



KOHL'S

TERMS OF ENGAGEMENT



Terms of Engagement - Mission Statement/ Principles

Kohl's is committed to

ethical sourcing practices and expects its Business Partners to demonstrate the same commitment. We monitor facility working conditions, supply chain security and environmental impact to help ensure our products are produced in a fair and ethical manner, in accordance with all applicable laws, international standards and internal policies.

These Terms of Engagement are a part of our purchase order terms and conditions and apply to all of Kohl's vendors, suppliers, manufacturers, contractors, subcontractors and their agents who sell products or services to Kohl's (individually or collectively "Business Partner"). While Kohl's recognizes that there are different legal and cultural environments in which Business Partners operate throughout the world, these Terms of Engagement define the minimum requirements that must be met in order to do business with Kohl's, but Kohl's strongly encourages its Business Partners to exceed these minimum requirements to achieve continuous improvement. The Terms of Engagement also provide the foundation for Kohl's ongoing evaluation of Business Partners' compliance and overall performance.

Zero tolerance violations may result in immediate termination of our business relationship with the facility, and merchandise produced under such conditions will not be accepted. Kohl's zero tolerance violations include but are not limited to: Child Labor, Prison Labor, Forced Labor, Bonded/Indentured Labor, Slavery or Human Trafficking, Physical or Sexual Abuse, Nonpayment of Wages, Unauthorized Subcontracting, Attempted Bribery of a Kohl's Auditor, Transshipment or Altering/Tampering with Country-of-Origin Markings. These violations are unacceptable to Kohl's and [our high ethical standards](#).

Kohl's will periodically review these Terms of Engagement to determine whether revisions are appropriate. Any such revisions will be promptly published by Kohl's.

Contents

- 3 Laws and Regulations
 - Laws and Regulations
- 5 Employment Practices
 - Wages and Benefits
 - Working Hours and Time Off
 - No Child/Underage Labor
 - No Forced Labor, Human Trafficking and Modern Slavery
 - Foreign Contract Labor
 - Immigration Compliance
 - No Discrimination
 - Women's Rights
 - No Harassment and Abuse
 - Freedom of Association/Collective Bargaining
 - Occupational Health and Safety
- 9 Ethical Standards/Governance
 - Bribery/Anti-Corruption
 - Subcontracting
 - Country Exceptions
 - Monitoring and Compliance
 - Record Keeping Corrective Action
 - Conflict Minerals
- 12 Sustainability/Environmental Requirements
 - Higg Index
 - Licenses and Permits
 - Sustainability Management Systems
- 14 Ethics Reporting/Terms of Engagement Communication/ Management Systems
 - Communication/Posting Terms of Engagement Reporting Unethical Behavior/Grievances
- 16 National Branded/Non-Exclusive Products
 - National Branded/Non-Exclusive Products

Laws and Regulations

+ Laws and Regulations

Laws and Regulations

Kohl's Business Partners must operate in full compliance with all applicable local and national laws, rules and regulations pertaining to all aspects of factory operations of the jurisdiction in which they conduct business or which otherwise apply, including conforming to U.S. country of origin regulations which govern quote classification and marking of products. This includes compliance with these Terms of Engagement and the terms and conditions of purchase orders issued by Kohl's and/or on Kohl's behalf, in addition to all other Kohl's contractual obligations to which Kohl's Business Partners may be bound. Business Partners' manufacturing facilities must also comply with [U.S. Customs Trade Partnership Against Terrorism](#) ("CTPAT") requirements.

Employment Practices



Wages and Benefits

Working Hours and Time Off

No Child Labor

No Forced Labor, Human Trafficking and Modern Slavery

Foreign Contract Labor

Immigration Compliance

No Discrimination

Women's Rights

No Harassment and Abuse

Freedom of Association/Collective Bargaining



Occupational Health and Safety

Wages and Benefits

Kohl's recognizes that wages are essential to meet workers' basic needs. As such, Kohl's Business Partners must provide wages, benefits, and overtime premiums that comply with applicable laws or regulations and must pay the legally prescribed minimum wage or the prevailing local manufacturing or industry wage, whichever is greater. Wages must be paid to workers directly and in a timely manner. Kohl's will seek and favor Business Partners who are committed to the betterment of wages and benefits within their facilities.

Working Hours and Time Off

Kohl's expects its Business Partners to comply with all applicable laws and regulations pertaining to the number of hours and days worked. Except in extraordinary circumstances, Business Partners shall limit the number of hours that workers may work on a regularly scheduled basis to the legal limit on regular and overtime hours established by local laws and regulations in the jurisdiction in which they manufacture. Subject to the requirements of local law, a regularly scheduled workweek of no more than sixty (60) hours and one day off in every seven (7) day period are encouraged. Partners will comply with applicable laws that entitle workers to vacation time, leave periods and holidays. Business Partners must regularly provide reasonable daily rest periods. Working hours for all workers, including temporary workers, must be recorded by an automated timekeeping system. All hours worked must be recorded and the worker properly compensated for both regular and overtime working hours and any time used for work preparations or repairs, in accordance with the local labor laws.

No Child/Underage Labor

Use of child labor is prohibited. Business Partners must observe all legal requirements for the work of authorized minors, particularly those relating to hours of work, wages, minimum education and working conditions. Kohl's supports the development of legitimate, workplace apprenticeship programs and Business Partners will be expected to comply with all laws and regulations applicable to such apprenticeship programs. Kohl's considers "Child" as a person who is younger than 16 or younger than the age for completing compulsory education or younger than the local minimum working age, whichever is older. Workers under the age of 18 must not perform or be exposed to situations that are hazardous, unsafe or unhealthy. Suppliers must comply with all age-related working restrictions as set by local law and adhere to international standards as defined by the [International Labour Organization](#) ("ILO") regarding age appropriate work. Factories must have established procedures for age verification as part of their hiring process.

No Forced Labor, Human Trafficking and Modern Slavery

Kohl's Business Partners must not use bonded labor, indentured labor, prison labor, forced labor or labor acquired through slavery or human trafficking in the purchasing of materials, manufacture or finishing of products. This includes labor that is provided under duress, financial obligation or improper oversight. Working must be voluntary and workers must be free to leave work and terminate their employment or other work status at any time. Workers must not be required to make any monetary deposits or surrender any original identification documents as a condition of employment.

Foreign Contract Labor

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

Immigration Compliance

Kohl's Business Partners may only engage workers who have a legal right to work. If Business Partners engage foreign or migrant workers, such workers must be engaged in full compliance with the immigration and labor laws of the host country.

No Discrimination

Kohl's recognizes and respects cultural differences and believes discrimination should not be tolerated. Business Partners are expected to maintain a work environment free of discrimination and to employ legally-eligible workers on the basis of their skills, qualifications and their ability to do the job rather than on the basis of race, color, sex, religion, national origin, age, disability, sexual orientation, gender identity or expression, or any other status protected by law.

Women's Rights

Business Partners will ensure that workers who are women receive equal treatment in all aspects of employment. Pregnancy tests will be voluntary and will not be a condition of employment or continuation thereof. Workers will not be exposed to hazards that may endanger their reproductive health and Business Partners will not force workers to use contraception. Women returning from maternity leave will be given an equivalent position and pay.

No Harassment and Abuse

Business Partners must treat all workers with respect and dignity. Kohl's will not utilize Business Partners who tolerate the use of corporal punishment, physical, sexual, psychological or verbal harassment or other forms of mental or physical coercion, abuse or intimidation. Business Partners must not use, or permit the use of fines as a disciplinary practice. Workers must be free to voice concerns to factory management or to Kohl's agents or Kohl's directly without fear of retaliation.

Freedom of Association/Collective Bargaining

Kohl's Business Partners must respect the rights of their workers to join legal organizations of their own choice. Workers must not be penalized or subject to intimidation or harassment in the peaceful exercise of their legal right to join or to refrain from joining such legal organizations or bargain collectively.

Occupational Health and Safety

Kohl's Business Partners must provide workers with a clean, safe and healthful work environment designated to prevent accidents and injuries in compliance with all applicable, legally mandated standards for workplace health and safety. Where applicable, Business Partners who provide residential facilities for their workers must provide safe, healthy and sanitary facilities, separate from production and warehouse facilities, which comply with legally mandated standards for health and safety.

Ethical Standards/ Governance

- 
- Bribery/Anti-Corruption**
 - Subcontracting**
 - Country Exceptions**
 - Monitoring and Compliance**
 - Record Keeping**
 - Corrective Action**
 - Conflict Minerals**

Bribery/Anti-Corruption

Kohl's has zero tolerance for bribery, kick-backs or any other [unethical practices](#). No associate of Kohl's or any third party acting on behalf of Kohl's may solicit, offer, make or authorize a payment or "anything of value" to: Influence a business decision, secure an improper advantage, influence legislation, regulations or governmental processes, and/or persuade any officials or workers of another company to act contrary to, or neglect to perform, their duties. For purposes of this section, "anything of value" can include gifts, travel, entertainment, offers of employment, loans and charitable or political contributions.

Subcontracting

Business Partners shall not utilize subcontractors for the production of Kohl's merchandise, or components thereof, without Kohl's prior written approval and only after the subcontractor has expressly agreed to comply with Kohl's Terms of Engagement. Business Partners shall require each approved subcontractor to abide by Kohl's Terms of Engagement and shall be held accountable for the subcontractor's failure to do so.

Country Exceptions

Business Partners will not produce merchandise for Kohl's in countries which are considered by Kohl's to deny basic human rights. Kohl's will not initiate or continue its business relationship with Business Partners that produce merchandise for Kohl's where there are gross and systematic violations of human rights and when there is a recognized movement from within the country calling for withdrawal.

Monitoring and Compliance

Kohl's takes affirmative measures to monitor compliance with Kohl's Terms of Engagement and Kohl's Purchase Order Terms and Conditions. Such measures may include prescreening Business Partners, scheduled or random, announced and unannounced on-site inspections of factories by Kohl's representatives, or certification by Kohl's Business Partners that Kohl's Terms of Engagement have been complied with. Business Partners must be transparent and honest in all communications with Kohl's and third-party monitors. A violation of these Terms of Engagement may result in required corrective action, cancellation of purchase orders (at the Business Partner's expense) or termination of the business relationship, all in Kohl's absolute and sole discretion.

Record Keeping

Business Partners must maintain all documentation necessary to demonstrate compliance with Kohl's Terms of Engagement for all authorized factories. Business Partners must provide Kohl's representatives access to production facilities, employment records and workers for confidential interviews during monitoring and other factory visits. All records and documents provided to Kohl's should be complete and accurate. Business Partners must promptly respond to inquiries by Kohl's representatives concerning the operations of factories with respect to Kohl's Terms of Engagement.

Corrective Action

If a Business Partner is in violation of Kohl's Terms of Engagement, Kohl's will work with the Business Partner to remediate the violation and take appropriate corrective action if at all possible. If this effort is unsuccessful, violations of these Terms of Engagement may result in the cancellation of the affected purchase order (at the Business Partner's expense), prohibition of subsequent use of a factory or termination of Kohl's business relationship with any the Business Partner, all in Kohl's absolute and sole discretion.

Conflict Minerals

Kohl's expects all Business Partners to ensure that merchandise sold to Kohl's is free of any [conflict minerals](#). Conflict minerals are tin, tantalum, tungsten, or gold sold to finance conflict in the Democratic Republic of Congo or an adjoining country. Kohl's has put in place policies, a due diligence framework, and management systems to help ensure our Business Partners' compliance with this expectation and to enable us to comply with the reporting requirements of the Security and Exchange Commission's Conflict Minerals Rule.

Sustainability/ Environmental Requirements

- + Higg Index
- Licenses and Permits
- + Sustainability Management Systems

Higg Index

Kohl's requires all facilities involved in the production of private and exclusive branded products or where Kohl's is the importer of record to complete and submit the Higg Index Facility Environment Module according to Kohl's required timeline.

Licenses and Permits

Suppliers must acquire and maintain all legally required environmental permits and conduct pollutant monitoring for all necessary areas or processes.

Sustainability Management Systems

Business Partners must have environmental monitoring systems which accurately measure and track operational and production impacts to air, water and any other environmental system which may be deemed necessary. Suppliers must ensure all chemicals and hazardous materials are safely stored and disposed of properly and that workers are trained on the safe handling process and have an emergency plan.

Ethics Reporting

Terms of Engagement Communication

Management Systems



Communication/Posting Terms of Engagement

Reporting Unethical Behavior/Grievances

Communication/Posting Terms of Engagement

Business Partners must post the Terms of Engagement in their factories and in locations readily accessible to workers. The Terms of Engagement must be translated into the local language(s) of the workers. Business Partners shall take appropriate steps to ensure the provisions of these Terms of Engagement are communicated to all workers. Upon employment, as part of worker orientation, the Terms of Engagement shall be presented to workers and explained to them. Business Partners shall review these Terms of Engagement annually with workers.

Reporting Unethical Behavior/Grievances

Business Partners must provide an appropriate avenue for workers to lodge complaints or grievances and make suggestions. All instances must be fully investigated and resolved in a fair, unbiased manner. Workers must be trained on the policy and procedures for the handling of complaints and grievances. Any form of retaliation or victimization in response to a complaint or grievance is strictly prohibited by Kohl's.

Suspected violations can be reported anonymously through the following channels for further investigation:

- Kohl's Integrity Hotline (1-800-837-7297)
- Via the www.kohlsintegrity.com website
- Via e-mail: factory.compliance@kohls.com

National Branded/Non- Exclusive Products

 National Branded/Non-Exclusive Products

National Branded/Non-Exclusive Products

Business Partners supplying only national branded, non-exclusive products to Kohl's may be deemed in compliance with the Kohl's-specific requirements under Communication, Monitoring and Compliance, Record Keeping, Subcontracting and/or Country Exceptions above by receiving an express written acknowledgment from Kohl's General Counsel after that Business Partner provides appropriate assurances to Kohl's.