

RESOLVED, that shareholders of Kohl's Corporation ask the board of directors to analyze and report on the feasibility of including paid sick leave (PSL) as a standard employee benefit not limited to COVID-19.

SUPPORTING STATEMENT

As Kohl's identified in its Form 10-Q filed in May, the pandemic poses risks to both its revenues and operations. Specifically, it identified the risk of further outbreaks necessitating store closures, impacts on consumer loyalty, and the ability to attract and retain talent. PSL would mitigate each risk and support the effectiveness of other health and safety measures implemented by the company.

The COVID-19 pandemic and the economic crisis it precipitated have drawn the attention of the public and policy makers to the importance of PSL for workers and public health. Substantial media attention has focused on U.S. workers' lack of access to PSL, especially in sectors with significant public contact such as retail.¹ Workers without PSL may risk being fired if they do not come into work despite illness, and some workers cannot afford to miss work and forego wages. PSL allows sick workers to stay home, preventing them from infecting co-workers and those with whom they would come into contact on the job. Studies show that PSL mandates, where adopted, have reduced the rate at which employees report to work ill, and have lowered disease and overall absenteeism.

PSL also contributes to public health by allowing workers who have been exposed to COVID-19 to quarantine, preventing further exposure. According to public health experts, PSL is cost-effective compared to the costs associated with disease spread. Some policy makers argue that PSL helps to counter the negative economic impact of the pandemic, especially for women and non-white workers, who are bearing the brunt of job loss, and that a sustainable economy depends on prioritizing safety. Finally, companies report that bolstering paid sick leave improves morale and boosts productivity.

Policy makers are debating PSL at the federal, state and local levels. In response to the pandemic, the Families First Coronavirus Response Act (FFCRA) required that certain employers provide paid time off for workers ill with COVID-19 or quarantined due to exposure to the virus. That law is set to expire at the end of 2020. The HEROES Act would fill some of the FFCRA's significant gaps and extend its PSL requirement through 2021. State and local governments have also acted to mandate PSL for workers not covered by the FFCRA. Even before the

¹ See, e.g., <https://www.businessinsider.com/coronavirus-changes-walmart-starbucks-employee-benefits-2020-3>; <https://www.cnn.com/2020/04/16/business/grocery-store-workers-retail-paid-sick-leave/index.html>; <https://www.theatlantic.com/health/archive/2020/03/does-walmart-provide-paid-sick-leave/608779/>; <https://www.washingtonpost.com/business/2020/03/10/walmart-apple-olive-garden-are-among-major-employers-updating-sick-leave-policies-coronavirus-cases-spread/>; <https://qz.com/1841763/us-grocery-workers-risk-coronavirus-but-most-lack-paid-sick-leave/>; <https://www.nytimes.com/2020/03/14/opinion/sunday/coronavirus-paid-sick-leave.html>

pandemic, bills had been introduced in Congress to require employers to provide PSL, and eight states plus the District of Columbia had established PSL social insurance systems.

The value of PSL both in and outside the context of this pandemic appears high. This Proposal asks that Kohl's analyze and report to shareholders on the feasibility of adopting such a policy permanently.

We urge shareholders to vote FOR this proposal.