

A Sustainable Kohl's

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Who we are



- Operate 1004 stores in 48 states by end of November
- Headquarters in Menomonee Falls, Wisconsin
- \$16.5 billion in sales
- Net income of \$1.1 billion
- 120,000 + associates



Our business focus

- Customer focused approach
- Offering value oriented national and private brands
- Convenient, fun shopping experience



So
work it declare

Setting an environmental mission

- To be a leading environmentally responsible retailer through focused resource stewardship through our associates, vendors and business partners



Green Strategies

- Energy efficiency
- Waste stream reduction
- Improve building design
- Reduce climate damaging emissions
- Encourage environmental values



Research the competition

- Classification of actions taken in retail space
- Review public “goal” statements
- Understand partnerships and memberships



Getting to the internal facts...

- Energy management and waste practices were robust
- Building prototypes were highly efficient
- Receptivity was VERY high among associates
- Company principles were supportive



The Discovery

- Reduction in waste and emissions can be

Cost Saving
Or
Cost Neutral



Energy Efficiency

- Large scale solar deployment
- EPA Green Power Partner at 20% renewable energy
- Aggressive Energy Star involvement
- Lighting improvements
- Automated utility payment process
- Demand response programs



Solar Status

- 20 year power purchase agreements (PPA)
- 60 activated solar arrays on Kohl's rooftops
- 130 sites planned
- Open to varying sized arrays
- Active in California, New Jersey, Connecticut, Wisconsin, Maryland, Oregon



Solar

San Bernardino, CA
Distribution Center



New Jersey



Sussex, WI



Vacaville, CA



Embracing Renewable Energy

- Plan to purchase at least 20% from renewable sources annually
- Retention of RECs for 30 stores in first year and 19 stores for life of PPA
- Partnership with waste companies to “closed loop” and purchase bio mass RECs



Energy Star



- Stores and distribution centers entered in Energy Star Portfolio Manager
- 100+ store locations currently rated as Energy Star buildings for energy efficiency



Waste Stream



- Embrace recycling and recycled content
- All print paper now comes from certified forest sources
- Units per carton packaging initiative
- Reduction in printing of reports and signs
- “Paperless” payment advice for all associates



Building



- 45 LEED constructed and designed stores using “pre-certified” prototype at Silver Level
 - Cool white Energy Star rated roofs
 - High efficiency lighting
 - Smart watering
 - Green operations-cleaning/waste
- Newly constructed stores to be LEED certified
- Photo studio is pursuing a LEED “Gold” certification



Climate



- Completion of carbon footprint measurements with EPA Climate Leaders assistance
 - Retail is in a “Non-Carbon” intensive sector
 - 2007 Base year
 - Normalized using-”per 1000 square feet”
- EPA SmartWay rating of 1.14 up 35% in first year



Environmental Values

- Kohl's "Green Scene"
- Sustainability is rapidly becoming part of decision making process
- Associate Engagement
 - Suggestions
 - Carpooling



Vendor Summit Discussions

■ Vendor Summits

- Logistics
- Facilities
- Transportation
- Merchandise
- Store Planning

■ Messages

- Kohl's Mission/Strategies
- Specific Vendor Challenges in each Operating Area
- Self-Examination



Merchandise Vendors

- Reduce internal packaging of merchandise shipped to Kohl's
- Increase units per carton on initial shipments and bulk fill in shipments
- Factories to manage environmental condition as well as human condition.



Carriers

- EPA SmartWay membership status is requested during bid process
- Integrate more rail into inbound movements
- Facilitate one way and backhaul shipments
- Investigate use of alternative fuels



General Contractors

- Education on LEED requirements for new store construction
- Documentation of construction processes
- Actions to avoid
- Construction recycling
- Site variances



Building Credibility

- EPA and other Partnerships as a framework
- Measurement of progress
- Take immediate **ACTION** on the strategies



Communicating our success

- Communication of mission, strategies and accomplishments
 - Branding the Initiative
 - Weekly Tips
 - Monthly Articles
 - Team Meeting Presentations
 - Quarterly magazine articles
 - Green@kohls.com
 - www.kohlsgreenscene.com



Next Steps

- Support Renewable Energy
 - Expand Solar Deployment
 - Investigate other types of “on-site” generation
- Carbon Reduction Goal Setting
 - Corporate Steering Committee
 - Identification of creative energy efficiency opportunities



Closing

- Self examination is key to success
- Look at operational efficiencies in terms of environmental gain
- EPA partnerships provide structure and support to measure progress

