



CTPAT Supply Chain Security Policy

Kohl's Department Stores, Inc. is committed to the highest standards of quality and integrity in its products and operations. This commitment includes the security of products produced in foreign countries and imported into the U.S. for sale in our stores. In a world where terrorist acts occur, Kohl's recognizes the need to further protect its product from potential acts of terrorism, and human or drug trafficking, throughout the international supply chain. The U.S. Customs and Border Protection's Customs-Trade Partnership Against Terrorism (CTPAT) program, with security guidelines for each segment of the international supply chain, provides the vehicle for ensuring Kohl's product integrity and the welfare of U.S. citizens.

Kohl's is a CTPAT Tier III member, and as such, Kohl's expects that all business partners take the necessary steps to implement CTPAT security criteria, and promote best practices, into business processes.

Business partners are required to implement processes and procedures that support CTPAT security criteria:

- Container and Trailer Security
- Physical Security
- Physical Access Controls
- Procedural Security
- Personnel Security
- Information Technology Security
- Education and Training Awareness
- Business Partner Awareness
- Risk Assessment

Kohl's *Terms of Engagement for Kohl's Business Partners* and the *Merchandise Purchase Order Terms and Conditions* each expressly define the expectation of Business Partners to commitment to full compliance with CTPAT security criteria. Additionally, Kohl's provides the *Minimum Security Criteria and Best Practices for Factories* as guidance in facilitating a qualifying supply chain security program. Vendors and Factories need to demonstrate commitment to this policy during onsite verification visits from Kohl's and/or third party monitors. Failure to commit to CTPAT compliance will put production authorization at risk, and as such, vendors and factories must treat CTPAT compliance as a business priority.