This guide is meant to capture ancillary costs that a vendor should account for when initiating a new relationship with Kohl's. This tool is not all-encompassing and should be considered for reference only. Refer to K-Link for most updated requirements and costs.

Minimum *total costs potentially incurred within the first year: $5,400 for apparel (* denotes categories included in total)*

Category	Estimated Cost (subject to change)
QA/PI & FACTORY COMPLIANCE	
Factory Audits*	**Factory Compliance CSR Audits:** Regular audit (30-45 days): $900-$1,800 Cost to expedite (2 weeks): approximately double cost of initial audit Costs do not include out of pocket expenses (airplane ticket, hotel, meals, etc) that would depend on the region and location of the auditor. Follow-up audit fees are approximately 60% of the initial/annual cost.
	Factory Technical Audits (managed by QA/PI) Assesses factory quality management, production risk and capabilities ● A technical audit with a minimum overall score of >/=70 is required for all new and existing Kohl's approved factories for all product categories ○ Score **70 - <90** = CAP completion and 3P approval + **Annual** Audit ○ Score ≧**90** = CAP completion and 3P approval + Audit **every 2 years** ● Conducted by 3rd Party auditors - ITS or SGS ● Scheduling = 2-4 weeks / Quick Scan or Abbreviated version ○ Best practice is to complete prior to Kohl's approval ● Average Days / Total Cost = 1 / $700 (based on size and location of factory) ○ To reduce factory audit fatigue, other versions may be accepted within 1 year meeting Kohl's expectations on approval from Kohl's Quality Assurance / email: quality.assurance@kohls.com ● Factory Technical Audit Score Average is a KPI tracked on vendors' quarterly Quality & Fit KPI scorecard

Testing*
 	
 Verifies product performance, safety and compliance
 	
 Development, Fabric / Material, Full Product / Garment
	A passing or accepted full garment / product test report is required for every style, item or program produced for the upcoming fiscal selling season
	
	 • **50 days prior to X-Factory** - Material testing, pre-production testing on new product/materials, fabric and material testing
	 • **30 days prior to X-Factory** - finished product testing
	 • Adult product testing is valid for 12 months or every 150k units produced
	 • Children's product testing is valid for 6 months or every 75k units produced
	 • Must be completed by Kohl's approved 3rd Party labs - BV, ITS or SGS
	 • Submit a Kohl's TRF (Testing Request Form) when submitting samples for testing
	 • All test results & reports and completed GCCs are uploaded to onePLM
	 • Full Product Testing 1st Pass Rate is a KPI tracked on vendors' quarterly Quality & Fit KPI scorecard
	 • A **GCC (General Certificate of Conformity)** is required for all Kohl's Private & Exclusive Brands
	    ○ The vendor is responsible for partially filling out the form and submitting it to the labs along with the TRF, the labs will issue the completed GCC
	    ○ *K-Link > Resources > Private & Exclusive Brands > Performance Testing > Certificate of Compliance*

	Apparel & Apparel Accessories (Soft)
	 • Average Fabric / Material Cost - $145
	 • Average Full Garment Cost - $200, Additional Colorway - $145
	    ○ Package testing: full product, additional colorway, and replenishment.
	    ○ Lab costs range from ~$160 for first full package test; ~$60/additional colorway
	    ○ Finished garment full package testing varies.
	 • *K-Link > Resources > Private & Exclusive Brands > Performance Testing > Softlines - Apparel & Apparel Accessories*

Inspections* Verifies outgoing production quality before shipping from COP Final Garment / Product FRI = Final Random Inspection	(table below)

Inspection Requirements based on BASE Styles Total Ordered Units

			< 35k Units	≥ 35K Units	Inspector
New / Fashion / 1 Season / Test / Replenishment		Inspections Required Every Fiscal Season / 6 Months	1st OR Largest XF & Last XF	1st & Last XF + Largest XF each Month with > 10k total units	Intertek or SGS
Children's Sleepwear**		All production runs / shipments	6 months	All shipments for the Season delivered in	

	- Average Days / Total Cost = 1 / $320 (based on sample size, product category and location of factory) - Charged by the # of days to complete (manpower days) + out of pocket expenses + VAT (China) - Must be completed by Kohl's approved 3rd Party inspection services - ITS or SGS - Scheduling = at least 10 business days in advance - In Inspectorio - create and submit digital booking to schedule - Manual - complete and submit a Kohl's IRF (Inspection Request Form) to schedule - Final Product Inspection 1st Pass Rate & Visual / Construction Defect Rate are KPIs tracked on vendors' quarterly Quality & Fit KPI scorecard *K-Link > Resources > Private & Exclusive Brands > Quality Assurance*
Inspectorio SIGHT for Final Garment / Product Inspections	***Apparel -*** Inspectorio SIGHT is a powerful digital quality, compliance and production tracking management platform used by Kohl's QA/PI, vendors, factories and 3P inspection services for product inspections. - All organizations, vendors/suppliers & factories, require a subscription - If an organization/vendor or factory is already subscribed to the platform, **no additional cost is required**. - If new to Inspectorio, 1st year requirements are **Vendor / Supplier** - **SIGHT Standard** includes bookings, CAPAs and reporting/analytics **Factories** - **SIGHT Standard** - Work with Inspectorio on subscription and set up fees - If a vendor / supplier and factory(ies) qualify for Supplier QA Certification empowering vendors or vendor agents to self final inspect, only the Vendor / Supplier will need to upgrade their subscription to Pro or higher to add inspectors - Supplier QA Certified Spend % is a stretch goal KPI tracked on vendors' quarterly Quality & Fit KPI scorecard *Reach out to mr.qa.pi@kohls.com with questions, concerns or for more information on Inspectorio SIGHT for Kohl's*
Sustainability Certifications	Certifications issued at mill and factory level and costs are dependent on a number of variables.

FEM/HIGG Index + Verified Audit*	All active facilities involved in the production of Kohl's private or exclusive goods, or where Kohl's is the importer of record, are required to complete the Higg Index + FEM (Facility Environmental Module) annually. In addition, facilities used by our strategic vendors will also be required to conduct a verified assessment, where a third-party monitor visits the facility to ensure the accuracy of the assessment. Below are the **annual subscription prices**. Facility Environmental Subscription (FEM only): $699 Facility Plus Subscription (FEM+FSLM): $1249 A verified audit is when an auditor checks the information provided in the FEM to ensure it is correct. This is required for all Tier 1-3 facilities associated with the strategic vendors. If conducting a verified audit, the facilities are responsible for purchasing the modules and the audit cost will depend on many factors. Note some of the vendors take on this cost. Verification Fee: $300 Create an account for the facility at app.worldly.io, follow steps to purchase subscription, complete assessment, post then share the Higg FEM with Kohl's Worldly account (#4131).
ZDHC Gateway Engagement ZDHC = Zero Discharge of Hazardous Chemicals	- Kohl's is committed to advancing restricted substances standards and specifications by partnering with the industry leader in Manufacturing Restricted Substances List (MRSL) management, ZDHC. - Monitoring will occur via Sustainable Apparel Coalition-Higg FEM Index reporting in partnership with Kohl's Risk and Compliance division. Kohl's RSL/MRSL requirements apply to all raw materials, component parts, chemicals, packaging, labels, and other goods, including sundries utilized in the manufacturing process and, ultimately, in the finished product. - All of our suppliers are expected to meet these standards and specifications. - To create an account in the ZDHC Gateway, request an invitation from any of your supply chain partners already engaged with the Gateway. A registration link will be in the invitation - YE 2023 Goal: All vendors and Tier 1 facilities to be registered & connected to Kohl's - YE 2024 Goal: All Tier 1 - Tier 4 facilities to be registered & connected to Kohl's **Registration & Connection is free for all** *PD-Chemical.Sustainability@kohls.com for more information*

EiQ Learn Platform (Elevate)	Factory Compliance monitors performance of factories to strengthen the capacity to mitigate compliance risks posed to the supply chain. Kohl's values supplier commitment to supporting international labor standards and holding high ethical standards to create a positive social impact. Kohl's has partnered with Elevate to connect factories with the EiQ Learn platform AND request the factory to complete 5 assigned eLearning courses. These courses are required for all factories that are ranked as either elevated or high risk for social audits. This is a new requirement for capacity building for our factories that are at risk and it is a one time fee of $1,500.
DEVELOPMENT & PRODUCTION	
Sampling	Vendor should account for costs associated with: R&D, counter samples, color runs, product champions, ad sample needs, etc. Work with production teams on expectations.
Other Development Cost	Vendor should account for costs associated with (but not limited to) hangers, screens, molds, not meeting MOQ, denim wash development/shade bands, dipping, sample and submit shipping via UPS/DHL to NY or MKE office. Vendor also accountable for Freight charges for packages from mill/factory to Kohls.
DIGITAL PRODUCT CREATION	
Miro	Web based whiteboard platform for brainstorming & presentation with collaboration across cross functional teams & vendors. Please reach out to the sales team at https://miro.com/contact/sales/.
Browzwear	Kohl's 3D apparel software of choice. Please reach out to Denise@browzwear.com .
TECH DESIGN	
Alvanon Platform: 3D Dressforms (Apparel)	IF a Vendor is working with 3D for Kohl's in any capacity, they must use the Alvanon Platform with our Private & Exclusive Branded Avatars. Vendors not working with 3D will not have this associated cost and yearly subscription fee. There are "Branded" costs (Avatars that duplicate our actual dressforms), then there are "size set" (Avatar costs which are a full set of sizes). Kohl's has all Branded Avatars, but does not have size sets in all areas. Discuss availability with Kohl's TD partners. The Vendor should check the Alvanon website for the most updated pricing. *K-Link > Resources > Private & Exclusive Brands > Global Tech Design > Apparel Resource Tools*

Dressforms (Apparel)*	Ranges from $1,975 for kids to $3,075 for Plus Womens. One time cost; *Dif prices per dressform - [K-Link list](#)*; See "Alvanon Order Form' 'in K-Link and review with Kohls TD prior to purchasing. Note that Alvanon reserves the right to adjust the fees. Kohl's also reserves the right to update dressforms or create new ones depending on the business needs. We ask that all Vendors have the dress forms for their main office, access for Patternmakers/ Technicians and any office or factory located off-shore and other locations outside of the main office so that they have this tool readily available. Depending on the Vendor / Factory location and size/focus of business, there may be a need to order more than one form & more quantities of the same form. *K-Link > Resources > Private & Exclusive Brands > Global Tech Design > Apparel Resource Tools*
EDI / OnePLM	
OnePLM/Bamboo Rose*	Utilized for bidding, sourcing, and development functions. Subscription is $350 each; subscription is active for 1 year from the date of purchase. Additional TD login or multiple subscribers may be needed. *K-Link > Resources > Private & Exclusive Brands > OnePLM*
EDI Transmission	Dependent on EDI provider. Fees are typically based on the number of transmittals per year, (includes errors and revisions). *K-Link > Resources > EDI*
AP/ LOGISTICS	

Infor Nexus Procure-to-Pay (Some Import Vendors Only)	Infor Nexus will be used for invoicing & payment reconciliation for orders where Kohl's is the importer of record. Vendors/Suppliers will have visibility to their orders sent from Kohl's to the Nexus platform to confirm your order. In order to ensure the correct payments are made, there will be a step in the process for vendors to review purchase order information and confirm that everything looks correct before creating packing lists and invoices.
	    Invoice Fees 15 bps: (0.15% of invoice amount)
	    Invoice less than $2000 = $8 minimum
	    Invoice value greater than $2000 = $15 minimum
	    Consolidated Money Movement = $20 for international wire and $5 for U.S. ACH

Transplace Transportation System	**No cost** associated with use of Transplace. TMS requirement for all domestic and prepaid shipments. *K-Link > Resources > Logistics > Transportation or Forms*

Traverse Systems	**No cost** associated with the use of Traverse (disputes, scorecards, etc.). However a fee is issued if the vendor does not complete mailbox set up or complete onboarding steps in the Traverse platform. There are potential costs associated with chargebacks for logistics violations. Our full schedule of charges is on K-Link. *K-Link > Resources > Logistics > Transportation* or *Forms*
Avery Dennison ICE (Import Vendors Only)	Avery Dennison InfoChain Express (ICE) application provides factories the ability to: print carton labels, perform shipment scanning, and generate a factory ASN as required by Kohl's. Factories can opt to pay for labels to be printed by AD and shipped directly to the factory OR opt to purchase the required printer to print labels themselves. Avery has different costing/packages for both vendors and factories, so vendors should contact them directly to discuss options. *K-Link > Resources > Logistics > Transportation > International Routing Requirements*
Schedule of Charges	This section contains a schedule of handling charges that Kohl's may, at its discretion, assess for non-conformity with Kohl's business standards as outlined. List of possible charges and how to dispute is located in K-Link. *K-Link > Resources > Logistics > Vendor Compliance* *https://link.kohls.com/media/digital/k-link/downloads/pdf/Kohls_Schedule_of_Charges_06-2021.pdf*