

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Kohl's Corporation (Kohl's) was organized in 1988 and is a Wisconsin corporation. Kohl's operates a nationwide footprint of more than 1,100 off-mall stores and an e-commerce platform (Kohls.com). Kohl's brand portfolio includes exclusive national and private brands. Kohl's sells moderately priced active and casual apparel, footwear, accessories, beauty, and home products. As part of the company's long-term strategy, Kohl's is building a \$2 billion beauty business with Sephora.

Kohl's business is built on a strong foundation of more than 65 million customers. Kohl's is uniquely positioned to deliver against its stated vision: to be the most trusted retailer of choice for the active and casual lifestyle. To support this vision, the company designed a strategy to drive top line growth by: becoming a destination for active, casual and beauty for the entire family with an unmatched brand portfolio; creating industry-leading, best-in class loyalty/rewards and Kohl's charge card programs; delivering a differentiated omnichannel experience with our large and growing digital business on Kohls.com and the Kohl's mobile app that is easy and inviting, no matter how our customers want to shop.

ESG stewardship is a key component of the company's strategy and vision and these efforts guide how the business works with its partners, considers the environment, and impacts the lives of its associates, customers, and the community. We are committed to monitoring and reporting our ESG performance and progress, both on our website and in our annual reporting. We proudly released our third ESG Report in 2022, providing comprehensive updates on achievements and progress in key areas including global climate and sustainability initiatives, energy and carbon, responsible sourcing, philanthropy, and business continuity.

Our Nominating and ESG Committee of Kohl's Board of Directors actively oversees and receives regular updates on our ESG initiatives to understand both risks and growth opportunities, as well as progress made against the company's goals. Our Risk Reduction Committee has climate-related responsibilities, including assessing and managing risks and opportunities, and reports to the full Board on priority risks. The Committee's input on climate-related issues provides key support to the Board. The Risk Reduction Committee includes major C-suite officers for Kohl's: Chief Financial Officer, Chief Technology Officer, Chief Legal Officer, and Chief People Officer. The Chief Risk & Compliance Officer is the chair of the Risk Reduction Committee and reports directly to the Chief Operations Officer.

Kohl's demonstrated support for action on climate change and for The Paris Agreement by signing the American Business Act Pledge on Climate Change in 2015. By investing in renewables and LED lighting and LEED designs, creating sustainable business practices, and offering low-carbon transportation options, Kohl's is focused on reducing emissions. Since 2007, Kohl's has set emission goals through CDP reporting and in 2019 the company announced its sustainability goals publicly. In July 2021, Kohl's strengthened its climate leadership by joining the Science Based Targets initiative (SBTi), we will work with SBTi to set our new targets. Through SBTi, Kohl's has committed to align our GHG reduction targets with climate science and the core commitment of the Paris Agreement. In March 2022, at Kohl's Investor meeting, we made a commitment towards reaching Net Zero by 2050.

Although we have taken many steps on our journey of climate risk mitigation, we are working to better understand how to most efficiently implement more resilient business strategies. As part of Kohl's plans, in 2021, we were one of the first companies to join the U.S. DOE Better Climate Challenge, strengthening our commitment to reduce our GHG emissions, in addition to releasing our second TCFD Disclosure outlining how Kohl's manages climate-related risks into the overall risk management strategy. Our strategy and reporting is guided by frameworks such as industry recognized standards and frameworks including the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD), United Nations Sustainable Development Goals (SDG) and the CDP Climate Disclosures.

Kohl's has been recognized with numerous awards demonstrating our commitment and significant progress implementing our ESG initiatives including: DJSI North America, Ethisphere Institute World's Most Ethical Companies, Barron's Top 100 Most Sustainable U.S. companies, S&P Global's Sustainability Yearbook, EPA WasteWise Regional Award, EPA WasteWise National Award, EPA Smartway High Performer, EPA Smartway Excellence Award, EPA ENERGY STAR Partner & Sustained Excellence Award, Energy Star Executive Member of Certification Nation, EPA Green Power Top 30, Better Building Challenge Achiever, and Top 25 Corporate Users by Solar Energy Industries Association® (SEIA).

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1 2022

End date

December 31 2022

Indicate if you are providing emissions data for past reporting years

Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for

Not providing past emissions data for Scope 1

Select the number of past reporting years you will be providing Scope 2 emissions data for

Not providing past emissions data for Scope 2

Select the number of past reporting years you will be providing Scope 3 emissions data for

1 year

C0.3

(C0.3) Select the countries/areas in which you operate.

United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	US5002551043

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Chief Executive Officer (CEO)	<p>As part of the Board, our CEO works with the Risk Reduction Committee and our individual members to address and mitigate risks. Beginning in 2020, we established criteria within our CEO's performance evaluation objectives that are tied to our environmental performance, including promoting an effective sustainability agenda.</p> <p>At the direction of the CEO, Kohl's released the company's 2022 Environmental, Social, and Governance (ESG) report, providing comprehensive updates on achievements and progress in key areas including energy and carbon, workplace, diversity and inclusion, philanthropy, supply chain, and business continuity. We aim to continue publishing ESG report annually.</p> <p>One example of a climate-related decision made by our CEO within the last two years was during our March 2022 investor meeting, when our CEO formally committed Kohl's to a net zero target by 2050 .</p> <p>Also, at the direction of the Board, Kohl's formally changed its Board Nominating and Governance Committee to the Nominating and ESG Committee in 2021. The Nominating and ESG Committee is responsible for direct oversight, input, and governance over climate-related issues and reviews such progress on a quarterly basis.</p> <p>The Chief Risk and Compliance Officer (CRCO), who reports directly to the COO, has ultimate responsibility for overseeing our climate strategy. As part of the Risk Reduction Committee (RRC), the CRCO is responsible for assessing and managing climate risks and opportunities. The RRC has climate-related responsibilities, including assessing and managing risks and opportunities, and reports to the full Board annually on priority risks. The Committee's input on climate-related issues provides key support to the Board and our CEO, ensuring that climate risks are incorporated into our larger business strategy/operations, w/ needed flexibility to react quickly to address/manage current/emerging risks.</p>
Board-level committee	<p>Board oversight of our climate-related issues is essential to sustain the long-term interests of all stakeholders. In 2021, Kohl's updated our Nominating and Governance Committee to address the board's oversight responsibilities related to the management and performance of climate-related issues. In addition to changing the committee's name to Nominating and ESG Committee, corresponding updates to the committee charter were also made. The Nominating and ESG Committee reviews progress on addressing climate-related issues on a quarterly basis, and the full Board of Directors reviews our progress on addressing climate-related risks at least annually.</p>

C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	<p>Overseeing major capital expenditures</p> <p>Overseeing acquisitions, mergers, and divestitures</p> <p>Overseeing and guiding employee incentives</p> <p>Reviewing and guiding strategy</p> <p>Reviewing and guiding the risk management process</p> <p>Other, please specify (Reviewing and guiding major plans of action and risk management policies, overseeing major capital expenditures, acquisition and divestitures, monitoring and overseeing progress against goals and targets for addressing climate-related issues)</p>	<Not Applicable>	<p>To address the Board's oversight responsibilities related to climate-related issues, Kohl's changed our Nominating and Governance Committee to the Nominating and ESG Committee and updated the committee charter in 2021 . The Committee actively oversees our ESG initiatives to understand both risks and growth opportunities, as well as progress made against the company's goals. The Committee provides quarterly Board oversight of climate-related issues. The Committee reviews progress on climate-related issues on a quarterly basis, and the full Board reviews our progress on climate-related risks at least annually. Kohl's has been focused on climate/emissions for many years and amplified its commitment by making a 2050 net zero commitment in March 2022. Since this announcement, reducing our emissions has become a main focus for our Committee, which is developing a roadmap to achieve this commitment. Kohl's Board of Directors plays a vital role in shaping and supporting our long-term ESG strategies while addressing the Board's oversight responsibilities related to the management and performance of ESG issues, all of which is essential to sustain the long-term interest of all stakeholders.</p> <p>Our Risk Reduction Committee (RRC) allows for collaboration across key departments and includes members of the executive team including the CFO, CTO, CPO, CLO, and Chief Risk & Compliance Officer (CRCO). The RRC has climate-related responsibilities, including assessing and managing risks and opportunities. The RRC reports to the full Board annually on priority risks, reporting even more regularly to the CEO. The RRC also discusses priority risks with the Audit Committee. The RRC's input on climate-related issues provides key support to the Board and our CEO. Enabling all members of the Board to understand Kohl's overall risk profile & efforts being made to reduce/mitigate/eliminate each risk, as well as ensuring that climate risks are incorporated into our larger business strategy/operations, w/ needed flexibility to react quickly to address/manage current/emerging risks e.g. climate-related.</p> <p>Kohl's leverages a number of different means to monitor/manage risks, strategies & target progress. Kohl's has implemented a robust Environmental Management System (EMS). We also utilize Engie to record & maintain our energy use & GHG emissions that feeds into the ENERGYSTAR Portfolio Manager, to reduce human error associated with calculations, & streamline audit & subsequent ESG reporting processes. Data analytics is continuously evolving for Kohl's. Data provided by the ENERGY STAR Portfolio Manager allows Kohl's to easily identify energy saving opportunities. The team is alerted when a store's score is negatively trending & an investigation begins to determine the specific reason for the change in score. Once an issue is found, the team reviews to determine if & how the issue can be resolved.</p>

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	<p>We assessed our Board members competence on climate-related issues according to their participation in forums and or workgroups and demonstrating leadership to advance climate action. We are also looking at developing a questionnaire to assess board-member competence and identify areas where we can train our board members on competence on climate-related issues, based on TCFD best-practice guidance for Governance, as noted in the "Climate Governance Principles and Guiding Questions" section of this whitepaper from the World Economic Forum.</p> <p>Jonas Prising, ManpowerGroup's CEO and Chairman, is part of our Board of Directors. He plays a key role in championing ManpowerGroup's ESG (Environmental, Social, and Governance) strategy and is especially passionate about delivering on climate action. Prising is actively engaged with the CEO Alliance for Climate Leaders - The Alliance is an informal group facilitated by the World Economic Forum and is the largest community of CEOs in the world committed to climate action. He is also actively engaged with CEO Action Group for the European Green Deal - high-level platform for business leaders to support concrete plans and ideas to step up the game for climate positive action and demonstrate their commitment to the European Green Deal agenda. ManpowerGroup CEO Jonas Prising are among 70 global chief executives urging the G7 Summit and other world leaders to accelerate a transition to net-zero greenhouse gas emissions "to avoid the worst impacts of climate change." Prising has supported Kohl's Net Zero commitment and our ESG efforts.</p> <p>https://www.manpowergroup.com/about/leadership/executive-management/jonas-prising https://www.bizjournals.com/milwaukee/news/2021/06/11/manpowergroups-prising-johnson-controls-oliver.html https://investors.kohls.com/corporate-governance/board-of-directors/default.aspx</p>	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Chief Risks Officer (CRO)

Climate-related responsibilities of this position

- Managing annual budgets for climate mitigation activities
- Conducting climate-related scenario analysis
- Setting climate-related corporate targets
- Monitoring progress against climate-related corporate targets
- Managing public policy engagement that may impact the climate
- Managing value chain engagement on climate-related issues
- Assessing climate-related risks and opportunities
- Managing climate-related risks and opportunities

Coverage of responsibilities

<Not Applicable>

Reporting line

Operations - COO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

Identified climate-related risks and opportunities are within the overall purview and responsibility of our Chief Risk & Compliance Officer (CRO) who is Kohl's dedicated operational risks management personnel. Kohl's CRO is part of the Risk Reduction Committee (RRC) and reports directly to the COO and the Board. The CRO's knowledge of operational risks alongside the reporting structure (direct to COO), regular meetings within the RRC and with risk owners, makes this individual ideally placed to assess, manage and oversee Kohl's climate-related issues. The CRO also is responsible for reviewing and guiding risk management policies identifying climate-related issues. For climate-related risks, Kohl's has a dedicated Sustainability and Environmental Compliance Department reporting directly to the Director of Enterprise Risk Services & Internal Audit. The Senior Analyst for Sustainability & ESG has oversight & daily responsibility, including Kohl's sustainability strategy and proactive efforts to reduce energy, carbon & waste. Energy-related risks are overseen by the Energy Team that works closely with ESG, Property Development, and Facilities teams to tackle regulatory compliance, sustainability strategy and implementation, reductions, renewable energy opportunities & other environmental topics. These teams work together to develop energy use & GHG reduction targets & means to achieve targets. Risks deemed most material, such as climate-related risks, are discussed w/in the RRC on a quarterly basis. For other risks, reporting may be requested for any reason by the committee; this allows the RRC members to understand identification, management & mitigation strategies & allows the RRC to provide regular feedback & general direction to management. The CRO, along with Nominating and ESG Board Committee, then provides climate-related issues on a quarterly oversight, and the full Board reviews the progress on these risks at least annually in a reporting manner. Kohl's leverages a number of different means to monitor & manage our environmental footprint, risks, strategies & target progress. For example, Kohl's has implemented a robust EMS. We also use Engie to record & maintain our energy use & GHG emissions that feeds into the ENERGY STAR Portfolio Manager. We use this approach to reduce human error associated with calculations & streamline the records and receipts process for audit and environmental reporting purposes. Data analytics is continuously evolving for Kohl's. For example, relevant teams use an energy management system diagnostic tool, a proprietary web-based portal, to assist with analytics. Data provided by the ENERGY STAR Portfolio Manager allows Kohl's to easily identify energy saving opportunities. The team is alerted when a store's score is negatively trending & an investigation begins to determine the specific reason for the change in score. Once an issue is found, the team reviews to determine if & how the issue can be resolved.

Position or committee

Other committee, please specify (Nominating and ESG Committee)

Climate-related responsibilities of this position

- Monitoring progress against climate-related corporate targets
- Assessing climate-related risks and opportunities

Coverage of responsibilities

<Not Applicable>

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

The Nominating and ESG Committee of Kohl's Board of Directors actively oversees our ESG initiatives to understand both risks and growth opportunities, as well as progress made against the company's goals. The Nominating and ESG Committee receives regular updates on ESG topics from management and provides reports to the full Board of Directors.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Kohl's incentive plans provide eligible executives, including the CEO, with financial incentives that encourages them to perform in a manner which will enable Kohl's to meet or exceed our financial plans each fiscal year. The Compensation Committee directly ties the amount of such awards to various financial performance levels, providing incentives to our executives to maximize long-term shareholder value; however, amounts awarded are also linked to driving environmental efficiencies and social sustainability initiatives that help mitigate risks. Our executive's salaries, short-term (annual) and long-term incentives are measured for performance, which includes driving revenues and operational efficiencies—which take the form of energy reduction activities and projects.

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**Entitled to incentive**

Chief Executive Officer (CEO)

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)Energy efficiency improvement
Reduction in total energy consumption**Incentive plan(s) this incentive is linked to**

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

Kohl's incentive plans provide eligible executives, including the CEO, with financial incentives that encourages them to perform in a manner which will enable Kohl's to meet or exceed our financial plans each fiscal year. The Compensation Committee directly ties the amount of such awards to various financial performance levels, providing incentives to our executives to maximize long-term shareholder value; however, amounts awarded are also linked to driving environmental efficiencies and social sustainability initiatives that help mitigate risks. Our executive's salaries, short-term (annual) and long-term incentives are measured for performance, which includes driving revenues and operational efficiencies—which take the form of energy reduction activities and projects.

This incentive includes a bonus as a % of the CEO's salary / a salary increase linked to both short-term and long-term incentive plans and tied to the performance indicators "Energy efficiency improvement" and "Reduction in total energy consumption."

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

If we are not successful in managing and mitigating climate-related risks (including regulations, energy and other environmental costs, consumer spending, etc.), they could have a negative impact on our sales, gross margin, expenses, and/or operating results. These risks, along with incentive plans, are described in our 10-K (<http://corporate.kohls.com/investors/financial-information>), and indicate links to our sales, gross margin, expenses and operating results.

Our incentive plans provide eligible executives, including the CEO, with a financial incentive that encourages them to perform in a manner which enables our organization to meet or exceed our financial plans each fiscal year through increasing revenues (increasing foot traffic) and reducing costs (operational efficiencies). These incentives include a short-term incentive (annual incentive), and a long-term incentive, which are evaluated on various performance criteria, including managerial aspects that extend into operational efficiencies such as programs to reduce energy consumption and energy cost efficiency.

For example, in 2022, we completed 119 LED retrofits, which will save more than 20 million kilowatt-hours (kWh) per year. In our ongoing commitment to energy efficiency, Kohl's is ramping up deployment of LED lighting across our fleet. By the end of 2025, we will have LED lighting installed at all of our properties. To date, 70% of our stores have received LED retrofits across the majority of their floor plans. Additionally, 51 stores received an HVAC system replacement for optimum efficiency. Kohl's continues to expand our renewable energy platform and in 2022 Kohl's had 163 solar locations. This performance was assessed as part of our CEO's annual incentive plan.

The Compensation Committee directly ties the amount of such awards to various financial performance levels, providing incentives to our executives to maximize long-term shareholder value; however, the amount awarded is also linked to each individual's success in driving environmental efficiencies and social sustainability initiatives, which work to help mitigate risks. For example, a reduction in operational energy use is linked to our operational performance and cost reduction efforts.

Entitled to incentive

Business unit manager

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)Energy efficiency improvement
Reduction in total energy consumption**Incentive plan(s) this incentive is linked to**

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

Kohl's incentive plans provide eligible executives, including the CEO, with financial incentives that encourages them to perform in a manner which will enable Kohl's to meet or exceed our financial plans each fiscal year. The Compensation Committee directly ties the amount of such awards to various financial performance levels, providing incentives to our executives to maximize long-term shareholder value; however, amounts awarded are also linked to driving environmental efficiencies and social sustainability initiatives that help mitigate risks. Our executive's salaries, short-term (annual) and long-term incentives are measured for performance, which includes driving revenues and operational efficiencies—which take the form of energy reduction activities and projects.

This incentive includes a bonus as a % of the Business Unit Manager's salary / a salary increase linked to both short-term and long-term incentive plans and tied to the performance indicators "Energy efficiency improvement" and "Reduction in total energy consumption."

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Kohl's annual incentive plan, in which all leadership levels participate, is based on overall company financial performance which includes, but is not limited to operational efficiencies; e.g. reduced energy costs, an increase of solar, wind, recycling and other operational and material controls that result in resource conservation and footprint reduction while at the same time enhancing shareholder value.

For example, in 2022, we implemented efficiency measures including LED lighting retrofits and upgrades to HVAC systems. We completed 119 LED retrofits, which will save more than 20 million kilowatt-hours (kWh) per year.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	2	
Medium-term	2	5	
Long-term	5	20	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Kohls defines substantive financial or strategic impact on our business when identifying or assessing climate related-risk or opportunity as any climate-related activity that may impact earnings per share (EPS) by more than one cent USD, which is our quantifiable indicator. In terms of assessing when a climate related opportunity or risk is substantive, we look at potential impacts (whether positive or negative-opportunities or risks) that can affect our operational cost and efficiency (e.g., store closures, energy costs, potential regulations, disruption of raw good availability, interruption of business continuity to our supply chain operations in water-scarce regions, etc). As part of our assessment, we also look at Kohl's reputation and use a third party who provides quarterly analysis focused on Kohl's ESG perception/reputation and reputation ranks in this sector. Their proprietary reputation, brand, ESG, and media impact tracking platform provides crucial insight into what our stakeholders think, feel, and say, so we can build a strong reputation and Reputation Score.

We integrate climate-related issues into our annual risk assessments, ensuring that climate risks are incorporated into our overall business strategy, providing flexibility to react quickly to address and manage current or emerging risks. Climate-related risks and opportunities are identified via Executives' knowledge and through known industry-specific risks, monitoring the regulatory environment, macro as well as brand and reputation considerations. The Chief Risk and Compliance Officer (CRCO) has ultimate responsibility for overseeing our climate strategy. As part of the Risk Reduction Committee (RRC), the CRCO is responsible for assessing and managing climate risks and opportunities. The RRC owns our robust Enterprise Risk Management (ERM) program which is designed to prioritize and monitor progress in managing potential impacts of regulatory, operational, financial, and reputational risks across the organization, including climate-related risks and opportunities. The RRC reports to the full Board on priority risks at least annually, but more reporting may be requested for any reason by any Board member. Kohl's ERM program strives to balance the intensity of a risk vs the scope of impact when determining the significance and magnitude of impact. The ERM prioritizes them by type of causal issues and a separate assessment of potential cost of impact/magnitude as well as increased foot-traffic/earnings. These risks are then prioritized using a 2-tiered system based upon the potential financial and reputational damage associated with each risk. Kohl's considers environmental and climate-related risks to be Tier 1 - Tier 1 is Customer Traffic & Operational Excellence. Operational Excellence includes building performance (e.g., GHG & energy) & supply chain/business continuity, both linked to climate. The ERM establishes a procedure and protocol for any financially material risks - over the current to long-term (10 years). Action plans to mitigate risks are developed and deployed via individual risk owners who report to the CRCO at least quarterly. Risk reports are created by the appropriate risk owner to enable the full Board to understand identification, management, and mitigation strategies, and to allow them to provide regular feedback/direction of the ERM/key risks as they emerge to the RRC/CRCO/responsible owners.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Kohls defines substantive financial or strategic impact on our business as any activity that may impact earnings per share (EPS) by more than one cent USD. Kohl's considers short- (0 -2 years), medium- (2-5 years), and long-term (5-20 years), focused on ten-year risks. We leverage a number of different means to monitor and manage our environmental risks, strategies and target progress. We integrate climate-related issues into our annual risk assessments, ensuring that climate risks are incorporated into our overall business strategy, providing flexibility to react quickly to address and manage current or emerging risks. Climate-related risks and opportunities are identified via Executives' knowledge and through known industry-specific risks, monitoring the regulatory environment, macro as well as brand and reputation considerations. The Chief Risk and Compliance Officer (CRCO) has ultimate responsibility for overseeing our climate strategy. As part of the Risk Reduction Committee (RRC), the CRCO is responsible for assessing and managing climate risks and opportunities. The RRC owns our robust Enterprise Risk Management (ERM) program which is designed to prioritize and monitor progress in managing potential impacts of regulatory, operational, financial and reputational risks across the organization, including climate-related risks and opportunities. The RRC reports to the full Board on priority risks at least annually , but more reporting may be requested for any reason

by any Board member. Kohl's ERM program strives to balance the intensity of a risk vs the scope of impact when determining the significance and magnitude of impact. The ERM prioritizes them by type of causal issues and a separate assessment of potential cost of impact/magnitude as well as increased foot-traffic/earnings. These risks are then prioritized using a 2-tiered system based upon the potential financial and reputational damage associated with each risk. Kohl's considers environmental and climate-related risks to be Tier 1 - Tier 1 is Customer Traffic & Operational Excellence. Operational Excellence includes building performance (e.g., GHG & energy) & supply chain/business continuity, both linked to climate. The ERM establishes a procedure and protocol for any financially material risks - over the current to long-term (10 years). Action plans to mitigate risks are developed and deployed via individual risk owners who report to the CRCO at least quarterly. Risk reports are created by the appropriate risk owner to enable the full Board to understand identification, management, and mitigation strategies, and to allow them to provide regular feedback/direction of the ERM/key risks as they emerge to the RRC/CRCO/responsible owners. Our ERM is coupled with tools to ensure that our direct risks are fully addressed, such as our Environmental Management System (EMS) and use of the ENERGYSTAR Portfolio Manager. Kohl's recognizes that climate risks may be impacted differently across different regions of the world and within the US. Kohl's direct operations are limited to the US, but we purchase products, including private label brands, from suppliers and vendors globally (e.g., Asia, Europe, South America). Our upstream impacts are linked mostly to our suppliers that often operate outside the US.

DIRECT OPERATIONS

Management of energy and GHG footprint (operational efficiency) is relevant when it comes to transitional risks for a low-carbon economy. Our company leverages different means to monitor/manage our environmental footprint, risks, strategies & target progress. As a case study, Kohl's has implemented a robust EMS through 3rd-party consultancy, Arcadis. Situation: Account for EHS information and monitor climate related issues and severe weather events at store locations. Task: Develop a system that provides data collection and management tools to track EHS metrics, logistics, regulatory compliance and consistency between stores. Action: Develop a system with Arcadis and train relevant employees on how to complete and measure EMS tasks/data, and records are kept of data, visual inspections & online assessments. Results: Using the EMS, Kohl's employees can monitor/manage risks, strategies & target progress. For physical risks, Kohl's assesses risks from both the enterprise & asset-levels. For assets, we examine our store's location or facility location, building performance. Kohl's most valuable physical assets are our stores, e-commerce fulfillment centers, distribution centers & offices, and may be harmed by adverse & irregular weather patterns & impact our business continuity on online platforms. CASE STUDY: ENERGYSTAR Portfolio Manager; Situation: While we can be impacted from increases in indirect costs from increased HDD, our asset level risk assessments are particularly pronounced in our business continuity assessments as any multiple store closure can have adverse effects on our operational results. Task: Implement a system that would assist Kohl's tracking energy to minimize physical risks. Action: Kohl's implemented ENERGY STAR portfolio manager which allows Kohl's to easily identify energy saving opportunities. Result: The Energy Team is alerted when a store's ENERGYSTAR score negatively trends, which is also how we can document increases in HDD/CDD (climate-related chronic physical risk). An investigation determines the specific reason for the change and once identified will determine how the issue can be resolved and prevented. At enterprise and asset-levels, Kohl's uses the ENERGYSTAR Portfolio Manager for our energy reduction program, including yearly trends, analyzing locations that are eligible for ENERGY STAR certification, reviewing stores by performance to determine regional outliers, and determining which stores are trending lower than expected energy use. As of 2022, 94% of our stores are ENERGY STAR® certified, including nine stores newly certified in the calendar year. Commercial buildings that have earned the ENERGYSTAR label use, on average, 35% less energy than similar buildings and generate one-third less carbon dioxide. Additionally, ENERGYSTAR-rated equipment and appliances like refrigerators, copy machines, televisions, and computers, are used to help reduce energy consumption and affect our carbon footprint. We continue to address this through improving our HVAC systems at 51 more stores. Kohl's has also been investing in solar programs. In 2022, an estimated 54,434 MWh of solar energy was used, resulting in 6%+ of the electricity used to power our business from renewable sources. Many of our rooftop solar stores get over 50% of their energy from solar. In CY2022 Kohl's is continuing development on 15 new rooftop solar arrays across Arizona and Illinois. These projects will increase Kohl's solar capacity by 10.4% (56.97 MW). Kohl's is also contracting to support the development of 23.4 MW of community solar projects across NY to be completed by the end of 2023.

Value chain stage(s) covered

Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

Kohl's defines substantive financial or strategic impact on our business as any activity that may impact earnings per share (EPS) by more than one cent USD. Kohl's considers short- (0 -2 years), medium- (2-5 years), and long-term (5-20 years, focused on ten-year) risks.

DOWNSTREAM

- Transitional risk and opportunity -To address transitional risk and create an opportunity for our company, Kohl's has implemented programs to address their energy and GHG footprint via our EV charging stations and broadly addresses the transitional risks and needed infrastructure in a low-carbon future.

A case study includes Kohl's Electric Vehicle charging stations expansion for additional customer convenience in support of sustainability goals. Situation: Provide opportunities to engage customers that value sustainability with Kohl's sustainability goals to make progress against including climate change and the transition to a low-carbon transportation system. Task: Provide EV charging stations to our customers so they can charge their EV while shopping at Kohl's. Action: Install 100 Volta electric vehicle charging stations across 92 Kohl's stores in 2021, 49 stations in 2022, and further expand access a total of 325 conveniently located EV charging stations at more than 169 Kohl's locations and our corporate office. Results : Customers will be able to access a total of 325 conveniently located EV charging stations at more than 169 Kohl's locations and Kohl's will have the opportunity of further increasing revenues, by attracting conscious-minded consumers.

- Physical: Climate-related risks can also cause physical damage to our properties/continuity. For physical risks, Kohl's assesses risks from both the enterprise & asset-levels. For assets, we examine our store's location or facility location, building performance. Our Business Continuity and Crisis Management teams develop and maintain SOPs ensuring business operations are seamlessly restored in a timely manner. Kohl's most valuable physical assets are our stores, e-commerce fulfillment centers, distribution centers & offices, and may be harmed by adverse & irregular weather patterns & impact our business continuity on online platforms. While we can be impacted from increases in indirect costs from increased HDD, our asset level risk assessments are particularly pronounced in our business continuity assessments as any multiple store closure can have adverse effects on our operational results.

- Physical: Hurricanes remain a physical climate risk to Kohl's, as well as drought conditions that leads to wildfires.

A case study includes Kohl's emergency SOPs to keep our staff & customers safe. Situation: The 2021 Atlantic hurricane season was very active. Among the most impactful hurricanes to Kohl's was Hurricane Ida which made landfall in Louisiana in August. The remnants from Ida produced historic flash flooding in the northeast part of the country which impacted 12 Kohl's Stores between PA, NY and NJ. Task: Develop and deploy an emergency SOPs to keep our staff & customers safe. Action: Develop an SOP for emergency scenarios and train our associates on Emergency Preparedness. Results: Improved store preparedness, improving staff and customer safety.

Value chain stage(s) covered

Upstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Kohl's defines substantive financial or strategic impact on our business as any activity that may impact earnings per share (EPS) by more than one cent USD. Kohl's considers short- (0 -2 years), medium- (2-5 years), and long-term (5-20 years, focused on ten-year) risks.

UPSTREAM

● **Physical:** The bulk of our upstream risks and opportunities lies with our supply chain (Tier 1 and indirect) and related logistics, both of which are evaluated for ESG factors and issues, including climate-related risks and opportunities. Supply chain is considered a Tier 1 risk for Kohl's, which may be particularly impacted by climate-related physical risks, such as disruption of raw good availability, to interruption of business continuity to our supply chain operations in water-scarce regions, particularly in the short- to mid-term.

In terms of physical risks, a case study includes Kohl's emergency SOPs to keep our staff & customers safe. Situation: Supply chain is considered a Tier 1 risk for Kohl's, which may be particularly impacted by climate-related physical risks, such as disruption of raw good availability, to interruption of business continuity to our supply chain operations in water-scarce regions, particularly in the short- to mid-term. Task: Diversify its raw goods sourcing to ensure that there are reduced disruptions of raw goods availability. Action: Use environmentally-friendly raw goods and sustainable suppliers and develop a series of mid-term targets. Results: Kohl's set a goal to source 100% of our proprietary brand cotton from sustainable sources by 2025 . In 2022, 87% of our proprietary brand cotton was sourced from sustainable sources. We expect that sustainable cotton will be more resilient to physical risks, but also more appealing to the growing consumer subset aware and proactive to purchase from brands and retailers that are legitimately addressing climate-related risks. Similarly, Kohl's is also looking to improve sourcing of polyester for our proprietary brands from recycled materials (50% by 2025) which reduces our upstream environmental footprint and diversifies raw goods inputs, thereby mitigating physical impacts to raw goods/extraction. In 2022, 23% of our proprietary brand polyester styles contain recycled polyester. Finally, Kohl's is requiring all approved facilities, both domestic and international, producing Kohl's private and exclusive-branded products to complete the Higg Index Environmental Module by 2025, with 89% of Tier 1 and 60% of Tier 2 and beyond completing the questionnaire as of 2022. The Higg FEM assesses energy use, greenhouse gas and air emissions, water use, wastewater, waste management, environmental management systems and chemical management.

● **Transitional:** Kohl's has taken measures to curb environmental impacts and address potential transitional risks through participation in programs.

A Case study includes Kohl's carriers participation in the Smart Freight Centre (SFC) (previously known as BSR's Clean Cargo working group) and EPA's SmartWay® membership. Both sought after and encouraged for all vendors. Situation: Measure curb environmental impacts and address potential transitional risks through participation in SFC and EPA's SmartWay. Task: Identify ways to help Kohl's and its carriers in potential transitional related risks such as international legislation related to carbon tax/cap and trade that may eventually impact our supply chain logistics and related costs. Our transportation data is constantly analyzed to uncover heightened efficiencies while reporting back to the EPA. SmartWay® tools are used to measure our emissions footprint and find ways to reduce fuel costs Action: Have Kohl's carriers join the SFC and EPA's SmartWay membership. Result: In 2022, 100% of our domestic miles were with SmartWay® members. More than 97% of Kohl's cargo travels on a Clean Cargo/SFC ship and the consortium provides up-to-date emissions data in order to gain deeper understanding of Kohl's supply chain footprint.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>Kohl's risks and opportunities are identified in the ERM, which is overseen by the Risk Reduction Committee (RRC), who monitors and assesses short/medium/long-term risk. Daily responsibility over specific risks are delegated to individual risk owners. Climate-related risks and opportunities are managed by several departments including Finance, Energy, and Environmental Sustainability & Compliance (ESC). Risk owners develop action plans to leverage and mitigate opportunities and risks. Climate risk is discussed with senior leadership at least quarterly.</p> <p>Kohl's operational footprint is limited to the United States. Carbon tax mechanisms, if imposed, are seen as a potentially financially material impact to revenue, operational costs, and competitive position; however, currently there is no federal, state or local legislation that imposes carbon taxation materially affecting Kohl's net earnings or competitive position. Kohl's notes, however, in the United States several states participate in cap-and-trade programs which may indirectly impact Kohl's (e.g. energy price increase). For example, the Regional Greenhouse Gas Initiative (RGGI), operates in nine states in the Mid-Atlantic/Northeast (CT, DE, ME, MD, MA, NH, NJ, NY, PA, RI, VT, VA)), and California implemented its own cap-and-trade program in 2013. These cap-and-trade programs indirectly impact Kohl's purchase of electricity operations in 323 stores, 3 corporate buildings and 6 distribution centers, leading to increases in operational costs or increased capital expenditures required to reduce Kohl's carbon footprint.</p> <p>If a risk owner, the RRC, and/or the Chief Risk & Compliance Officer (CRCO) determines an activity would exceed Kohl's definition of substantive financial impact, that is, any activity that may impact EPS by more than one cent USD, the risk owner would inform the CRCO who would ensure its inclusion in the enterprise-wide ERM program. The RRC would also communicate this material risk or opportunity efficiently to the Board.</p>
Emerging regulation	Relevant, always included	<p>Kohl's risks & opportunities are identified in the ERM, which is overseen by the Risk Reduction Committee (RRC) monitoring and assessing short/medium/long-term risk. Daily responsibility over specific risks are delegated to individual risk owners. Climate-related risks & opportunities are managed by several departments including Finance, Energy, and ESC. Risk owners develop action plans to leverage & mitigate opportunities & risks. Climate risk is discussed with senior leadership at least quarterly.</p> <p>Kohl's operational footprint is limited to the US. Carbon tax mechanisms, used to limit & reduce greenhouse gas emissions, are seen as a potentially financially material impact to revenue, operational costs, and competitive position. They are viewed by Kohl's as potential emerging regulation risks, which Kohl's monitors through Legal, ESC, & Investor Relations Teams; Kohl's memberships with leading trade associations (e.g. Retail Industry Leaders Associations); various non-profits; & use of expert consultancy groups. Kohl's purchases electricity & natural gas from US energy suppliers to support operations at 1,100+ locations in 49 states. Introducing a carbon tax, which seeks to reduce fossil fuels use in electricity generation, could result in increased operating costs & would be a potential expense risk.</p> <p>To better understand possible impacts of a carbon price, Kohl's estimated financial implications using the Network for Greening the Financial System's (NGFS) REMIND-MAgPIE scenarios for Delayed Transition & Nationally Determined Contributions. To forecast Kohl's future emissions, analyses assumed a 1% year-over-year growth of Scope 1+2 emissions, no acquisitions or divestments, and no grid greening. Both scenarios start in 2022 with Scope1+2 emissions of 404,609 tons-CO2e. Both scenarios assume a 2022 carbon price of \$20/ton-CO2e. The two scenarios diverge in price in 2024 with a \$19/ton-CO2e for Delayed Transition and \$80/ton-CO2e for NDCs.</p> <p>Cap/trade programs, used as a legislated tool to curb carbon emissions, are active in several states. Emerging regulation would impact a further 31 stores & 1 distribution center if these programs are not successfully managed by utilities in a cost-effective manner. If an activity exceed any activity that may impact EPS by more than 1 cent, the risk owner would inform the CRCO/RRC who would ensure its inclusion in the enterprise-wide ERM program. The RRC would communicate this material risk or opportunity to the Board.</p>
Technology	Not relevant, explanation provided	<p>Kohl's risks and opportunities are identified in the ERM, which is overseen by the Risk Reduction Committee (RRC) / Chief Risk & Compliance Officer (CRCO) who monitor and assess enterprise-wide short, medium, and long-term risk. Daily responsibility over specific risks are delegated to individual risk owners. Climate-related risks and opportunities are managed by several departments including Finance, Energy, and Environmental Compliance & Sustainability. Risk owners develop action plans to leverage and mitigate opportunities and risks. Risks are communicated by the RRC to the overall Board on a regular basis.</p> <p>This risk is deemed not relevant to Kohl's because we do not develop or produce technology that supports a lower-carbon or more resource efficient economy. Kohl's purchases (for our own usage) and sells related technologies to customers that could be impacted by this risk; however, it is not deemed financially material, meaning it does not impact EPS by more than one cent USD.</p>
Legal	Not relevant, included	<p>Kohl's risks and opportunities are identified in the ERM, which is overseen by the Risk Reduction Committee (RRC) / Chief Risk & Compliance Officer (CRCO) who monitor and assess enterprise-wide short, medium, and long-term risk. Daily responsibility over specific risks are delegated to individual risk owners. Climate-related risks and opportunities are managed by several departments including Finance, Energy, and ESG. Risk owners develop action plans to leverage and mitigate opportunities and risks. Climate risk is discussed with senior leadership at least quarterly. This risk is not relevant to Kohl's because no legal risks associated with climate-related litigation claims have been identified. The chance of Kohl's being litigated with legal action for climate-related damages is extremely low; therefore, this is not a financially material risk, meaning it does not impact EPS by more than one cent USD.</p>

	Relevance & inclusion	Please explain
Market	Relevant, always included	<p>ERM, overseen by the Risk Reduction Committee (RRC), monitors & assesses enterprise-wide short/medium/long-term risk/opps. Daily responsibility over specific risks (including climate-related risks) are delegated to individual risk owners. Risk owners develop action plans to leverage & mitigate risks/opps alongside the RRC.</p> <p>Driving customer traffic is key to growing/maintaining sales metrics & is one of Kohl's biggest priorities because it is a risk if we fail; Kohl's deployed an aggressive strategy on the market. When customers shop in-store they are immersed in Kohl's culture & brand and values. Climate issues may impact macroeconomic conditions e.g. consumer traffic/spending patterns. Kohl's monitors various factors, via the ERM, such as the price of merchandise, continuity of business delivery (e.g. logistics disruptions due to adverse weather conditions), raw materials (e.g. costs & availability), fuel, labor, & labor availability, both internally & along our supply chain, that could adversely affect consumer traffic & demand for the products we offer.</p> <p>Kohl's looks at climate issues synergistically with store/brand experience & consistency, including efforts to install lighting systems that are visually stimulating & energy/financially efficient. Finally, an example to reduce Scope 1 & 2 GHG footprints & help drive customer traffic is "rightsizing". Kohl's has integrated partnerships with organizations like Aldi & Planet Fitness to help create a one-stop shop retail experience that helps generate customer traffic. Kohl's has been operating a portion of stores differently through a standard to small initiative. While the footprint remains the same, these stores have been optimized with new interior layouts, becoming operationally efficient by balancing inventory & adjusting fixtures to enhance store profitability & improve customer experience.</p> <p>If a risk owner, the RRC, and / or the Chief Risk & Compliance Officer (CRCO) determines an activity would exceed the definition of substantive financial impact (activity that may impact EPS by more than one cent USD) the risk owner would inform the RRC for its inclusion in the enterprise-wide ERM program. The RRC would also communicate this material risk or opportunity efficiently to the Board.</p>
Reputation	Relevant, always included	<p>Kohl's risks and opportunities are identified in the ERM, which is overseen by the Risk Reduction Committee (RRC) / CRCO who monitor and assess enterprise-wide short, medium, and long-term risk. Daily responsibility over specific risks are delegated to individual risk owners. Climate-related risks and opportunities are managed by several departments including Finance, Energy, & ESC. Risk owners develop action plans to leverage and mitigate opportunities and risks alongside the RRC.</p> <p>ESG stewardship is a key component of our strategy and our vision: To be the most trusted retailer of choice for the active and casual lifestyle. We believe ESG stewardship is important to building a more-sustainable future for all and creating long-term shareholder value. As such, we utilize a third party to provides quarterly analysis focused on Kohl's ESG perception/reputation and provides a deep dive into how Kohl's reputation ranks in this sector. Their proprietary reputation, brand, ESG, and media impact tracking platform provides crucial insight into what our stakeholders think, feel, and say, so we can build a strong reputation and Reputation Score. An element of the survey focuses on measuring Kohl's ESG perceptions. ESG and Reputation both partially overlap and complement each other, where together they create a complete picture of the Stakeholder's impression of a Company. This ESG Score analyzes public perception of 17 individual factors, including considerations like environmental sustainability (climate-related), talent management, diversity, and ethical governance. ESG perceptions strongly drive Reputation with a high correlation of R2 = 0.86 and also impact Business Outcomes with high statistical correlation. For example, our third party found an R2 = 0.85 correlation between ESG perception score and the public's willingness to trust companies to do the right thing, and an R2 = 0.78 correlation between ESG perception score and Willingness to Buy a product or service from a company.</p> <p>If a risk owner, the RRC, and / or the Chief Risk & Compliance Officer (CRCO) determines an activity would exceed the definition of substantive financial impact, that is, any activity that may impact EPS by more than one cent USD, the risk owner would inform the CRCO/RRC who would ensure its inclusion in the enterprise-wide ERM program. The RRC would also communicate this material risk or opportunity efficiently to the Board.</p>
Acute physical	Relevant, always included	<p>Risk Reduction Committee (RRC) oversees the ERM that monitors/assesses short/medium/long-term risk. Daily responsibility over specific risks are delegated to individual risk owners. Climate-related risks/opps are managed by several departments e.g. Finance, Energy & ESG. Owners develop action plans to leverage & mitigate risk/opps, & this is discussed with senior leadership at least quarterly.</p> <p>Acute physical risks are relevant to Kohl's because climate-related increased severity of extreme weather may shift consumer shopping patterns, disrupt business continuity, product delivery, and have ramifications all the way up the supply chain, causing physical damage to properties & risking the safety of customers/associates. Kohl's assesses risks from an asset level standpoint related to store or facility location. Kohl's most valuable physical assets are our stores, e-commerce fulfillment centers, distribution centers & offices. These assets may be harmed by adverse & irregular weather patterns (snow/ice/rainstorms/floods/wildfires/hurricanes) may cause damage to properties. To mitigate this risk, Kohl's has a Business Continuity Team dedicated to developing emergency management plans & also maintains Emergency Standard Operation Procedures (SOP) that are part of the online annual training program for all Kohl's associates. Additionally, associates are provided information at the time of their hire & are encouraged to talk to their local leaders following the company-wide coursework. This ensures employees are equipped to respond to emergency situations appropriately including severe weather. In the event of an emergency, Kohl's notifies associates of a building evacuation, typically via text message and call. Associates are required to respond when they receive an emergency notification message to ensure Kohl's can account for all associates after an incident. This SOP system is implemented at all of Kohl's physical assets to ensure the safety of customers and employees & restore business activity once it is safe.</p> <p>If a risk owner, the RRC, and / or the Chief Risk & Compliance Officer (CRCO) determines an activity would exceed the definition of substantive financial impact, that is, any activity that may impact EPS by more than one cent USD, the risk owner would inform the CRCO who would ensure its inclusion in the enterprise-wide ERM program. The RRC would also communicate this material risk or opportunity efficiently to the Board.</p>
Chronic physical	Relevant, always included	<p>Chronic physical risks such as consistent extreme weather due to permanent changes to weather patterns are relevant to Kohl's because they can impact energy consumption. At the end of CY22 we achieved a total of 48.7% reduction in our scope 1 and 2 emissions based on a 2014 baseline. The Scope 1 increase was attributed to greater consumption of natural gas and propane due to an increase by 0.61% for Heating Degree Days (HDD), as compared to previous years. Energy consumption during 2022 was higher when compared to 2021, lower than a typical year since COVID-19 disruptions resulted in temporary building closures and reduced occupancy both years. Such trends are apparent across many of Kohl's competitors and may grow worse in the coming years, although the exact nature can be unpredictable. Kohl's is taking action to reduce these exposures, as they impact environmental and financial performances, by focusing on reduced energy use and by making modifications such as retrofits at Kohl's locations to reduce reliance on natural gas and propane to heat and cool facilities. We currently estimate that total energy spend is less than 1% of annual revenue and that what is spent both in terms of consumption of natural gas, propane and electricity, may increase without intervention. Kohl's has made efforts to reduce risks related to chronic physical incidents such as installation of more efficient HVAC. For example, last year Kohl's replaced HVAC units at 51 stores for maximum efficiency.</p>

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
---------------------	---------------------------

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Kohl's purchases electricity & natural gas from US energy suppliers to support operations at 1,100+ locations in 49 states. Introducing a carbon tax, which seeks to reduce fossil fuels use in electricity generation, could result in increased operating costs & would be a potential expense risk.

To better understand possible impacts of a carbon price, Kohl's estimated financial implications using the Network for Greening the Financial System's (NGFS) REMIND-MAGPIE scenarios for Delayed Transition & Nationally Determined Contributions. To forecast Kohl's future emissions, analyses assumed a 1% year-over-year growth of Scope 1+2 emissions, no acquisitions or divestments, and no grid greening. Both scenarios start in 2022 with Scope1+2 emissions of 404,609 tons-CO₂e. Both scenarios assume a 2022 carbon price of \$20/ton-CO₂e. The two scenarios diverge in price in 2024 with a \$19/ton-CO₂e for Delayed Transition and \$80/ton-CO₂e for NDCs. In both Delayed Transition and NDC scenarios, a \$20/ton-CO₂e carbon price was assumed for 2022. The prices diverged in 2024, with Delayed Transition at \$19/ton-CO₂e and NDCs at \$80/ton-CO₂e. However, by 2028-2030, rapid decarbonization efforts in Delayed Transition flipped the carbon price difference, rising significantly (1,260%) from \$17.78/ton-CO₂e in 2029 to \$241.77/ton-CO₂e in 2034. Meanwhile, NDCs saw a more modest increase of 0.9% from \$120.69/ton-CO₂e in 2029 to \$121.78/ton-CO₂e in 2034.

Kohl's evaluated its current mitigating activities through its two-tier enterprise risk management system, focusing on customer traffic, operational excellence (including GHG and energy performance), and supply chain continuity. If a carbon price were implemented, an action plan would be required, reporting to the Chief Risk & Compliance Officer (CRCO) as part of the Risk Reduction Committee (RRC). Kohl's also has 163 solar locations and aims to reduce energy consumption by 10% and GHG emissions by 50% (compared to a 2014 baseline) at its facilities by 2025. Costs from the potential carbon tax may be passed on to consumers through increased prices, but brand reputation would remain unaffected as other retailers would also face similar cost adjustments.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

8497584

Potential financial impact figure – maximum (currency)

60568521

Explanation of financial impact figure

Kohl's assumed that if a carbon tax was imposed, the company would be mostly affected through its scope 1+2 emissions, which represent emission generated in direct operations. Kohl's converted the company's total scope 1+2 (location-based) emissions from MTCO₂e to tons-CO₂e since NGFS scenario data is reported in tons-CO₂e (404,609 MTCO₂e x 1.10231 ton CO₂e / MTCO₂e = 446,005 tons-CO₂e). For this explanation, the time horizon 2029-2034 represents "Medium-term" and the assumed prices on carbon incorporate a 1% YOY organic growth rate.

The Delayed Transition scenario assumes a high variation in regional policy and delayed policy start when compared to the NDCs scenario. It also assumes that policy uncertainty leads to a higher investment premium that lasts for two years, 2030-2031. This uncertainty before 2030 is why the Delayed Transition scenario is appropriate to use for the minimum potential financial figure. For reference, the modelled price of carbon increases from \$17.78 / ton-CO₂e in 2029 to \$241.77 / ton-CO₂e by 2034. To determine the minimum potential financial impact figure, Kohl's multiplied the company's 2022 scope 1+2 (location-based) emissions by the Delayed Transition scenario's 2029 assumed price of carbon, which yielded \$8,497,584. (446,005 tons-CO₂e x \$17.78 / ton-CO₂e = \$8,497,584)

The NDCs scenario assumes lower regional policy variation and more consistent federal-level policy implementation as the time horizon extends past 2030. Since this scenario models the consistent implementation of policy post-2030 after a period of uncertainty pre-2030, the NDC assumed 2034 price of carbon (\$135.80 / ton-CO₂e) was chosen to calculate the maximum potential financial impact figure. To determine the maximum potential financial impact figure, Kohl's multiplied the company's 2022 scope 1+2 (location-based) emissions by the Delayed Transition scenario's 2029 assumed price of carbon, which yielded \$60,568,521. (446,005 tons-CO₂e x \$135.80 / ton-CO₂e = \$60,568,521)

Cost of response to risk

2404162

Description of response and explanation of cost calculation

In order to minimize the risk, Kohl's has invested in solar and wind across 163 locations. Compared to electricity rates Kohl's paid in 2021, this comes at an incremental cost of \$956,000. Kohl's has also implemented energy efficiency mechanisms to reduce energy consumption, by certifying their buildings to ENERGY STAR (total cost of \$59,000 across 54 stores, which equals \$1,093 per store). Currently, Kohl's operates 1,170 stores in the U.S. Kohl's goal of 94% Energy STAR certification would equate to a cost of \$1,202,081 (1,170 stores x 94% x \$1,093 average cost of certification per store). We estimated the cost of response to risk by adding these estimated costs (\$1,202,081 + \$956,000 = \$2,404,162) which would result in reduced energy consumption and GHG emissions and thus reduce risk associated with a price on carbon. A case study includes Kohl's solar & wind program. Situation: Provide renewable energy sources to reduce the financial impact of a carbon tax policy implementation. Task: Procure and develop a solar & wind program to provide renewable energy for the stores. Action: Install solar or wind installations to deliver up to 50% of the electricity needs. Result: Implementation of solar & wind program in 163 stores. In addition to the program, we are also working on reducing energy consumption and having our stores become ENERGY STAR certified- achieving 94% certification for stores. Furthermore, costs incurred from the potential carbon tax regulation could be passed on to the consumer through incremental increases in the prices of sold goods. As other retailers would also need to integrate the additional costs into their goods and services, the brand reputation would not be impacted.

Comment

More than 90% of Kohl's Renewable Installations were deployed under a 3rd Party PPA Model. This means Kohl's had no upfront capital expenditures, instead contracts to purchase solar power from these systems at a \$/kWh rate comparable to purchasing power from grid utility providers. Renewable generation is variable with weather, and the cost of grid electricity is volatile, and the financial benefits/costs of renewables will fluctuate over time. Kohl's operates one of the most efficient portfolios of retail stores, as recognized by ENERGY STAR®. 94% of our stores are ENERGY STAR® certified, and we continue to pursue certifications at our remaining noncertified locations and all new stores. Certification requires physical building audits and verification of our Energy data. This process comes at a nominal cost to Kohl's. The 54 stores certified in calendar year 2022 cost \$59k.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Kohl's sees strong links between improving our customers' quality of life & our brand. As such sustainability is woven into the company's positioning of inspiring and empowering individuals and families to lead fulfilled lives. We believe integrating sustainable solutions in the way we do business will help to better the futures for individuals and families by providing them products that improve their quality of life and protecting the environment for future generations. Kohl's company purpose and values extend to our customers, associates, and the communities we serve. Kohl's has the potential opportunity to meet or exceed customer expectations regarding our environmental reputation, which may positively enhance sales performance. As part of Kohl's brand value and reputational element, the company has established a sustainability program with associated KPIs and targets. Kohl's has committed to reducing our Scope 1 & 2 GHG emissions by 50% by 2025 from a base year of 2014. This represents a yearly reduction of ~4.5%, more ambitious than with SBTi's 1.5DC target. These values align with an increasing number of investors and customers, who seek to invest and align with like-minded companies. The enhanced competitive position to reflect the shifting consumer preference will result in increased revenues, which based on the total revenue in 2022, could be \$18 billion. Kohl's has a wide variety of opportunities to exceed our customer expectations including installation of EV charging stations, renewable energy purchasing, and application of energy efficiency programs. For example, Kohl's was selected as a 2022 and 2022 ENERGY STAR Partner of the Year - Sustained Excellence award winner. Budget for this long-term opportunity will be made available from Kohl's marketing spend, which was approximately \$883 million in 2022. Additionally, ESG perceptions strongly drive business outcomes with a high correlation to Willingness to Buy a product or service from a company. Kohl's inclusion on DJSI North America, Barron's Top 100 Most Sustainable U.S. companies, S&P Global's Sustainability Yearbook for the first time in 2021, and the Ethisphere Institute World's Most Ethical Companies demonstrate our commitment to climate issues to our customers and bolsters our environmental reputation.

Time horizon

Short-term

Likelihood

About as likely as not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

1809800

Potential financial impact figure – maximum (currency)

18098000000

Explanation of financial impact figure

It is difficult to ascertain precise financial impacts of these initiatives. Kohl's assumes that with poor sustainability programs or an inability to connect with consumers, the company has the potential to not gain additional revenue. If Kohl's climate-related image is seen as both credible and progressive, the company has the opportunity to increase revenues, which we have arbitrarily doubled for the purposes of this exercise and other climate-related assessments. The maximum financial impact figure reflects the organization total revenue (\$18.40B), available in the company's 2022 SEC 10K filing. Calculation was based on the sum of 2022 net sales and other revenues. Net sales includes revenue from the sale of merchandise and shipping revenues. Net sales are recognized when merchandise is received by customers and we have fulfilled all performance obligations. We do not have any sales that are recorded as commissions. Other revenue comes from credit card operations, third-party website advertising, unused gift cards and merchandise return cards (breakage), and other non-merchandise revenue. Revenue from credit card operations includes our share of the finance charges, late fees, and other revenue less write-offs of uncollectible accounts of Kohl's credit card pursuant to the Private Label Credit Card Program Agreement. Expenses related to credit card operations are reported in SG&A. The minimum financial impact figure assumed at least a 0.01% growth opportunity of total revenue (\$1,809,800). Case study: Kohl's Electric Vehicle charging stations expansion for additional customer convenience in support of sustainability goals. Situation: Provide opportunities to engage customers valuing sustainability with Kohl's sustainability goals to make progress against climate change and transitioning to a low-carbon economy. Task: Provide EV charging stations to customers so they can charge their EV while shopping at Kohl's. Customers will be able to access 325 conveniently located EV charging stations 169+ Kohl's locations. Action: Install 100 Volta electric vehicle charging stations across 92 Kohl's stores in 2021, 48 stations in 2022 and expand access to 325 EV charging stations at 169+ Kohl's locations. Results: Customers will be able to access a total of 325 conveniently located EV charging stations at more than 169 Kohl's locations and Kohl's will have the opportunity of further increasing revenues, by attracting conscious-minded consumers.

Cost to realize opportunity

1000000

Strategy to realize opportunity and explanation of cost calculation

Kohl's must conduct a variety of efforts to technically achieve success on climate-related opportunities while creating awareness on our journey and progress. To this end, Kohl's first monitors and manages environmental data, which requires in-house staff and the use of consultant groups. Kohl's estimates its total annual cost to be approximately \$1,000,000, which involves the budget associated to climate-related programs (including consulting support for Net Zero strategy, ESG reporting and ESG framework development) and staff salaries. To come up with the cost to realize opportunity, we added the annual sustainability budget (\$300K), the annual consulting budget (\$100k) dedicated to climate-related programs and staff salaries (\$600K) for the staff/department that oversees climate-related programs.

Comment

C3.1

(C3.1) Does your organization’s strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a climate transition plan within two years

Publicly available climate transition plan

<Not Applicable>

Mechanism by which feedback is collected from shareholders on your climate transition plan

<Not Applicable>

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

Attach any relevant documents which detail your climate transition plan (optional)

<Not Applicable>

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future

Kohl’s is committed to developing a transition plan in line with a 1.5 degree C scenario within the next two years. We value stakeholder engagement in coordination with feedback from our leadership on lowering our carbon footprint. This collaborative process resulted in Kohl’s committing to a net zero target. As part of our next steps in reaffirming our net zero strategy, we are actively looking into the SBTi approval process for this target. We also realize this is just one (albeit major) component on the way towards developing a comprehensive plan that captures our transition risks and the progress we’ve made to mitigate them. Now that we have established our net zero target, we are prioritizing our transition planning efforts and to do so, we are following the most updated TCFD guidance as closely as possible. TCFD’s Guidance on Metrics, Targets, and Transition Plans states that key characteristics of an effective transition plan include being “aligned with strategy” and “anchored in quantitative elements, including climate-related metrics and targets.” The internal exercises that we undertook to develop our net zero target accomplished both of these characteristics. As we continue to identify and quantify our transition risks, we are working to establish climate-related governance protocols aligned with our existing ERM systems and will be conducting a transition scenario analysis with a 1.5 degree C temperature alignment in the near future. Our sustainability goals are ambitious and as we enter the low-carbon economy, and our intent is to ensure our transition plan is comprehensive, transparent, and credible according to Kohl’s-specific circumstances while incorporating the latest standards in climate science.

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenario		Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios	Customized publicly available transition scenario	Company-wide	1.6°C – 2°C	<p>Kohl’s conducted a scenario analysis from 2020 to 2050 to assess its exposure to carbon pricing risk. Two scenarios, Disorderly - Delayed Transition and Hot House World – Nationally Determined Contributions (NDCs), were chosen based on their alignment with Kohl’s business operations. Both scenarios assumed a price on carbon as the foundation.</p> <p>In the Delayed Transition scenario, a sudden need to transition to a low carbon economy by 2030 resulted in a significant increase in the cost of carbon. The NDCs scenario assumed the implementation of all pledged national decarbonization policies.</p> <p>Parameters included organic growth rate, acquisitions / divestments, grid greening, organizational boundary conditions, and material financial impact and were used to assess the impact of future carbon pricing on business performance.</p> <p>Assumptions for both scenarios included a one percent organic growth rate, no acquisitions/divestments, no grid greening affecting Scope 2 emissions, and the organizational boundary limited to US-based operations.</p> <p>Delayed Transition scenario assumptions anticipated a shift from low to high carbon price implications between 2030 and 2050, with aggressive policy implementation starting in 2030. NDCs scenario assumptions had low carbon price implications with moderate regional policy variation.</p> <p>Analytical choices involved short-term (0-2 years), medium-term (2-5 years), and long-term time horizons (5-20 years, focusing on 10-year risks), with a financial impact defined as any activity affecting earnings per share (EPS) by more than one cent USD. Carbon pricing assumptions were based on the REMIND-MAgPIE model and customized for Kohl’s operations.</p> <p>The analysis did not include Kohl’s supply chain and utilized Shared Socioeconomic Pathways (SSPs) like SSP1-2.6, SSP2-4.5, and SSP5-8.5 to represent different climate futures.</p>

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

1. What is the risk of doing nothing?
2. What are the potential financial implications of doing nothing?
3. How can Kohl’s integrate the results of this scenario analysis into the company’s existing risk listing and enterprise risk management structure?
4. Are there ways Kohl’s can enhance the company’s existing risk management strategy to incorporate climate-related risks?
5. Who is responsible, accountable, consulted, and / or informed of the scenario analysis results?

Results of the climate-related scenario analysis with respect to the focal questions

Kohl’s scenario analysis examined the risks and financial implications of climate change on its operations. The analysis considered two scenarios: the Delayed Transition and NDCs scenarios.

The Delayed Transition scenario predicts a rapid shift to a low carbon economy by 2030, resulting in substantial carbon cost increases. This risk could significantly impact Kohl’s operations, surpassing the materiality threshold of one cent USD earnings per share. Operating costs would rise considerably due to higher carbon prices from 2030 to 2050. In the NDCs scenario, currently pledged climate contributions are implemented as policy measures from 2020 to 2050. Carbon prices still rise, but at a more moderate rate compared to the Delayed Transition scenario. Nonetheless, the potential impact on Kohl’s operations remains significant, exceeding the materiality threshold. The first focal question, "What is the risk of doing nothing?", is answered by the analysis of impacts shown in the Delayed Transition and NDCs scenario outputs, while highlighting the substantial unmitigated impact of climate change on Kohl’s operations.

Both scenarios assume a carbon price in the transition to a low carbon economy. Without mitigation, aggressive decarbonization would lead to increased operating expenses and reduced cashflows due to higher carbon emission costs. This addresses the second focal question, "What are the potential financial implications of doing nothing?"

Kohl’s employs a comprehensive two-tier risk management structure to mitigate its climate-related risks, including carbon pricing risk. Action plans to mitigate risks are developed & deployed via risk owners, who report to the Chief Risk & Compliance Officer (CRCO). Kohl’s aims to integrate the results of the scenario analysis into its existing risk listing and enterprise risk management process by developing action plans, internal goals, key performance indicators, and sustainable capital allocation strategies. This answers the third focal question, "How can Kohl’s integrate the results of this scenario analysis into the company’s existing risk listing and enterprise risk management structure?"

To incorporate and mitigate climate-related risks, including carbon pricing, Kohl’s is considering strategies such as investing in decarbonization roadmaps to compare alternative fuel sources, performing marginal abatement cost curves, and including climate-related indicators in financial planning. This addresses the fourth focal question, "How can Kohl’s enhance its risk management strategy to incorporate climate-related risks?"

Kohl’s prioritizes climate-related risks within its risk management system, reporting them to the Risk Reduction Committee (RRC) quarterly. The RRC reports to the full Board annually, ensuring climate risks are addressed in strategy and operations. This structure provides feedback and direction on risk management to the RRC, CRCO, and risk owners, answering the fifth focal question.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>Kohl's sees strong links between improving our customers' quality of life & our brand. Our purpose — to inspire & empower families to lead fulfilled lives — guides how we work with partners, how we approach philanthropy, how we consider the environment, & how we touch the lives of our customers, associates & communities. We believe integrating sustainable solutions in how we do business will help to better the futures for our customers by providing them products that improve their quality of life & protecting the environment for future generations.</p> <p>ESG stewardship is a key component of our strategy & vision: To be the most trusted retailer of choice for the active & casual lifestyle. We believe ESG stewardship is important to build a sustainable future for all & creating long-term shareholder value. We partner with a third-party service provider to assess ESG perceptions and their effects on Kohl's reputation & business outcomes. ESG perceptions strongly drive Reputation with a high correlation of R2 = 0.86 & impact Business Outcomes with high statistical correlation. For example, our third party found an R2 = 0.78 correlation between ESG perception score & Willingness to Buy a product or service from a company. With our private/exclusive brands representing over 35% of our business we aim to grow our sustainable product offerings.</p> <p>We have set public goals & are committed to increasing the use of recycled polyester & more sustainable cotton, which will help lessen our environmental impact & could drive reductions in our Scope 3 emissions. Kohl's has the opportunity to meet or exceed customer expectations regarding our environmental reputation, which may positively enhance sales performance. As part of Kohl's brand value & reputational element, the company operates a sustainability program with KPIs & targets. Kohl's commits to reducing our Scope 1 & 2 GHG emissions by 50% by 2025.</p> <p>These values align with an increasing number of investors & customers who seek to invest & align with like-minded companies. The enhanced competitive position to reflect the shifting consumer preference will result in increased revenues, which based on total revenue in 2022, could be \$18B. Kohl's has many opportunities to exceed customer expectations, including installing electric vehicle charging stations, renewable energy purchasing & application of energy efficiency programs.</p>
Supply chain and/or value chain	Yes	<p>We purchase merchandise from numerous domestic and foreign suppliers. We seek to work with vendors that align with our values and expectations, including those on climate change and in Kohl's Terms of Engagement. We provide training to vendors and regularly collaborate on our Policy/expectations. Our training sessions cover a number of topics: expectations, definitions, best practice, verification methods, indicators of noncompliance, facility reporting, remediation methods, improvement, and sustainability efforts. Our Terms include provisions regarding laws and regulations, employment practices, ethical standards, environmental and legal requirements, communication, monitoring/compliance, record keeping, subcontracting and corrective action. We monitor actions and seek business with responsible vendors. These terms encompass climate-related issues such as severe weather and environmental regulations that may be applicable to our vendors, however, extend to requirements of worker safety that may arise in climate-related events. Facilities approved to produce our proprietary goods must have our Policy posted on their wall in visible locations, in the native language of the workers. We evaluate our suppliers on their performance with the Sustainable Apparel Coalition's Higg Index on environmental reporting which includes an evaluation of energy, GHG and air impacts from our vendors – 100% of approved facilities were required to complete the Higg Index Facility Environmental Module (FEM) in 2022 and 80.3% of all approved facilities completed the Higg FEM. We believe we have good working relationships with our suppliers. While disruptions to segments of our supply chain may occur, the diversity and flexibility of our supplier network allows us to adapt and respond quickly to shifts due to climate-related supply disruptions. For this reason, we do not consider climate-related supply chain risks and opportunities to be a substantive financially material issue; however, if more of our suppliers are impacted by climate change, this understanding may change.</p>
Investment in R&D	No	<p>Our involvement with research and development (R&D) is limited and we do not yet consider ourselves impacted since our company does not produce any products specifically. Climate-related planning of financial spends may manifest in two different manners: 1) customer demand for products linked to our foot traffic, sales and revenues; and 2) methods to reduce costs for our organization and act as a good corporate citizen. We sell home products (home products constituted 20% of our revenues in CY2022, but we note that we do not release figures on specific product line sales) such as ENERGY STAR rated products and smart home devices; however, these home products generally do not fall under our private brands. Our proprietary brands made up 35% of revenues in 2022. However, our proprietary products do not require large investments in R&D, so from a magnitude standpoint R&D does not meet the criteria for a substantive financially material issue. We do, however, monitor R&D of products that may appeal to our customers and test/pilot new emerging technologies for potential future deployment. We also monitor and spend on products that improve our operational performance, reducing our climate-related risks and enhancing our cost efficiencies. Examples include improved HVAC systems in our assets that were previously identified as material for our climate-related risks and opportunities. Despite this, we would not be investing in R&D for such equipment or technologies. A substantive financial impact for climate-related risk and opportunities is defined as any activity that may impact our EPS by more than one cent USD.</p>
Operations	Yes	<p>Chronic physical risks such as increases in weather extremes (HDD/CDD) could lead to higher operational costs due to increased energy requirements to heat and cool stores. We manage this risk by continuously working to reduce energy costs through improved ecoefficiency for the short/mid/long-term via our ERM and development of energy and GHG targets. Our commitment to getting our assets ENERGY STAR certified takes place through investments in HVAC system upgrades and high-efficiency lighting retrofits at our stores, distribution centers, and offices. We are currently working to install more efficient, programmed HVAC units. In 2022, we completed 119 LED retrofits, which will save more than 20 million kilowatt-hours (kWh) per year. By the end of 2025, we will have LED lighting installed at all of our properties. To date, 70% of our stores have received LED retrofits across the majority of their floor plans. Additionally, 51 stores received an HVAC system replacement for optimum efficiency. Operational efficiency improvements and strategy are part of this overall store strategies spend. In addition, we also ensure our buildings are maintained in a way that are conserving water and energy- we have 157 LEED O+M certified buildings.</p>

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Capital expenditures Capital allocation	<p>Kohl's RRC identifies risks & opportunities through the ERM functions, which monitor & assess short/medium/long-term risks. Daily responsibility over specific risks is delegated to individual risk owners. Climate-related risks/opportunities are managed by several departments, including Finance, Energy, & ESC. Risk owners develop action plans to leverage and mitigate opportunities and risks. Climate risk is discussed w/ senior leadership at least quarterly, including the financial implications of each risk. Kohl's ensures we analyze these financial implications for our revenues, operational (indirect) costs, capital expenditures, and allocation.</p> <p>Revenues: Kohl's describes the disruption to our supply chain, which may impact our earnings. Impacts may include: Interruption to logistics and transportation of goods/merchandise to distribution centers and stores. The volatility of prices of natural resources and transportation. Availability and timely delivery of private label brands.</p> <p>These can disrupt sales and costs; Kohl's SEC 10-K filing includes risks to our business strategy and financial planning. The implementation of our two-tiered risk management processes mitigates risks. Leveraging Kohl's two-tier risk system, Tier 1 focuses on customer traffic & operational excellence; operational excellence includes building performance (e.g., GHG & energy) & supply chain business continuity.</p> <p>Kohl's also mitigates risks by implementing risk screening tools. For example, supply chain assets frequently undergo risk screening, including impacts on our revenue. In 2017, Kohl's began implementing a new automated risk assessment tool to evaluate risk related to facilities in other countries worldwide more effectively. Kohl's established a target in 2019, requiring all proprietary and private-label suppliers to complete the Higg Index Environmental Module. Full implementation of the SCREEN tool will support the improved focus of audit resources in managing risk while minimizing audit fatigue by scheduling more frequent audits at facilities with higher risk and less periodic audits at facilities with lower risk. Kohl's continuously evaluates our supply chain vendors' performance for risks and factors, including human rights, pricing, product availability and demand, environmental factors, etc. As such, we see the minimum cost as \$0 because if allotted enough time, Kohl's could secure new suppliers for our proprietary brands.</p> <p>On the other hand, if climate-related risks were significant, severe and impacted the entire supply chain, it would have the potential to impact Kohl's total revenue stream. Kohl's has evaluated the company revenue structure and constantly updated local inventory needs. We currently assess this risk as low; however, it is proactively addressed in our ERM if it expects to change.</p> <p>Indirect Costs: For operating costs, we use an example from our grid purchase. Kohl's purchases electricity from various energy suppliers in the U.S. to support operations at more than 1,100 locations in 49 states. An introduction of a carbon tax, which seeks to reduce the use of fossil fuels in electricity generation, could result in increased operating costs and would therefore be a potential expense risk.</p> <p>The U.S. House of Representatives introduced carbon tax legislation that would impose a fee of \$15/MTCO2e on utilities and increase by \$10/MTCO2e each year after implementation. This policy would represent a transitional risk for indirect operations by increasing the cost for utility companies, who would then pass on these costs to the energy purchasers such as Kohl's. Using Kohl's 2022 Market Based Scope 2 emissions (308,804 MTCO2e), the carbon tax for Kohl's would be approximately \$5.2 million, assuming the utility passes the carbon tax directly to the consumer. In May 2022, the U.S. Supreme Court allowed to raise the cost estimate for the societal impact of greenhouse gases that federal agencies would be able to use when considering new regulations. The Biden administration adopted a value of about \$50/ton. Considering that value, Kohl's direct energy usage would be approximately \$17.4M. We have diversified some of our energy sources to counteract this by installing solar at 169 locations. Additionally, 94% of Kohl's stores are ENERGY STAR certified. Furthermore, costs incurred from the potential carbon tax regulation could be passed on to the consumer through incremental increases in the prices of sold goods. The brand reputation would not be impacted as other retailers would also need to integrate the additional costs into their goods and services. At Kohl's, we have evaluated our operating costs, including capital expenditures required to reduce them. We currently assess this risk as low; however, this is proactively addressed in our ERM in case it is expected to change.</p> <p>Capital Expenditures: Kohl's takes much effort in our capital planning to ensure that our consultants and service providers provide us with exceptional value and impact. From the start, Kohl's has worked including energy efficiency measures into our regularly scheduled maintenance and operations, repairs, renovations, and upgrade activities that our asset managers may execute. To counteract potential increases in operating costs, Kohl's has, for example, diversified some of our energy sources by installing solar arrays at 169 locations. Additionally, 94% of Kohl's stores are ENERGY STAR certified. We also ensure our buildings are maintained in a way that conserves water and energy, and we have 157 LEED O+M certified buildings.</p> <p>Furthermore, costs incurred from the potential carbon tax regulation could be passed on to the consumer through incremental increases in the prices of sold goods. The brand reputation would not be impacted as other retailers would also need to integrate the additional costs into their goods and services. Kohl's has evaluated the company's operating costs, including capital expenditures required to reduce them. We currently assess this risk as low; however, this is proactively addressed in our ERM in case it is expected to change.</p> <p>Capital Allocation: To counteract potential increases in operating costs, Kohl's has executed energy programs in a manner that has resulted in significant cost savings, thereby attracting the attention of our Finance Department, which has led to a more profound integration effort between our Energy and Finance Departments that has helped highlight the importance of energy efficiency projects for our organization and increased momentum for our operational efficiency initiatives and capital allocation.</p>

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	No, but we plan to in the next two years	<Not Applicable>

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Year target was set

2019

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

<Not Applicable>

Base year

2014

Base year Scope 1 emissions covered by target (metric tons CO2e)

39446

Base year Scope 2 emissions covered by target (metric tons CO2e)

767718

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

807164

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2025

Targeted reduction from base year (%)

50

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

403582

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

56759

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

347850

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

404609

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

99.7455287896884

Target status in reporting year

Achieved

Please explain target coverage and identify any exclusions

In September 2019, Kohl's announced a set of sustainability goals focused on climate action, waste and recycling, and sustainable sourcing that support the sustainable future we see for our customers and associates. The company's sustainability strategy is guided by leveraging business practices and decisions that enhance the objectives of the United Nations Sustainable Development Goals (SDGs). Our climate action goals are focused on the reduction of GHG emissions and increase of renewable energy use. This includes a Scope 1 and 2 combined goal of 50% reduction from 2014 levels by 2025; seeking an approximate linear decrease in emissions of 4.5% year-on-year. This linear reduction is more ambitious than SBTi's absolute contraction for 1.5DC of 4.2% year-on-year. In 2021, Kohl's has committed to setting a science-based target that will be approved by the Science-Based Targets initiative. In March 2022, during Kohl's Investor presentation, we made a commitment towards reaching Net Zero by 2050.

We actively track our scope 1, scope 2 and a subset of our scope 3 emissions and report these metrics annually. At the end of CY22 we achieved a total of 49% reduction in our scope 1 and 2 emissions based on a 2014 baseline, achieving our climate reduction goal four years ahead of schedule. In July 2021, we strengthened our climate leadership by joining the Science Based Targets initiative. Through SBTi, we have committed to align our targets with climate science and the core commitment of the Paris Agreement. As part of our next steps in reaffirming our net zero strategy, we are actively looking into the SBTi approval process for this target.

Plan for achieving target, and progress made to the end of the reporting year

<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target

The majority of our reductions towards achieving our scope 1+2 target came from energy efficiency initiatives in our stores that drove down our overall scope 2 emissions by 55% vs. our 2014 baseline (347,850 in 2022 vs. 767,718 in 2014). As of 2022, 94% of our stores are ENERGY STAR® certified. We continue to retrofit stores with high-efficiency lighting to reduce emissions and save electricity. In 2022, we completed 119 LED retrofits, which will save more than 20 million kilowatt-hours (kWh) per year. By the end of 2025, we will have LED lighting installed at all of our properties. As of 2022, 70% of our stores have received LED retrofits across the majority of their floor plans.

Additionally, 51 stores received an HVAC system replacement for optimum efficiency.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2019

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency	Other, please specify (thousand BTU)
----------------------------------	--------------------------------------

Target denominator (intensity targets only)

square foot

Base year

2008

Figure or percentage in base year

111

Target year

2025

Figure or percentage in target year

77.7

Figure or percentage in reporting year

79

% of target achieved relative to base year [auto-calculated]

96.0960960960961

Target status in reporting year

Underway

Is this target part of an emissions target?

Yes, this goal feeds into our carbon goals, 50% reduction of Scope 1&2, Abs 1

Is this target part of an overarching initiative?

Other, please specify (U.S. Department of Energy's Better Building Challenge AND Better Climate Challenge)

Please explain target coverage and identify any exclusions

In September 2019, Kohl's announced a set of sustainability goals focused on climate action, waste and recycling, and sustainable sourcing that support the sustainable future we see for our customers and associates. The company's sustainability strategy is guided by leveraging business practices and decisions that enhance the objectives of the United Nations Sustainable Development Goals (SDG).

For energy efficiency, we see we have the power to make a significant impact with the right energy solutions. As a participant in the U.S. Department of Energy's Better Building Challenge, we formally committed to 20% reduction in energy use per square foot by 2020 based on a 2008 baseline. After achieving the 20 percent energy reduction goal in 2018, Kohl's commits to an extension of its Challenge goal to 30 percent by 2025, further reducing energy consumption by 10 percent at Kohl's facilities by 2025. In 2022, we achieved a 30% reduction in energy consumption compared to 2008.

In November 2021, we were one of the first companies to join the U.S. Department of Energy's Better Climate Challenge, strengthening our commitment to reduce our greenhouse gas emissions. As a partner in the challenge, we plan to share our carbon reduction progress and strategies to help other organizations build on our success.

Plan for achieving target, and progress made to the end of the reporting year

In 2022, we completed 119 LED retrofits, which will save more than 20 million kilowatt-hours (kWh) per year. In our ongoing commitment to energy efficiency, Kohl's is ramping up deployment of LED lighting across our fleet. By the end of 2025, we will have LED lighting installed at all of our properties. To date, 70% of our stores have received LED retrofits across the majority of their floor plans. Additionally, 51 stores received an HVAC system replacement for optimum efficiency.

In 2022, we secured RECs totalling approximately 91,586 megawatt-hours (MWh), including 20,555 MWh from our on-site solar arrays, where we retain or own the RECs. These RECs resulted in the offset of 35,373 metric tons of carbon.

In 2022, Kohl's is continuing development of 15 new rooftop solar arrays across Arizona and Illinois. The 15 new projects will increase Kohl's Installed Solar Capacity by 10.4%, to a total of 56.97 MW. The company is also contracting to support the development of 23.4 MW of community solar projects across New York in 2023.

List the actions which contributed most to achieving this target

<Not Applicable>

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	2	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	4	55031
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy generation	Solar PV
------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

38594

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

<1 year

Comment

Kohl's began solar initiatives in 2007 and maintains a commitment to renewable energy use through the purchase and production of renewable energy credits (RECs). In 2022, an estimated 54,434 megawatt-hours (MWh) of solar energy was used, meaning more than 6% of the electricity we used to power our business came from renewable sources. Kohl's partnered with third parties and negotiated PPA agreements which allowed us to retain the RECs associated with the solar energy generated; therefore, there is no investment required or payback period.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

14180

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

2800000

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

6-10 years

Comment

Kohl's looks at climate issues synergistically with store/brand experience & consistency, including efforts to install lighting systems that are visually stimulating, energy efficient and financially efficient. Kohl's lighting systems are seen as the biggest energy contributor to energy/Scope 2 emissions. Scope 2 also constitute approximately 90% of our Scope 1 and 2 footprint. Kohl's also strategically determines where there are existing upgrades and maintenance needed at stores. In 2022, we completed 119

LED retrofits, which will save more than 20 million kilowatt-hours (kWh) per year. To date, 70% of our stores have received LED retrofits across the majority of their floor plans. By the end of 2025, we will have LED lighting installed at all of our properties. To calculate monetary savings, a national average commercial electricity rate of \$0.1093 was applied to the energy savings. To calculate investment requirements, Kohl's has secured projects and integrates the upgrades into existing required updates with long-term service providers, thus making the investment amount negligible for our LED systems.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)
2136

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
802000

Investment required (unit currency – as specified in C0.4)
11000000

Payback period
16-20 years

Estimated lifetime of the initiative
11-15 years

Comment
In 2022, 51 stores received an HVAC system replacement for optimum efficiency (449 units, in total), where it is estimated each unit is 15% more energy efficient than the unit it replaced. To calculate monetary savings, a national average commercial electricity rate of \$0.1093 was applied to the energy savings.

Initiative category & Initiative type

Company policy or behavioral change	Customer engagement
-------------------------------------	---------------------

Estimated annual CO2e savings (metric tonnes CO2e)
121

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 3 category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment
Kohl's is committed to accelerating the adoption of electric vehicles by expanding charging networks. This row represents the installation of 48 charging spots in 2022, which was estimated to have displaced 13,360 gallons of gasoline from customer transportation. Kohl's third-party charging station partner manages all costs associated with installation, therefore, there is no investment required from Kohls.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	At the center of our operational strategy is the goal of reducing our energy use. To prioritize budgets related to energy efficiency investment, we analyze our energy use and footprints for the year and determine projects or specific areas with payback periods of 2-5 years or less and high potential for GHG emissions reductions. In addition, we also look for outside funding sources such as federal or state grants and incentives as part of our planning and budgeting strategy. Previous cost savings generated from the Energy Team led to interest from the Finance Department, leading to deeper integration efforts between these teams that have helped highlight the importance of energy efficiency projects for our organization and increased momentum for our operational efficiency initiatives.
Dedicated budget for other emissions reduction activities	To prioritize budgets related to emissions reductions, we analyze our emissions sources and GHG footprints for the year and determine projects with the best payback. We also allot dedicated budgets for specific activities, which will impact our emission performance. These activities include things such as our annual memberships with SFC and strategic partnerships (e.g. How2Recycle, etc.) that aim to reduce our Scope 3 footprint.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify (ENERGY STAR Certification, EPA ENERGY STAR calculations)

Type of product(s) or service(s)

Batteries	Other, please specify (Energy Star Certified products)
-----------	---

Description of product(s) or service(s)

Kohl's offers a range of Energy Star certified products through our stores and digital platform, which includes offerings like dish waster units, dehumidifiers, and fans.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

<Not Applicable>

Functional unit used

<Not Applicable>

Reference product/service or baseline scenario used

<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario

<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions

<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify (Heating and Cooling – Other: Smart Thermostats)

Type of product(s) or service(s)

Heating and cooling	Other, please specify (Smart Thermostats)
---------------------	--

Description of product(s) or service(s)

Kohl's offers a range of smart home products through our stores and digital platform, which includes offerings like smart thermostats.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

<Not Applicable>

Functional unit used

<Not Applicable>

Reference product/service or baseline scenario used

<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario

<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions

<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify (EPA Greenhouse Gas Equivalencies Calculator)

Type of product(s) or service(s)

Power	Other, please specify (Electric Vehicle Charging Stations)
-------	--

Description of product(s) or service(s)

As we work to reduce our environmental footprint, we want to enable our customers to do the same. Kohl's is committed to accelerating the adoption of electric vehicles by expanding charging networks. At the end of FY2022 , we had more than 325 electric vehicle charging spots spread across 169 locations.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify (Energy data in kWh drawn from the stations is converted using the EPA Greenhouse Gas Equivalencies Calculator.)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

1,043,613 kWh

Reference product/service or baseline scenario used

Reference product: Passenger vehicle gasoline station

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

451

Explain your calculation of avoided emissions, including any assumptions

A total of 1,043,613 kWh were drawn from all Kohl's stations in CY2022 – using the EPA Greenhouse Gas Equivalencies Calculator this translates to 451 MTCO2e saved. These stations provide nearly 200,000 charging sessions per year to our customers and associates. By maintaining our solidarity with electric vehicle owners, the charging we provide powers nearly 1,835,815 miles of driving and saves more than 83,222 gallons of gasoline annually. Kohl's does not disclose revenue information for specific services.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1 2014

Base year end

December 31 2014

Base year emissions (metric tons CO2e)

39446

Comment

In 2019, Kohl's set a new GHG reduction target with a base year of 2014 to replace a previous target spanning 2008 to 2020, which was achieved. The presented information is for our new target (Abs1). There is no difference in our Scope 2 location and market-based figures as we relied on the same emissions factors. Our previous base year of 2008 was from January 1, 2008 to December 31, 2008, Scope 1 emissions were 22,519 mtCO2e and Scope 2 (location and market are the same) 808,609, which is applicable to our Abs2 target. In 2018, Kohl's adopted AR5 GWPs for our GHG inventory. For our previous target's consistency, we recalculated our base year to include the latest GWP. Our GHG footprint uses AR5 GWP where applicable.

Scope 2 (location-based)

Base year start

January 1 2014

Base year end

December 31 2014

Base year emissions (metric tons CO2e)

767718

Comment

In 2019, Kohl's set a new GHG reduction target with a base year of 2014 to replace a previous target spanning 2008 to 2020, which was achieved. The presented information is for our new target (Abs1). There is no difference in our Scope 2 location and market-based figures as we relied on the same emissions factors. Our previous base year of 2008 was from January 1, 2008 to December 31, 2008, Scope 1 emissions were 22,519 mtCO2e and Scope 2 (location and market are the same) 808,609, which is applicable to our Abs2 target. In 2018, Kohl's adopted AR5 GWPs for our GHG inventory. For our previous target's consistency, we recalculated our base year to include the latest GWP. Our GHG footprint uses AR5 GWP where applicable.

Scope 2 (market-based)

Base year start

January 1 2014

Base year end

December 31 2014

Base year emissions (metric tons CO2e)

767718

Comment

In 2019, Kohl's set a new GHG reduction target with a base year of 2014 to replace a previous target spanning 2008 to 2020, which was achieved. The presented information is for our new target (Abs1). There is no difference in our Scope 2 location and market-based figures as we relied on the same emissions factors. Our previous base year of 2008 was from January 1, 2008 to December 31, 2008, Scope 1 emissions were 22,519 mtCO2e and Scope 2 (location and market are the same) 808,609, which is applicable to our Abs2 target. In 2018, Kohl's adopted AR5 GWPs for our GHG inventory. For our previous target's consistency, we recalculated our base year to include the latest GWP. Our GHG footprint uses AR5 GWP where applicable.

Scope 3 category 1: Purchased goods and services

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

3527884

Comment

Category 1 emissions are calculated using a hybrid approach consisting of a combination of the spend-based and the supplier-based methodology, as outlined in the GHG Protocol's Technical Guidance for Calculating Scope 3 Emissions.

All spend data is cross-referenced with and mapped to U.S. EPA Summary EEIO Commodity emission factors based on appropriate spend-type. Emission factors are applied based on EEIO Commodity categories identified. Spend categories that do not represent emissions or are included elsewhere are excluded from emissions calculations to avoid double counting.

Tier1: The Apparel product category is calculated using a supplier-based methodology. Kohl's collects their Tier 1 supplier data from the Higg Facility Environmental Module (FEM). Kohl's inserts their production share of each facility into the FEM export; this is calculated by dividing the total facility units produced in the data year by the number of units purchased by Kohl's from that facility. Each facility's production share is then multiplied by their reported total GHG emissions to determine the GHG allocated to Kohl's for each facility.

The Tier 1 Apparel facilities go through a data quality check to determine if their data is usable before continuing to the next step. Once the data quality check is complete, all usable facility allocated emissions to Kohl's is summed for a total tCO2e amount. The data must then be extrapolated to represent 100% of Kohl's apparel production. A percentage is calculated to determine the percent of the total apparel production units that are in the FEM data. This is calculated by dividing the verified units in FEM Data by the Total 2021 Volume provided by Kohl's.

The Total GHG Emissions Allocated to Kohl's from the Higg FEM is then extrapolated up to 100% to represent the Tier 1 emissions of the Apparel product category.

Tier 2+: Kohl's provides Apparel Material Weight in kgs by material type. The materials are mapped to an MSI Factor. MSI factors include production phases before final production. After material mapping, material weights are multiplied by the MSI factor for a total GHG Emission value. GHG Emissions per material are summed for a total Tier 2+ value.

The total emissions by product category from the Spend-based and the Supplier-based methodology is totaled for the complete Category 1 Emissions.

Scope 3 category 2: Capital goods

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

178782

Comment

Kohl's provides the 2021 Capital by Task in USD for capital good purchases. No data manipulation is performed on this spend data prior to emissions calculations. This is a separate data set than Purchased Goods and Services spend data. There is no double counting of spend between the two data sets. Kohl's defines capitalizable amounts as expenditures for the acquisition of a new or used distinct unit of property with a useful (depreciable) life of greater than one year and meeting one or more of the following criteria:

An expenditure resulting in acquisition of a new or used distinct unit of property which:

- An expenditure that significantly adds to the value or extends the original useful life of an asset is capitalized. (e.g. replacing a significant component of a fully depreciated asset so as to extend the useful life of the asset). For example, if Kohl's replaces a heat exchanger on a fully depreciated Roof Top Unit (RTU), adding the heat exchanger would extend the useful life of the RTU as a whole and can be capitalized.
- An expenditure that increases the productivity or efficiency of an asset is capitalized (e.g. enlarging heating and ventilation ducts).
- An expenditure that adapts an asset to a different use is capitalized (e.g. adaptation of a heating plant to use a more economical type of fuel).

All spend data is cross-referenced with and mapped to Summary EEIO Commodity emission factors acquired from the EPA based on the most appropriate spend-type. Emission factors are applied based on the EEIO Commodity category identified. Spend categories that either do not represent emissions (e.g., capitalized interest, etc.) or are included elsewhere (e.g., in another scope 3 category or in the scope 1 and 2 inventory) are excluded from emissions calculations to avoid double counting. Any unclassified spend data without an assigned commodity category is calculated using an emission factor derived from an average of all categories. For the 2021 Kohl's category 2 calculations, the USEEIO factors were determined to be the most applicable.

Spend is multiplied by the mapped emission factor for an emissions per spend category. This is then summed for a total category 2 emissions value.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

123925

Comment

The emissions from transmission and distribution losses were calculated under the average-data method using primary activity data from United States electricity consumption. CY2022 electricity consumption was categorized by eGRID subregion, multiplied by the associated grid region loss factor (sourced from eGRID2021) and multiplied by the eGRID202 emissions factor. AR5 100-year GWP values were applied.

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1 2022

Base year end

December 31 2022

Base year emissions (metric tons CO2e)

102761

Comment

Kohl's collects primary activity data consisting of distance travelled and ton-miles for each transportation mode (truck, intermodal) and for each carrier. The emissions were calculated using the distance-based method and the emission factors from Table 8 Upstream Transportation and Distribution in the EPA's Emission Factors for Greenhouse Gas Inventories (April 2022). The "Medium-and Heavy-Duty Truck" emission factor was used for truck transport. For intermodal transport, a weighted average was used, consisting of "medium-and heavy-duty truck" (10%), "rail" (45%), and "waterborne craft: (45%). AR5 100-year GWP values were applied.

Scope 3 category 5: Waste generated in operations

Base year start

January 1 2022

Base year end

December 31 2022

Base year emissions (metric tons CO2e)

29854

Comment

Kohl's collects primary activity data on waste tonnage by material type as part of an internal recycling program. Waste emissions are calculated utilizing EPA's Emission Factors for Greenhouse Gas Inventories (April 2022). Emission factors were chosen based on treatment method (landfilled, recycled and composted) and material type.

Scope 3 category 6: Business travel

Base year start

January 1 2022

Base year end

December 31 2022

Base year emissions (metric tons CO2e)

2102

Comment

Kohl's collects primary activity data for air travel, and secondary activity data for rental car travel and employee personal car mileage reimbursement. Air travel emissions are calculated using distance travelled and DEFRA DECC (2022) business travel –air emissions factors for various seating classes and flight segment lengths. Rental car emissions are calculated by collecting dollars spent on gas and determining miles travelled using average gasoline prices in 2022 and the average fuel efficiency of light-duty vehicles. An average of "passenger car" and "light-duty truck" emission factors are used from the EPA's Greenhouse Gas Inventories (April 2022). Mileage reimbursement emissions are calculated by collecting dollars spent of gas through reimbursement claims and fuel cards. Emissions from fuel cards are calculated in the same way as rental cars. Emissions from reimbursement claims are calculated using a reimbursement rate of \$0.655 per mile. All calculations use AR5 100-year GWP values.

Scope 3 category 7: Employee commuting

Base year start

January 1 2022

Base year end

December 31 2022

Base year emissions (metric tons CO2e)

66063

Comment

Emissions are calculated using the average-data method using activity data on the number of full time and part time employees. Average commute mode shares (drive alone, carpool, public transportation) were derived from the U.S. Census Bureau and U.S. Department of Transportation. Commute days were determined depending on employee type. Assumed a 5-days-per-week schedule for full-time employees, 3-days-per-week schedule for part-time employees and LTE employees worked part-time for 12 weeks in the year only. A 100% in-person attendance rate was assumed for "in office" employees, and a 40% attendance rate was assumed for hybrid employees. An average 20-mile roundtrip commute distance for all employees was assumed. The emissions factor for "passenger car" was sourced from Table 10 Business Travel and Employee Commuting from the EPA's Emission Factors for Greenhouse Gas Inventories (April 2022). AR5 100-year GWP values were applied.

Scope 3 category 8: Upstream leased assets

Base year start**Base year end****Base year emissions (metric tons CO2e)****Comment**

Scope 3 category 9: Downstream transportation and distribution

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

296949

Comment

Category 9 emissions are the emissions from transportation and distribution that Kohl's does not pay for (e.g. shipments that a customer pays for). Therefore, the below assumptions inform the estimation methodology used to calculate the category 9 emissions.

- 2021 Total Online Orders
- 2021 Free Shipping Orders
- Average shipping cost per order
- Assumed mode of transportation

Based on these assumptions, Kohl's estimated the total USD value of Standard Shipping and Free Shipping. The spend is mapped to the Couriers, messengers, transportation for leisure activities EEIO emissions factor category based on mode assumption. Spend is multiplied by the mapped emission factor for an emissions per spend category. This is then summed for a total category 9 emissions value.

Scope 3 category 10: Processing of sold products

Base year start**Base year end****Base year emissions (metric tons CO2e)****Comment**

Scope 3 category 11: Use of sold products

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

1035797

Comment

Kohl's uses sales data for total products sold by product category, sub-category, and type to calculate use-phase emissions under category 11. Average electricity consumption outputs per unit on a daily or annual basis (based on data availability) and average useful product lifespan inform the estimation methodology used to calculate category 11 emissions. Where product lifespan data is not available, a reasonable assumption is made. The data provided is used to calculate total lifetime energy consumption, which was multiplied by the appropriate eGRID or other regional electricity emission factor. This output is then summed for a total category 11 emissions value.

Scope 3 category 12: End of life treatment of sold products

Base year start

January 1 2022

Base year end

December 31 2022

Base year emissions (metric tons CO2e)

227535

Comment

Emissions calculated under the waste-type-specific method using estimated activity data from products sold in the United States. Clothing disposal by treatment method estimated based on EPA (landfilled, combusted, and recycled). Clothing and other products were categorized as Mixed MSW or Mixed Recyclables and emission factors were sourced from EPA's Emission Factors for Greenhouse Gas Inventories (April 2022). AR5 100-year GWP values were applied.

Scope 3 category 13: Downstream leased assets

Base year start

January 1 2022

Base year end

December 31 2022

Base year emissions (metric tons CO2e)

2530

Comment

Kohl's captures some primary activity data for electricity and natural gas consumption at subleased locations. Where activity data is not available, consumption is modelled based on energy use per square foot by building type. Emissions are calculated based on relevant location-based emissions factors that correspond to the region of subleased locations.

Scope 3 category 14: Franchises

Base year start**Base year end****Base year emissions (metric tons CO2e)****Comment**

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

- Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
- IPCC Guidelines for National Greenhouse Gas Inventories, 2006
- The Climate Registry: General Reporting Protocol
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- The Greenhouse Gas Protocol: Scope 2 Guidance
- The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard
- US EPA Center for Corporate Climate Leadership: Indirect Emissions From Purchased Electricity
- US EPA Center for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources
- US EPA Center for Corporate Climate Leadership: Direct Emissions from Mobile Combustion Sources
- US EPA Emissions & Generation Resource Integrated Database (eGRID)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

56759

Start date

January 1 2022

End date

December 31 2022

Comment

Start Date on 1/1/22 and end date on 12/31/22

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

347850

Scope 2, market-based (if applicable)

308804

Start date

January 1 2022

End date

December 31 2022

Comment

Start Date on 1/1/22 and end date on 12/31/22

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

3527884

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

80.3

Please explain

The category 1 figure reported uses 2021 data. Category 1 emissions calculated using hybrid approach: a combination of spend-based, supplier-based, and direct comparison methodologies outlined in the GHG Protocol's Technical Guidance for Calculating Scope 3 Emissions and CDP Guidance. Verifiable data for 2022 is not yet available but will be later in 2023. Per CDP Guidance, "where verifiable data is not available, organizations may estimate emissions data by direct comparison: using data from another comparable time period to fill the gap for the excluded source, e.g. emissions from the same time period in another year." Kohl's used 2021 category 1 emissions to estimate 2022 category 1 emissions via direct comparison.

All spend data is cross-referenced with and mapped to U.S. EPA Summary EEIO Commodity emission factors based on appropriate spend-type and applied based on EEIO Commodity categories identified. Spend categories that do not represent emissions or are included elsewhere are excluded from emissions calculations to avoid double counting.

Tier 1: Apparel product category calculated using supplier-based methodology. Kohl's collects Tier 1 supplier data from Higg Facility Environmental Module (FEM). Kohl's inserts production share of each facility into FEM export; this is calculated by dividing total facility units produced in data year by number of units purchased by Kohl's from facility. Each facility's production share is multiplied by reported total GHG emissions to determine GHG allocated to Kohl's for each facility. All usable facility allocated emissions to Kohl's is summed for total tCO2e amount and extrapolated to represent 100% Kohl's apparel production. A % is calculated to determine % total apparel production units in FEM data. This is calculated by dividing verified units in FEM Data by Total Volume provided by Kohl's. Total GHG Emissions Allocated to Kohl's from Higg FEM is extrapolated up to 100% to represent Tier 1 Apparel product category emissions.

Tier 2+: Kohl's provides Apparel Material Weight in kgs by material type and are mapped to an MSI Factor. MSI factors include production phases before final production. Material weights are multiplied by MSI factor for total GHG Emission value. GHG Emissions per material are summed for total Tier 2+ value. Emissions by product category are totaled for complete category 1 emissions.

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

178782

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The category 2 figure reported uses 2021 data. Category 2 emissions calculated using hybrid approach: a combination of spend-based, supplier-based, and direct comparison methodologies outlined in the GHG Protocol's Technical Guidance for Calculating Scope 3 Emissions and CDP Guidance. Verifiable data for 2022 is not yet available but will be later in 2023. Per CDP Guidance, "where verifiable data is not available, organizations may estimate emissions data by direct comparison: using data from another comparable time period to fill the gap for the excluded source, e.g. emissions from the same time period in another year." Kohl's used 2021 category 2 emissions to estimate 2022 category 2 emissions via direct comparison.

Kohl's provides the 2021 Capital by Task in USD for capital good purchases. No data manipulation is performed on this spend data prior to emissions calculations. This is a separate data set than Purchased Goods and Services spend data. Kohl's defines capitalizable amounts as expenditures for the acquisition of a new or used distinct unit of property with a useful (depreciable) life of greater than one year and meeting one or more of the following criteria:

An expenditure resulting in acquisition of a new or used distinct unit of property which:

Significantly adds to the value or extends the original useful life of an asset is capitalized. (e.g. replacing a significant component of a fully depreciated asset so to extend the useful life of the asset).

Increases the productivity or efficiency of an asset is capitalized (e.g. enlarging heating and ventilation ducts).

Adapts an asset to a different use is capitalized (e.g. adaptation of a heating plant to use a more economical type of fuel).

All spend data is cross-referenced with and mapped to U.S. EPA Summary EEIO Commodity emission factors based on appropriate spend-type and applied based on EEIO Commodity categories identified. Spend categories that do not represent emissions or are included elsewhere are excluded from emissions calculations to avoid double counting. Spend is multiplied by the mapped emission factor for an emissions per spend category. This is then summed for a total category 2 emissions value.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

123925

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

This category includes the upstream emissions of purchased fuels and electricity and the transmission and distribution losses. Emissions are calculated under the average-data method using primary activity data from Scope 1 and 2 energy consumption. CY2022 energy consumption was multiplied by the appropriate emissions factor, using upstream fuel and electricity factors from DEFRA 2022 and T&D loss factors from the IEA 2022. AR5 100-year GWP values were applied

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

102761

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Kohl's collects primary activity data consisting of distance travelled and ton-miles for each transportation mode (truck, intermodal) and for each carrier. The emissions were calculated using the distance-based method and the emission factors from Table 8 Upstream Transportation and Distribution in the EPA's Emission Factors for Greenhouse Gas Inventories (April 2022). AR5 100-year GWP values were applied.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

29854

Emissions calculation methodology

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Kohl's collects primary activity data on waste tonnage by material type as part of an internal recycling program. Waste emissions are calculated utilizing EPA's Emission Factors for Greenhouse Gas Inventories (April 2022). Emission factors were chosen based on treatment method (landfilled, recycled and composted) and material type.

Business travel**Evaluation status**

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

2796

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

21

Please explain

Kohl's collects primary activity data for air travel, and secondary activity data for rental car travel and employee personal car mileage reimbursement. Air travel emissions are calculated using distance travelled and DEFRA DECC (2022) business travel –air emissions factors for various seating classes and flight segment lengths. Rental car and mileage reimbursement emissions are calculated by collecting dollars spent on gas and determining miles travelled using average gasoline prices in 2022 and the average fuel efficiency of light-duty vehicles. An average of "passenger car" and "light-duty truck" emission factors are used from the EPA's Greenhouse Gas Inventories (April 2022). All calculations use AR5 100-year GWP values.

Employee commuting**Evaluation status**

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

66063

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions are calculated using the distance-based method using distance collected based on home to work zip code for all employees. Average commute mode shares (drive alone, carpool, public transportation) were derived from the U.S. Census Bureau and U.S. Department of Transportation. Commute days were determined depending on employee type. Assumed a 5-days-per-week schedule for full-time employees (hybrid works 2 days in office) and 3-days-per-week schedule for part-time employees (hybrid works 1 day in office). Full and part time employees for 49 weeks in the year and LTE employees worked part-time for 12 weeks in the year. The emissions factor for each mode of transport were sourced from Table 10 Business Travel and Employee Commuting from the EPA's Emission Factors for Greenhouse Gas Inventories (April 2022). Work from home emissions were calculated using the number of work from home days (hybrid employees) and estimating energy consumption using Eco-Act Whitepaper assumptions based on average workstation and lighting power demand. eGRID 2023 subregion emissions factors were applied to calculate emission from electricity. AR5 100-year GWP values were applied.

Upstream leased assets**Evaluation status**

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Kohl's does not own any upstream leased assets not already accounted for in Scopes 1 and 2.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

296949

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The category 9 figure reported uses 2021 data. Category 9 emissions are calculated using a hybrid approach consisting of a combination of the spend-based and the direct comparison methodology, as outlined in the GHG Protocol's Technical Guidance for Calculating Scope 3 Emissions and the CDP Guidance. Verifiable data for the 2022 reporting year is not yet available but will be available later in 2023. Per CDP Guidance, "where verifiable data is not available, organizations may estimate emissions data by direct comparison: using data from another comparable time period to fill the gap for the excluded source, e.g. emissions from the same time period in another year." As such, Kohl's used the 2021 category 9 emissions to estimate 2022 category 9 emissions via the direct comparison methodology.

Category 9 emissions are the emissions from transportation and distribution that Kohl's does not pay for (e.g. shipments that a customer pays for). Therefore, the below assumptions inform the estimation methodology used to calculate the category 9 emissions.

- 2021 Total Online Orders
- 2021 Free Shipping Orders
- Average shipping cost per order
- Assumed mode of transportation

Based on these assumptions, Kohl's estimated the total USD value of Standard Shipping and Free Shipping. The spend is mapped to the Couriers, messengers, transportation for leisure activities EEIO emissions factor category based on mode assumption. Spend is multiplied by the mapped emission factor for an emissions per spend category. This is then summed for a total category 9 emissions value.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Kohl's sold products do not undergo further processing. Being in the retail industry, the customer is generally the end user of the product

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1035797

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The category 11 figure reported uses 2021 data. Category 11 emissions are calculated using a hybrid approach consisting of a combination of a product use-phase estimation methodology and the direct comparison methodology, as outlined in the GHG Protocol's Technical Guidance for Calculating Scope 3 Emissions and the CDP Guidance. Verifiable data for the 2022 reporting year is not yet available but will be available later in 2023. Per CDP Guidance, "where verifiable data is not available, organizations may estimate emissions data by direct comparison: using data from another comparable time period to fill the gap for the excluded source, e.g. emissions from the same time period in another year." As such, Kohl's used the 2021 category 11 emissions to estimate 2022 category 11 emissions via the direct comparison methodology.

Kohl's uses sales data for total products sold by product category, sub-category, and type to calculate use-phase emissions under category 11. Average electricity consumption outputs per unit on a daily or annual basis (based on data availability) and average useful product lifespan inform the estimation methodology used to calculate category 11 emissions. Where product lifespan data is not available, a reasonable assumption is made. The data provided is used to calculate total lifetime energy consumption, which was multiplied by the appropriate eGRID or other regional electricity emission factor. This output is then summed for a total category 11 emissions value.

End of life treatment of sold products**Evaluation status**

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

227535

Emissions calculation methodology

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions calculated under the waste-type-specific method using estimated activity data from products sold in the United States. Clothing disposal by treatment method estimated based on EPA (landfilled, combusted and recycled). Clothing and other products were categorized as Mixed MSW or Mixed Recyclables and emission factors were sourced from EPA's Emission Factors for Greenhouse Gas Inventories (April 2022). AR5 100-year GWP values were applied.

Downstream leased assets**Evaluation status**

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

2530

Emissions calculation methodology

Asset-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

22

Please explain

Kohl's captures some primary activity data for electricity and natural gas consumption at subleased locations. Where activity data is not available, consumption is modelled based on energy use per square foot by building type. Emissions are calculated based on relevant location-based emissions factors that correspond to the region of subleased locations

Franchises**Evaluation status**

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Kohl's does not engage major investment activities.

Investments**Evaluation status**

<Not Applicable>

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain**Other (upstream)****Evaluation status**

<Not Applicable>

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date

January 1 2021

End date

December 31 2021

Scope 3: Purchased goods and services (metric tons CO2e)

3527884

Scope 3: Capital goods (metric tons CO2e)

178782

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Scope 3: Upstream transportation and distribution (metric tons CO2e)

Scope 3: Waste generated in operations (metric tons CO2e)

Scope 3: Business travel (metric tons CO2e)

Scope 3: Employee commuting (metric tons CO2e)

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

296949

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

1035797

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0000202

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

365563

Metric denominator

unit total revenue

Metric denominator: Unit total

18098000000

Scope 2 figure used

Market-based

% change from previous year

1.55

Direction of change

Increased

Reason(s) for change

Other emissions reduction activities

Change in output

Change in revenue

Please explain

Emissions decreased by ~5% YoY and revenue decreased by ~7% YoY, causing a slight increase in the intensity figure. The decrease in emissions is primarily due to a change in supplier specific and residual mix emissions factors. Revenue decreased at a higher rate, causing the overall intensity metric increased.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	46553	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	115.77	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	37.35	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	10052.53	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
United States of America	56759

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Distribution Centers	10542.36
Enterprise	11389.28
General	57.09
Office	2183.68
Retail	32577.76
Storage	8.78

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Natural Gas Heating	43332.84
Propane Heating	1923.38
Diesel Generators	113.45
Aircraft Jet Fuel	1307.9
Vehicle Fleet Gasoline	28.85
Fugitive Refrigerants: R-410A	10052.53

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
United States of America	347850	308725

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

- By business division
- By activity

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Distribution Centers	43885.69	22282.77
General	110.2	103.91
Office	18654.75	8463.8
Retail	285191.59	277867.04
Storage	7.97	7.53
Enterprise	0	0

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Electric	347770.98	308725.04
Chilled Water- Hours	15.38	15.38
Steam	63.84	63.84

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Not relevant as we do not have any subsidiaries

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	2133	Decreased	3.21	The gross scope 1 and 2 emissions decreased due to 'a change in renewable energy consumption' implemented in the 2022 reporting year. The change in renewable consumption resulted in 2133 MTCO2e decrease compared to the REC quantity purchased in the previous year. Total market-based scope 1 and 2 emissions in the previous year was 386,552 MTCO2e, therefore we arrived at 3.21% through $(2133/386552)*100=0.55\%$.
Other emissions reduction activities	8979	Decreased	3.32	The gross scope 1 and 2 emissions decreased due to 'other emissions reduction activities' implemented in the reporting year. Such projects include improvements in building operational efficiency including LED lighting retrofits and EV charging installations. We estimate that in 2022, 8,979 MTCO2e was reduced by our emissions reduction projects. Total scope 1 and 2 emissions in the previous year was 386,552 MTCO2e, therefore we arrived at 2.32% through $(8979/386552)*100=2.32\%$.
Divestment		<Not Applicable >		
Acquisitions		<Not Applicable >		
Mergers		<Not Applicable >		
Change in output		<Not Applicable >		
Change in methodology	12420	Decreased	3.21	For the 2022 inventory, a number of emissions factor updates impacted our overall Scope 1 and 2 emissions including changes in supplier-specific emissions factors, residual mix factors in the United States (Green-e), and international location-based grid emission factors. Net impact was calculated by applying the 2021 emission factors to the 2022 activity data to isolate the difference in emissions from emission factor updates. In total, emissions factor updates decreased emissions by 12,420 MTCO2e. Total market-based scope 1 and 2 emissions in the previous year was 386,552 MTCO2e, therefore we arrived at 3.21% through $(12420/386552)*100=3.21\%$.
Change in boundary		<Not Applicable >		
Change in physical operating conditions		<Not Applicable >		
Unidentified	2543	Decreased	0.66	We were unable to identify the exact reasons for the remaining increase in emissions, however, this is most likely due to variations in the number of sites, YoY consumption for electricity, changes in electricity emission factors (supplier-specific, residual mix and eGRID) and other miscellaneous emission sources. $(2543/386552)*100=0.66\%$.
Other		<Not Applicable >		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	253438.82	253438.82
Consumption of purchased or acquired electricity	<Not Applicable>	90569.23	800194.21	890763.44
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>		281.79	281.79
Consumption of purchased or acquired cooling	<Not Applicable>		151.88	151.88
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	985.71	<Not Applicable>	985.71
Total energy consumption	<Not Applicable>	91554.94	1054066.7	1145621.65

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Other biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Coal

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Oil

Heating value

HHV

Total fuel MWh consumed by the organization

451.89

MWh fuel consumed for self-generation of electricity

451.89

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

This comprises of diesel fuel used to power generators

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

247600.35

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

247600.35

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

This comprises natural gas and propane used for space heating

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

5386.57

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

5386.57

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

This comprises gasoline and jet fuel used for vehicle transportation

Total fuel

Heating value
HHV

Total fuel MWh consumed by the organization
253438.82

MWh fuel consumed for self-generation of electricity
451.89

MWh fuel consumed for self-generation of heat
252986.93

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	985.71	985.71	985.71	985.71
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption

United States of America

Sourcing method

Purchase from an on-site installation owned by a third party (on-site PPA)

Energy carrier

Electricity

Low-carbon technology type

Solar

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

18924

Tracking instrument used

Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute

United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?

Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2022

Comment

Kohl's consumed 18,924 MWh of energy from on-site solar installations that are owned and operated by a third party .

Country/area of low-carbon energy consumption

United States of America

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Wind

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

71097

Tracking instrument used

US-REC

Country/area of origin (generation) of the low-carbon energy or energy attribute

United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?

Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2022

Comment

Kohl's purchased 71,097 MWh of Green-e Energy Certified Renewable Energy Certificates specific to wind for the year 2022.

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

United States of America

Consumption of purchased electricity (MWh)

890763

Consumption of self-generated electricity (MWh)

434

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

433.67

Consumption of self-generated heat, steam, and cooling (MWh)

892182

Total non-fuel energy consumption (MWh) [Auto-calculated]

1783812.67

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Waste

Metric value

124292

Metric numerator

Tons Recycled

Metric denominator (intensity metric only)

% change from previous year

3.3

Direction of change

Decreased

Please explain

In CY2021, Kohl's increased our diversion rate (87%) by 2% vs. 2020 (85%) recycling 136,776 tons of materials. In CY2022, 83.7% of waste was diverted from landfills. Please see page 13 of our 2022 ESG Report. <https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/landing-page/2022%20Kohls%20ESG%20Report-FINAL.pdf>

Description

Energy usage

Metric value

78

Metric numerator

one-thousand British thermal units (k BTu)

Metric denominator (intensity metric only)

Square Foot

% change from previous year

1

Direction of change

Increased

Please explain

As a participant in the U.S. Department of Energy's Better Building Challenge, we reached our goal of 20% energy reduction by 2020 two years early, achieving a total of 24% reduction based on a 2008 baseline at the end of 2018. New Goal: Reduce energy consumption by 30% at Kohl's facilities by 2025 versus a 2008 baseline. Progress: 30% reduction in energy consumption since 2008, CY2022. This is a 1% increase from the previous year - Energy consumption during 2020 was significantly lower than a typical year since COVID-19 disruptions resulted in temporary building closures and reduced occupancy for much of the year. See Page 13 of our 2022 ESG Report: <https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/landing-page/2022%20Kohls%20ESG%20Report-FINAL.pdf>

Description

Other, please specify (Water)

Metric value

5.33

Metric numerator

Gallons

Metric denominator (intensity metric only)

Square Foot

% change from previous year

3

Direction of change

Decreased

Please explain

Water is a precious resource, and our stores are designed to manage it accordingly. Existing stores have low-flow faucets, and new stores have low-flow toilets. Together, these measures help reduce indoor water usage at locations throughout the country. Smart irrigation controllers that use live weather data to adjust outdoor water usage has lowered irrigation water use. Since 2010, we have improved our water performance by 16% across our portfolio. Water consumption during 2020 was significantly lower than a typical year since COVID-19 disruptions resulted in temporary building closures and reduced occupancy for much of the year. See Page 29 of our 2022 ESG Report: <https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/landing-page/2022%20Kohls%20ESG%20Report-FINAL.pdf>

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Lightstone Verification Report final draft - Kohl's RY2022 Emissions Inventory - 2023.05.02.pdf

Page/ section reference

page 15

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Lightstone Verification Report final draft - Kohl's RY2022 Emissions Inventory - 2023.05.02.pdf

Page/ section reference

page 15

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Lightstone Verification Report final draft - Kohl's RY2022 Emissions Inventory - 2023.05.02.pdf

Page/ section reference

page 15

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Lightstone Verification Report final draft - Kohl's RY2022 Emissions Inventory - 2023.05.02.pdf

Page/section reference

page 15

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Upstream transportation and distribution

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Lightstone Verification Report final draft - Kohl's RY2022 Emissions Inventory - 2023.05.02.pdf

Page/section reference

page 15

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Please select

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Lightstone Verification Report final draft - Kohl's RY2022 Emissions Inventory - 2023.05.02.pdf

Page/section reference

page 15

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Lightstone Verification Report final draft - Kohl's RY2022 Emissions Inventory - 2023.05.02.pdf

Page/section reference

page 15

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Employee commuting

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Lightstone Verification Report final draft - Kohl's RY2022 Emissions Inventory - 2023.05.02.pdf

Page/section reference

page 15

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: End-of-life treatment of sold products

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Lightstone Verification Report final draft - Kohl's RY2022 Emissions Inventory - 2023.05.02.pdf

Page/section reference

page 15

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Downstream leased assets

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Lightstone Verification Report final draft - Kohl's RY2022 Emissions Inventory - 2023.05.02.pdf

Page/section reference

page 15

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, we do not verify any other climate-related information reported in our CDP disclosure

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

- Yes, our suppliers
- Yes, our customers/clients

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect GHG emissions data at least annually from suppliers
 Collect other climate related information at least annually from suppliers

% of suppliers by number

80.3

% total procurement spend (direct and indirect)

0

% of supplier-related Scope 3 emissions as reported in C6.5

80.3

Rationale for the coverage of your engagement

Supply chain operations can have an impact on the environment through energy and water consumption, carbon emissions, wastewater, chemical use and waste disposal. If supply chain environmental impacts are left unmanaged, they could pose both financial and reputational risks. To assess company-level exposure to this risk category and in an effort to make meaningful improvements when it comes to protecting the well-being of factory workers, local communities and the environment, we use the Higg Index. We require all approved facilities, both domestic and internationally, producing private and exclusive-branded products to complete the Higg Facility Environmental Module (FEM) annually. The Higg FEM assesses energy use, greenhouse gas and air emissions, water use, wastewater, waste management, environmental management systems and chemical management. In addition, our strategic suppliers are required to complete the Higg Verified Facility Environmental Module (VFEM) as well as the Higg Facility Social and Labor Module (FSLM). Kohl's further ensures sustainability (including climate-related) risk reduction through on-site audits. In 2022, 80.3% of all approved facilities completed the Higg FEM including 89% of our tier 1 and 65.8% of Tier 2 suppliers. Since 2018, the average sustainability assessment score has improved by 38%. By 2025, all facilities producing our private and exclusive brands will need to complete the Higg FEM annually. Kohl's strategy is to engage with our vendors & private brand contractors. In 2022, Kohl's had a total of 1252 tier 1 suppliers and of these 534 were further identified as critical, such as those identified as high volume, unexchangeable, etc. The critical tier 1 suppliers are estimated to make up 80% of Kohl's receipts. While none of our Tier 1 suppliers account for more than 10% of our sales receipts, it is possible that we may face enterprise-wide risks due to climate change related disruptions to our supply chain. Impacts may include interruption to our logistics and transportation of goods/merchandise to our distribution centers and our stores, volatility of prices of natural resources (and transportation), and fluctuations in availability and timely delivery of our private label brands. Each of these has the potential to disrupt our sales and our costs; our SEC 10-K filing includes such risks in our business strategy.

Impact of engagement, including measures of success

To assess company-level exposure to this risk category and in an effort to make meaningful improvements when it comes to protecting the well-being of factory workers, local communities and the environment, we use the Higg Index. We require all approved facilities both domestically and internationally, producing private and exclusive-branded products to complete the Higg Facility Environmental Module (FEM) annually. This sustainability score and feedback document is shared with our vendors as part of their monthly supply chain scorecard. Vendors are challenged to meet or be at an average assessment score on an annual basis. Since 2018, the average sustainability assessment score has improved by 38%. Supply chain assets also frequently undergo risk screening. We see the Higg Index as crucial to our initiatives to reduce our environmental impact. As part of Kohl's engagement with our vendors, Higg responses are collected & used to partially influence supplier selection decisions. Kohl's Factory Compliance Team analyses the data to ensure that we reduce our supplier related risks. For example, to address climate-related issues where our supply chain operates, we intend to use the Higg Index findings to drive down substantial water usage for our owned brand by 2025, addressing water usage issues, particularly in water scarce regions. To demonstrate our ongoing commitment to driving sustainability within our supply chain, we established environmental standards in 2022 for our strategic suppliers and are assessed for compliance in 2023 as part of the Vendor's scorecard performance. Additionally, our supplier engagement work and the Higg FEM performance analysis for water-intensive facilities revealed that our suppliers located in the most water-stressed regions already have strong water management practices in place. Some examples include consumption monitoring and baselining, target setting and implementation plans. We will continue to utilize these tools to further shape and update our water reduction strategy in the coming years and further engage our suppliers located in water-stressed areas to further drive performance improvement, drive water use efficiency and continue to play their role in addressing local water scarcity challenges.

Comment

To supplement our responsible sourcing strategy, we leverage the Institute of Public and Environmental Affairs (IPE) to screen our suppliers in China for environmental compliance. IPE is a nonprofit environmental research organization that collects and analyzes government and corporate environmental information to provide transparency on supplier compliance. On a regular basis, we screen our suppliers within IPE's Blue Map website to identify violations and, if found, create a corrective action plan for the respective vendor and facility to remediate within an assigned timeframe. In 2022, we screened over 80% of our China facilities and over 60% have recertified their violations. In 2023, we plan to continue expanding the scope of our supplier screening and push our suppliers to remediate outstanding environmental noncompliance. Our vendor and facility partners are strictly held to our Terms of Engagement, which outlines our requirements and expectations including environmental requirements and more. Risk assessment is based on factory management's commitment to sustainability, historical audit results of vendor partner and factory, open source information and public media reports, among other criteria.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing	Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services
-------------------------------	---

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

Healthy communities start with a healthy environment. We believe incorporating sustainable solutions in the way we do business will help to build better futures for families. Our customers are key to our success. We know our customers care about the planet, and we show them how we're doing our part at kohls.com/sustainability.

Kohl's sees strong links between improving our customers' quality of life & our brand. As such sustainability is woven into the company's positioning of inspiring and empowering individuals and families to lead fulfilled lives. We believe integrating sustainable solutions in the way we do business will help to better the futures for individuals and families by providing them products that improve their quality of life and protecting the environment for future generations. Examples of engagement include the following:

- In May of 2023 we released our third ESG Report
- Environmental Sustainability and Responsible Sourcing sections of our website
- Corporate Site articles focused on our climate leadership
- Social Media posts/videos communicating our goal progress, awards and initiatives related to ESG including climate related topics.

In addition, for over 15 years Kohl's has been giving back to the communities we serve through monetary donations, provision of resources, and time. We have also made a consistent effort to engage and educate our customers on what sustainable actions they can take at home and what actions Kohl's takes on energy and other climate related topics. Through the community giving and volunteer program, Kohl's supports 501 (c) (3) non-profit organizations which include, but are not limited to environmental initiatives, kids' health and education initiatives, and women's health initiatives.

Impact of engagement, including measures of success

Brand Reputation metrics: We utilize a third party, who provides quarterly analysis focused on Kohl's ESG perception/reputation. This provides crucial insight into what our stakeholders think, feel, and say, so we can build a strong reputation and Reputation Score. An element of the survey focuses on measuring Kohl's ESG perceptions. ESG and Reputation both partially overlap and complement each other, where together they create a complete picture of the Stakeholder's impression of a Company. This ESG Score analyzes public perception of 17 individual factors, including considerations like environmental sustainability (climate-related), talent management, diversity, and ethical governance.

ESG perceptions strongly drive Reputation with a high correlation of R2 = 0.86. ESG perceptions not only drive Reputation, but it is also shown to impact Business Outcomes with high statistical correlation. For example, the third party found an R2 = 0.85 correlation between ESG perception score and the public's willingness to trust companies to do the right thing, an R2 = 0.78 correlation between ESG perception score and Willingness to Buy a product or service from a company, and R2 = 0.66 correlation between ESG perception score and Willing to Work for, illustrating the importance of reputation & ESG perceptions with the public. Revenue from sustainable products: With our private and exclusive brands representing more than 35% of our business and with categories across home, accessories, footwear and apparel, we aim to grow our offering of products with sustainable attributes. In addition, in 2022, our associates volunteered more than 75,000 hours for more than 1,900 charities. (ESG Report page 54)

Type of engagement & Details of engagement

Education/information sharing	Share information about your products and relevant certification schemes (i.e. Energy STAR)
-------------------------------	---

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

As of 2022, 94% of our stores are ENERGY STAR® certified, including nine stores newly certified in the calendar year. Commercial buildings that have earned the ENERGY STAR® label use, on average, 35% less energy than similar buildings and generate one-third less carbon dioxide. According to the EPA, 75 percent of U.S. households report the ENERGY STAR label as important in their purchasing decisions and 80 percent of purchasers would recommend ENERGY STAR products to a friend.

Impact of engagement, including measures of success

We were selected as a 2022 ENERGY STAR® Partner of the Year winner for Sustained Excellence for the 11th consecutive year; an honor reserved for ENERGY STAR® partners demonstrating outstanding leadership year over year. As of 2022, 94% of our stores are ENERGY STAR® certified, including nine stores newly certified in the calendar year. Commercial buildings that have earned the ENERGY STAR® label use, on average, 35% less energy than similar buildings and generate one-third less carbon dioxide.

- Kohl's ENERGYSTAR achievements were printed on all customer receipts for a 14 day period: "As an ENERGY STAR partner since 1998, we were selected as a 2022 ENERGY STAR® Partner of the Year winner for Sustained Excellence. We have more than 1,000 ES labeled stores that have contributed to our outstanding performance in energy efficiency."
- Kohl's 2022 ESG Report demonstrates the company's commitment to energy efficiency and achievements. The report includes Kohl's long-term relationship with ENERGY STAR . It also elaborates on how the ESG programs has helped Kohl's save money and improve energy efficiency.
- Online store locator tool features icons informing customers which stores are ENERGY STAR certified and/or offer EV charging
- To celebrate the 30th anniversary of ENERGY STAR® in 2022, the EPA offered special one-time recognition to any organization that earned ENERGY STAR® certification for five or more buildings within the year. With 54 of our buildings earning certification in CY 2022, we became an Executive Member of Certification Nation.
- As a participant in the U.S. Department of Energy's Better Building Challenge, Kohl's committed to a 20% energy reduction by 2020. Kohl's met that target two years early, in 2018, achieving a 24% reduction in our energy consumption, compared to a 2008 baseline. In CY 2022, we achieved a 30% energy reduction based on our 2008 baseline, hitting our updated target of a 30% reduction by 2025.

Type of engagement & Details of engagement

Education/information sharing	Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services
-------------------------------	---

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

EV charging stations are available at a growing number of stores. At the end of FY2022, we had more than 325 electric vehicle charging spots spread across 169 locations.

Impact of engagement, including measures of success

We track customer use of our EV charging stations (which is reported in our ESG report) and track improvements to customer foot traffic; use of EV and number of charging stations is likely indicative of increased foot-traffic from our address of climate-related issues. At the end of FY2022, we had more than 325 electric vehicle charging spots spread across 169 locations. These stations provide nearly 200,000 charging sessions per year to our customers and associates.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, suppliers have to meet climate-related requirements, but they are not included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Climate-related disclosure through a non-public platform

Description of this climate related requirement

We require all approved facilities producing private and exclusive-branded products to complete the Higg Facility Environmental Module (FEM), an annual scored sustainability assessment. As part of Kohl's engagement with our vendors, Higg FEM responses are collected and considered as a factor when making supplier selection decisions. The sustainability scores resulting from the Higg FEM assessment are shared with vendors as part of their annual supply chain scorecard.

The Higg Index is a suite of tools that accurately measures several environmental and social impacts, delivering a holistic overview of supply chain factory compliance and sustainability performance. The Higg FEM assesses energy use, greenhouse gas and air emissions, water use, wastewater, waste management, environmental management systems and chemical management. In addition, our strategic suppliers are required to complete the Higg Verified Facility Environmental Module (VFEM) as well as the Higg Facility Social and Labor Module (FSLM).

As of CY2022, a total of 80.3% suppliers completed the Higg FEM including 89% of Tier 1 and 61% beyond tier 1. In 2022, Kohl's had a total of 1252 tier 1 suppliers and of these 534 were further identified as critical, such as those identified as high volume, unexchangeable, etc. Although no one supplier accounts for more than 10% of net purchases, the critical tier 1 suppliers are estimated to make up 80% of Kohl's receipts.

% suppliers by procurement spend that have to comply with this climate-related requirement

80

% suppliers by procurement spend in compliance with this climate-related requirement

80.3

Mechanisms for monitoring compliance with this climate-related requirement

Supplier self-assessment
Supplier scorecard or rating

Response to supplier non-compliance with this climate-related requirement

Retain and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

We demonstrated our support for action on climate change and for The Paris Agreement by signing the American Business Act Pledge on Climate Change in 2015. The Pledge: We applaud the nearly 200 countries that came together to adopt the most ambitious climate change agreement in history. We believe the Paris Agreement establishes a long term, durable global framework to reduce global greenhouse gas emissions and charts an irreversible course for investment in a low-carbon, sustainable future. We call on all countries to take steps to implement their contributions to the Paris Agreement and put forward increasingly ambitious targets over time. And as companies, we will strive to do the same – by implementing our climate commitments, set before the Agreement was adopted or that we set in the months ahead. We recognize that delaying action on climate change will be costly in economic and human terms, while accelerating the transition to a low-carbon economy will produce multiple benefits with regard to sustainable economic growth, public health, resilience to natural disasters, and the health of the global environment. American Business Act on Climate Pledge _ The White House.pdf

Kohl's is a member of select industry groups and trade associations to maintain awareness of retail trends and to advance common interests of the retail community through advocacy. Kohl's monitors the activities of these organizations to ensure alignment with Kohl's perspectives and objectives through the Kohl's Political Activity Policy. 2022-kohl-s-political-activity-policy.pdf American Business Act on Climate Pledge _ The White House.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

Kohl's is a member of select industry groups and trade associations to maintain awareness of retail trends and to advance common interests of the retail community through advocacy. Kohl's monitors the activities of these organizations to ensure alignment with Kohl's perspectives and objectives through the Kohl's Political Activity Policy.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify (Business for Social Responsibility (BSR))

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

In this decisive decade, the need to shift to an inclusive, net zero economy could not be more urgent or important. This requires collective effort by business, government, civil society and citizens. To turn this vision into reality, BSR works to mainstream sustainable business practices in the global economy by promoting business transformation and powerful collaborations that take progress to scale.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

30000

Describe the aim of your organization's funding

Gain access to a powerful global network of member companies, thought leaders, peers, and stakeholders—all focused on creating viable sustainability solutions. BSR is a global nonprofit organization that works with its network of more than 300 member companies to build a just and sustainable world.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Sustainable Apparel Coalition (SAC))

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

The Coalition has developed the Higg Index, a suite of tools that standardizes value chain sustainability measurements for all industry participants. These tools measure environmental and social labor impacts across the value chain. With this data, the industry can identify hotspots, continuously improve sustainability performance, and achieve the environmental and social transparency consumers are demanding. By joining forces in a Coalition, we can address the urgent, systemic challenges that are impossible to change alone.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

67500

Describe the aim of your organization's funding

We are one of the founding members of the SAC and maintain an active membership. The SAC is a group of apparel manufacturers, retailers, brands and nongovernment

organizations working together to standardize supply chain sustainability measures.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Retail Industry Leaders Association (RILA))

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

RILA believes effective public policy is paramount in supporting climate action within communities and businesses and urges the US government to collaborate on bipartisan legislation that supports innovation, economic resiliency, and energy efficiency to drive the United States become more resilient against climate disruptions and better prepared to reduce emissions across all sectors. As such, the retail industry is an ally in the fight against climate change and stands ready to partner with policymakers to work toward a sustainable future for all. In April 2020 under its Retail Climate Priorities, RILA recognized key impact areas for retail climate action, including: transportation, clean energy, building and facilities, waste, and corporate governance and disclosure.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

75000

Describe the aim of your organization's funding

To advance more environmentally sustainable and circular business opportunities, including greenhouse gas emissions reduction, the efficient and responsible use of natural resources, and product-and material-lifecycle value retention.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (National Retail Federation (NRF))

Is your organization's position on climate change policy consistent with theirs?

Unknown

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

<Not Applicable>

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

65000

Describe the aim of your organization's funding

To advocate on important policy issues and gain insights from dedicated research reports, hear from industry leaders and network with retail leaders. Gain access to the latest industry trends and best practices.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

No, we have not evaluated

C12.4

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

2022-Kohls-ESG-Report-FINAL-compressed (1).pdf

Page/Section reference

page 4, 15 for TCFD and pages 12-33 for Environmental Sustainability
<https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/landing-page/2022%20Kohls%20ESG%20Report-FINAL.pdf>

Content elements

- Governance
- Strategy
- Risks & opportunities
- Emissions figures
- Emission targets
- Other metrics

Comment

Beginning in 2021, Kohl's climate-related disclosures are guided by using the TCFD framework. We plan to leverage the TCFD framework and recommendations as we continue our commitment to managing climate-related issues.

As a leader in the retail sector, we are committed to managing climate risks and taking action. We demonstrated our support for action on climate change and for The Paris Agreement by signing the American Business Act Pledge on Climate Change in 2015. Additionally, Kohl's is committed to reducing our carbon footprint to reach net zero by 2050. By investing in renewables and LED lighting, creating sustainable business practices, and offering low-carbon transportation options, Kohl's is focused on reducing emissions

We actively track our scope 1, 2 and 3 emissions and report these metrics annually. Kohl's climate action goals are focused on the reduction of greenhouse gas emissions and increase of renewable energy use. We are committed to reducing our combined scope 1 and 2 greenhouse gas emissions by 50% versus a 2014 baseline by 2025.

- Reduce greenhouse gas emissions in Kohl's Owned operations by 50% versus 2014 baseline by 2025. 2022 Progress: 49% reduction in scope 1 and 2 .
- Further reduce energy consumption by 10% at Kohl's facilities by 2025, building off of the company's existing 20% reduction against 2008 baseline. 2022 Progress: 30% reduction in energy consumption since 2008
- Expand renewable energy platforms by building off the company's existing 161 solar and wind locations. 2022 Progress: 163 solar locations
- Support the transition to a low-carbon transportation system, building off of the company's existing 96 locations offering electrical vehicle charging. 2022 Progress: 169 locations offer EV charging

<https://corporate.kohls.com/content/dam/kohlscorp/corporate-responsibility/landing-page/2022%20Kohls%20ESG%20Report-FINAL.pdf>

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	We are not a signatory/member of any collaborative framework, initiative and/or commitment related to environmental issues	<Not Applicable>

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	Board oversight of our ESG strategy is essential to sustain the long-term interests of all stakeholders. In 2021, we expanded the scope of responsibility of the Nominating and Governance Committee to include oversight of ESG matters, and the Committee was renamed the Nominating and ESG Committee. Additionally, beginning in 2020, we established criteria within our Chief Executive Officer's performance evaluation objectives that are tied to our environmental performance, including promoting an effective sustainability agenda. The Nominating and ESG Committee of Kohl's Board of Directors actively oversees our ESG initiatives to understand both risks and growth opportunities, as well as progress made against the company's goals. Our sustainable sourcing goals for Kohl's private brand products are focused on the efficient use of natural resources and environmentally sound management of chemicals. Our product development, design and sourcing teams are aligned with our goals and empowered to drive progress.	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to avoidance of negative impacts on threatened and protected species	Other, please specify (Canopy's Protecting Forests campaign, Supporting the local biodiversity at our corporate office by investing in and maintaining 5 bee hives.)

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Upstream
Downstream

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Value chain stage(s) covered

<Not Applicable>

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?

Not assessed

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Education & awareness Other, please specify (At our Corporate offices, we are supporting the bee population and protecting native species and biodiversity by investing in five hives on site that support 250,000 bees. The honey produced was used and sold at the corporate office)

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	Other, please specify (Increasing our use of responsibly sourced materials will help to lessen our environmental impact and could also drive reductions in our Scope 3 emissions. We are committed to increasing the use of recycled polyester and more sustainable cotton.)

C15.7

(C15.7) Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In mainstream financial reports	Content of biodiversity-related policies or commitments Risks and opportunities Biodiversity strategy	page 32- Raw Material Sourcing

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	CEO has reviewed and approved through Company ESG governance process	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms