Engagement Survey is a great way we gain feedback from Associates across the company on a variety of topics including engagement, communication, development, recognition, involvement and more. This feedback not only provides insight to shape a better Associate work experience and environment, but, ultimately, it helps to foster better results across the company.

We use this survey to measure engagement as a key driver of our success, as higher scores may be correlated with positive sales, credit, customer service, shortage and retention results. As we move forward with a continuous focus on building great teams, Associate engagement remains a priority.



COMMUNITY relations

KOHL'SCares

WE BELIEVE IN GIVING BACK TO THE COMMUNITIES WE SERVE, AND IN 2013 WE DONATED MORE THAN \$49 MILLION TO OUR COMMUNITIES NATIONWIDE. IN ADDITION TO MONEY AND RESOURCES, WE ALSO DONATE OUR TALENT AND TIME. THROUGH OUR COMMUNITY GIVING AND VOLUNTEER PROGRAM, WE SUPPORT KIDS' HEALTH AND EDUCATION, ENVIRONMENTAL INITIATIVES NATIONWIDE AND WOMEN'S HEALTH IN WISCONSIN, SPECIFICALLY THE FIGHT AGAINST BREAST CANCER. WE ENVISION A FUTURE WHERE KIDS ARE HEALTHY, RESOURCES ARE PLENTIFUL AND DISEASE THAT AFFECTS WOMEN AND THEIR FAMILIES IS ERADICATED. BECAUSE THE WAY WE SEE IT, GIVING BACK ALSO MEANS LOOKING AHEAD.

CAUSE MERCHANDISE PROGRAM

We sell kid-friendly cause merchandise, with 100 percent of the net profit donated to support kids' health and education initiatives in communities nationwide. These exclusive hardcover books and plush toys offer kids nostalgic characters and stories from Curious George and the Peanuts gang to Dr. Seuss. Since 2000, more than \$257 million has been raised nationwide, with more than \$26 million in 2013.



KIDS' HEALTH & EDUCATION



We support kids' health and education initiatives in communities nationwide. With more than a decade of giving 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.

HOSPITAL PARTNERSHIPS

We help educate kids and their parents in the communities we serve about important topics such as car seat safety, immunizations, injury prevention and healthy lifestyles. By partnering with more than 160 hospitals to create outreach programs focused on a specific community need, we are striving to create a brighter and healthier future for youth nationwide.



Over the last 13 years, Kohl's Cares has partnered with Children's Hospital of Wisconsin and has donated more than \$9 million. In 2013, the \$825,000 donated to the hospital was used to fund many programs and to create the Kohl's Cares Grow Safe & Healthy program. This new initiative focuses on injury prevention, including topics from safe play to distracted driving. These important safety messages are delivered via interactive stationary and mobile kiosks throughout Southeastern Wisconsin. An interactive website, kohlssafeandhealthy.com, and digital app provide learning activities and tips on injury prevention.

SCHOLARSHIPS

Through the Kohl's Cares Scholarship Program, we encourage promising youth to further their education and recognize their extensive volunteer efforts within their communities. Since 2001, we have recognized more than 19,500 youth, ages 6-18, with more than \$3.9 million in scholarships and prizes. In 2013 alone, we recognized more than 2,300 youth and awarded more than \$400,000.



KOHL'S CARES SCHOLARSHIP WINNER

Nicholas Lowinger
Cranston, Rhode Island

At a young age, Nicholas visited homeless shelters and observed children without proper shoes on their feet and wanted to help. He decided to take matters into his own hands and donated his own gently used shoes. Recognizing the great need, Nicholas started the Gotta Have Sole Foundation, a nonprofit organization dedicated to providing children in homeless shelters across America with new shoes. Now 15, Nicholas has donated new sneakers, shoes and boots to more than 7,400 children nationwide, and sees to it that each child receives new shoes each time his or her feet grow. Nicholas also is driven to get others involved in the cause by writing grants, presenting at schools, corporations and shelters, and meeting with private donors across the country to help raise awareness and increase supporters for the Gotta Have Sole Foundation.

FUNDRAISING GIFT CARD PROGRAM

We make fundraising fun and easy through the Kohl's Cares Fundraising Gift Card Program. Schools or youth-serving nonprofit organizations buy Fundraising Gift Cards at a discount, sell them at face value and use the profits to raise much-needed funds for their organizations. Profits generated can be used to buy anything from books to computers to uniforms and more. Since 2000, more than 1,200 organizations have participated in the Kohl's Cares Fundraising Gift Card Program, raising more than \$40 million.



PARTNERSHIPS

HOMETOWN PARTNERSHIPS

We made our start giving back to the Milwaukee community. Since 2000, we have given more than \$59 million to support charitable initiatives in the metro-Milwaukee area.

We developed partnerships with organizations in the Milwaukee community focused on our 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: It's Your Move!

Discovery World
Kohl's Design It!

Hunger Task Force
Kohl's Serving Up Supper for Kids

JDRF
Kohl's Cares is the title sponsor of JDRF's Southeastern Wisconsin annual Kohl's JDRF Walk to Cure Diabetes and its annual gala

Junior Achievement of Wisconsin
JA Programs in the JA Kohl's Education Center

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

Penfield Children's Center
Kohl's Building Blocks

Ronald McDonald House Charities Eastern Wisconsin
Kohl's Family Healing Services

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

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

Zoological Society of Milwaukee/Milwaukee County Zoo
Kohl's Wild Theater

PENFIELD CHILDREN'S CENTER / KOHL'S BUILDING BLOCKS

For more than 20 years, we have partnered with Penfield Children's Center, an organization whose sole purpose is to help infants and young children, with and without disabilities, reach their full potential through education, therapy services and family programs. To date, we have committed more than \$8 million to Penfield.

Kohl's Building Blocks gives children in need access to early educational and developmental programs, services and equipment. Programs and services include:

- Specialized and professional child development services from qualified professional staff with specific attention to children with behavioral disorders, victims of abuse and neglect, and those with significant disabilities.
- Access to the Kohl's Child Development Library at the Center, providing specialized equipment, age-appropriate books and other early childhood development and educational materials available on a check-out basis for in-home use.
- Kohl's Early Learning Toolkit, which is provided to children and families upon enrollment in the program. Each toolkit contains age-appropriate toys and books that stimulate and encourage continuous development at home.
- Kohl's Building Blocks workshops, aimed at helping youth, parents and professionals expand their knowledge regarding child development and promoting acceptance of children with special needs.
- Kohl's Building Blocks website, an online community that provides information about child development, with a particular emphasis on children with special needs — penfieldbuildingblocks.org.

JUNIOR ACHIEVEMENT OF WISCONSIN /
JA PROGRAMS IN THE JA KOHL'S EDUCATION CENTER

Junior Achievement of Wisconsin gives young people the knowledge and skills they need to own their economic successes, plan for their futures and make smart academic and economic choices. Since 2010, we've shared in this same vision of giving local children a brighter future. To date, we have committed more than \$4.6 million to Junior Achievement of Wisconsin.

The JA Programs consist of the following two initiatives that take place in the JA Kohl's Education Center:

JA BizTown (grades 4-6)
An economic/workforce readiness program that allows students to run a "real" city economy as the workers, consumers and government officials.

JA Finance Park (grades 7-12)
A financial literacy program where students complete personal finance transactions and create long-term financial plans.

KOHL'S CARES FIELD TRIP GRANT PROGRAM

In 2013, through the Kohl's Cares Field Trip Grant Program, we supported local youth by providing \$750,000 in field trip grants to Milwaukee-area schools. With a grant, eligible schools could visit one of our partner organizations: Betty Brinn Children's Museum, Discovery World, Junior Achievement of Wisconsin, the Milwaukee Art Museum or the Milwaukee County Zoo.



COMMITTED TO THE CAUSE



In 2013, approximately 4,490 women in Wisconsin heard the words, “You have breast cancer.” And for every diagnosis, there is a family who hopes for a cure. In Wisconsin, through our cause merchandise program and partnerships with notable breast health organizations, the Southeast Wisconsin Affiliate of Susan G. Komen® and the American Cancer Society, we continue to raise awareness and educate families about the importance of regular screenings and prevention.

SUPPORTING WOMEN’S HEALTH

Since 2010, we donated more than \$8.9 million to the fight against breast cancer, including \$1.2 million funded through Kohl's Cares, the company's philanthropic platform.

AMERICAN CANCER SOCIETY

The Kohl's Breast Health for Women program focuses on keeping women healthy, reducing their risk of getting breast cancer, providing access to breast cancer screenings and supporting women diagnosed with breast cancer to make informed decisions about their care and address barriers to treatment. Program components include online tools, community health workers, transportation and lodging assistance.

We were also the exclusive presenting sponsor of the Milwaukee Making Strides Against Breast Cancer walk and flagship sponsor for Fox Valley, Green Bay and Eau Claire walks. In 2013, we had the largest corporate team, with more than 2,200 Associates, friends and family members at the local Milwaukee walk.

SOUTHEAST WISCONSIN AFFILIATE OF SUSAN G. KOMEN®

Our partnership includes programs focused on increased education, driving awareness and encouraging women to take action for their breast health. Kohl's Conversations for the Cure is a grassroots-based education program aimed at increasing breast health screenings for women in Southeast Wisconsin.

Kohl's Southeast Wisconsin Breast Health Assistance Fund provides financial support to women who need breast health screenings or access to treatment.

We were the exclusive presenting sponsor of the Southeast Wisconsin Race for the Cure event. In 2013 we had the largest corporate team at any Race for the Cure event in the state of Wisconsin, with more than 6,000 Associates, friends and family members.

BREAST CANCER CAUSE MERCHANDISE

In 2010, we launched exclusive lines of breast cancer cause merchandise featuring brands like: Simply Vera Vera Wang, Jennifer Lopez and Candie's. This merchandise is available at our Wisconsin stores and online, and 100 percent of the net profit will be donated to support the fight against breast cancer.



ASSOCIATES IN ACTION



We have a commitment to give back in a way that is meaningful for our Associates and communities. Through Kohl's Associates in Action (AiA) program, Kohl's encourages Associates to show their community support by participating in various volunteer activities with qualifying 501(c)(3) nonprofit organizations that benefit youth ages birth to 18 years in communities nationwide.



ASSOCIATES IN ACTION BY THE NUMBERS

SINCE 2001, MORE THAN:	IN 2013, MORE THAN:
143,000 EVENTS	28,800 EVENTS
834,000 ASSOCIATE VOLUNTEERS	165,000 ASSOCIATE VOLUNTEERS
2.7 MILLION HOURS VOLUNTEERED	496,000 HOURS VOLUNTEERED
\$79 MILLION IN GRANTS DONATED	\$15.8 MILLION IN GRANTS DONATED

FEATURED AIA EVENT: KOHL'S NATIONAL GO GREEN INITIATIVE

The Associates in Action National Go Green (NGG) Initiative celebrates National Volunteer Week and Earth Day by encouraging Associates to volunteer their time in environmentally based activities with youth-serving nonprofit organizations. Every spring, Associates join forces to give back and go green in communities across the country.

Since the first NGG in 2010, Kohl's has donated more than \$8.5 million through nearly 143,000 volunteer hours at more than 5,500 events including more than 44,700 Associates.

A photograph of four children, two girls and two boys, smiling and looking up at the camera. They are wearing colorful clothing, and the background is a clear blue sky.

DISASTER RELIEF

When a major disaster occurs, we are committed to easing the hardship for our Associates and customers in the communities we serve. By making charitable donations to the American Red Cross, we help deliver much-needed emergency assistance throughout affected areas. During 2013, we supported relief efforts for disasters such as a tornado in Moore, Okla., flooding in Colorado and Typhoon Haiyan in the Philippines. In addition to financial contributions, we also encourage our Associates to volunteer in cleanup efforts through our Associates in Action program. In recognition of volunteer hours, we donate corporate grants to the nonprofit organizations being supported by our Associates.

Since 2001: More than \$6 million donated

In 2013: \$450,000 donated