Frequently Asked Questions for Factory Compliance

1. How to add a factory to your matrix:

To add a factory to your matrix, you will need to submit the appropriate Factory Evaluation (FE) found on K-Link to factory.compliance@kohls.com for review. If the facility is used for Apparel or Footwear, Sourcing will also need to approve the FE.

2. How to make a factory inactive:

The below must be submitted by the Factory compliance contact on record with Kohl's Factory Compliance.
A factory inactivation request may only be submitted when:
- the factory has completed the monitoring process at least once and is not currently in the monitoring process;
- all product for Kohl's has been shipped from the factory.

If you wish to make this factory inactive at this time, please complete the below fields and submit to factory.compliance@kohls.com.
Factory Name:
Entity ID:
Last x-factory date:
Reason for inactivation:
The period of factory inactivation is a minimum of 12 months. If you wish to reactivate a factory, it will be treated as a new factory and all necessary paperwork must be submitted to factory.compliance@kohls.com.

3. Does my factory need to be monitored for Kohl's?

We only need to monitor factories that are producing goods that are private or exclusive labels or where Kohl's is the importer of record, regardless of where the factory is located. If the goods are national brand but have specific styles that are exclusive to Kohl's, the factory producing those styles would need to be monitored. For these instances, please reach out to our team (factory.compliance@kohls.com).

4. I have a factory that is already active for Kohl's. Can I start production?

No, you need to fill out a Factory Evaluation and submit to factory.compliance@kohls.com for each factory you would like added to a vendor's matrix, regardless of the factory's current status.

5. What is the cost of a monitoring visit?

Initial monitoring visits generally cost $900-$1,800, which is not including out of pocket expenses (airfare, lodging, meals, etc.). Follow-up visits are approximately 60% of the initial cost. This cost depends on the location and size of the factory, among other reasons. If there are multiple vendors in a factory, they will split the costs.

6. My factory is moving, what do I do next?

Please submit answers to the following questions to factory.compliance@kohls.com, which will assist us in determining the next course of action for the factory:
- What is the new address and contact information?
- Are the employees, management, and books (records) all remaining the same?
- When will the old factory officially close?
- When will the new factory officially open?

- Lastly, while the factory is in the process of moving, will production continue to run at the old factory until the move is completed?

7. My FE was approved, when will it be visited?

Our monitors will contact the factory and schedule a visit within approximately 30-45 days. If there is an urgent business need, a fast track could be requested through Factory Compliance, which will allow the monitors to visit the factory in approximately 2 weeks.

8. Where are the Factory Compliance Forms located?

The forms are located on K-Link. When the Factory Evaluation forms are completed, the completed form would be sent to factory.compliance@kohls.com.

9. When will the follow-up visit take place?

If a follow-up visit is required for a particular factory, the CAPA will indicate the approximate time frame of when the monitors will return.

10. Can we expedite follow-up visits / are follow-ups able to be canceled?

Follow-ups cannot be expedited. Follow-ups will only be canceled if the factory was given the opportunity to provide documentation showing compliance. This will be specifically indicated in email sent to the vendors and factories.

11. I'm trying to locate my factory matrix on K-Link and can't find it.

Factory information cannot be located on K-Link; only the Factory Compliance Department will be able to send you this information. Please reach out to factory.compliance@kohls.com and a member of the team will be able to provide you with a factory matrix.

12. My vendor is going to begin to produce another brand for Kohl's and wants to use an existing and active factory in their matrix. Do we need to resubmit the factory for approval for the additional brand?

No, a factory can produce any private / exclusive label for Kohl's or merchandise where Kohl's is the importer of record. However, if the new brand will be produced by a different vendor, they will need to submit the FE to factory.compliance@kohls.com in order to add the factory to their matrix. Vendors can only produce in a factory that is active in their matrix even if the factory is currently active for another vendor.

13. How long does the factory approval process take once the FE is approved?

Until the FE is approved, the timeline is dependent on the vendor (Were complete forms submitted? Was additional documentation required?). Once the FE is approved and the factory is added to our systems, a visit will be conducted in approximately 30-45 days to determine if production can begin (if, for a new factory). If egregious issues are found, this will delay the production start time another 45-60 days at a minimum. If it is an existing and active factory, you will be notified about production starting via email when the FE is approved.

14. What is the fast track process?

Fast track visits are expedited initial monitoring visits conducted at a factory to determine the factory's ability to produce private label, exclusive brand or goods that Kohl's is the Importer of Record for. Generally, these are required because a product team / vendor need to start production in a short amount of time due to an

unforeseen circumstance. Fast track visits should be used sparingly and are not a substitution to our normal monitoring procedures.

The visits are conducted within approximately 2 weeks' time. Due to the shortened time frame, all fast track visits are conducted unannounced and are double the cost of a traditional initial visit (see question 6 for more information regarding costs). In addition, each Monitor allows only 2 of these visits each week.

To request a fast track visit, the Product Manager must make the request for a fast track visit to the Factory Compliance Department after the FE has been approved and the factory entered into our systems. Please note that there is no expedited process for reviewing or approving new vendor or new factory paperwork submitted through factory.compliance@kohls.com.

15. Is the Higg FEM a requirement for all facilities doing business with Kohl's?

The Higg FEM is a requirement for all tier 1/production facilities producing private or exclusive branded merchandise, or where Kohl's is the importer of record. It is also a requirement for any tier 2/subcontractor and tier 3/mills associated with those production facilities.

16. My vendor manufactures jewelry. Does the Higg apply to their facilities?

Yes. The Higg was originally created for apparel, footwear and textiles, but now applies to all commodities/areas of business.

17. My facilities completed the FEM last year. Do they need to complete it again?

Yes. The FEM reports a facility's annual environment performance in 7 categories – EMS, Energy, Water Use, Wastewater, Air Emissions, Waste Management and Chemicals. To track and compare performance and show improvement progress over time, it is important to continue to complete the modules every year.

18. Is the FEM scored? What happens if a facility fails?

Yes. The FEM is scored, however, it is NOT a pass/fail assessment, rather a tool that identifies opportunities to improve. The results will be included in the vendor scorecards and Kohl's will use the information to help set future goals for facilities.

19. Is there a cost associated with the FEM?

Yes. Each module costs $165. There is an additional cost to conduct an onsite verification audit (vFEM), which depends on the number of days required to conduct the audit.

20. How do we comply with CTPAT requirements for Kohl's?

A security audit will be scheduled and conducted over the factory to ensure all CTPAT requirements are being met.

21. Does the factory I just onboarded require a security audit?

Only factories where Kohl's is the Importer of Record (IOR) of goods are required to have a security audit conducted over their facility.

22. What type of security audit will Kohl's accept?

Kohl's will only accept and use SCAN security audits at this time.

23. How can I prepare the facility for a security audit?

All IOR factories will have a CTPAT self-assessment assigned during the on-boarding process. The factory must complete the self-assessment, but is also a great preparation tool for the upcoming security audit.

24. How long is a SCAN security valid for?

If the factory is in a SCAN rated high risk country (Pakistan, Turkey, India, Bangladesh, Egypt, Israel, Jordan, Philippines, Indonesia, Malaysia, Thailand) the audit is valid for 1 year. All audits from other countries are valid for 2 years as long as the factory scores well and completes the entire corrective action plan by the assigned deadline.