

**Kohl's Corporation, Inc.**  
**2020 Recruitment and Forced Labor Proposal**

**WHEREAS**, recent global estimates found that conditions of forced labor trap 24.9 million people in extended private sector supply chains, generating over \$150 billion in profits for illegal labor recruiters and employers through underpayment of wages. Of these workers, over 70% are in debt bondage. Migrant workers globally are prime targets for exploitation, including discrimination, retaliation, debt bondage, illegal deductions from wages and confiscated or restricted access to personal documents, limiting workers' freedom of movement leading to forced labor and human trafficking.

Corporations have a responsibility to respect human rights within company-owned operations and through business relationships. This expectation is delineated in the United Nations Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector. Societal expectations have increased requiring companies to conduct human rights due diligence, informed by the core international human rights instruments, to assess, identify, prevent, and mitigate adverse human rights impacts. Regulatory requirements in the State of California, the United Kingdom, Australia and France require companies to report on their actions to eradicate human trafficking and slavery. Any company directly or indirectly employing migrant workers must have a policy that assesses if workers are being recruited into debt bondage, forced labor and, ultimately, slavery.

Pursuant to US federal law, on October 2019, the Customs and Border Protection issued Withhold Release Orders detaining imports of products into the United States from five countries, including apparel produced in a factory in Xinjiang, China due to forced labor.<sup>1</sup>

The 2019 Corporate Human Rights Benchmark gives Kohl's, Inc. (Kohl's) an overall score of 10.5 out of 100. This compares poorly with scores from peer companies Marks & Spencer (73), Gap (59), and Hennes & Mauritz (51). Kohl's Terms of Engagement do prohibit the use of forced labor, slavery and human trafficking in the company's supply chain and the company has posted a report on its website in accordance with the California Transparency Supply Chains Act (SB 657). However, Kohl's has no formal human rights policy articulating its respect for human rights by adopting internal policies and carrying out human rights due diligence to enable the company to identify, assess, prevent, mitigate, and remediate human rights impacts throughout its operations and value chain.

Given the company's lack of risk mitigation and disclosure, investors have insufficient information to gauge how well the company is addressing forced labor risks to the company and to workers.

**RESOLVED**, that shareholders request the Board of Directors of Kohl's to report, at reasonable cost and omitting proprietary information, on the Company's process for identifying and analyzing potential and actual human rights risks of operations and its supply chain by December 2020.

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<sup>1</sup> <https://www.cbp.gov/trade/programs-administration/forced-labor/withhold-release-orders-and-findings>

SUPPORTING STATEMENT: In developing the report, the Company could consider:

Human rights principles used to frame the assessment;

Frequency of assessment;

Methodology used to track and measure performance on forced labor risks; and

How the results of the assessment are incorporated into company policies and decision-making.