KOHL'S
Domestic Scorecard Overview

Kohl's Domestic scorecard is based on six categories: Fill Rate, Compliance Dollars, Audit Failure Rate Percentage, Average Days Routings per Week, Shipment Creation, and First Available Day. The scorecard is updated on a monthly basis and available on the Vendor Portal.

Contents

Supply Chain Categories

Fill Rate (RAO)
- Defined: Vendor's ability to fill orders complete and as ordered greatly impacts the level of service we are able to provide our customers and allows Kohl's to maximize inventory, productivity, and sales performance.
- Goal: Vendors should ship 100% complete and as ordered during the ship window.
- Calculation: Comparison of the total units received on time at the SKU level to the total units ordered by SKU. This measurement excludes entire PO's that have been completely cancelled. Only PO's that have had receipts against them are considered.

Compliance Dollars (% to Cost Receipts)
- Defined: Kohl's Compliance Program is designed to notify vendors of non-compliance issues in a timely manner and recoup expenses associated with correcting each error prior to releasing to our stores. Kohl's takes a proactive approach to resolving non-compliance issues by providing assistance to vendors in interpreting our requirements and partnering together to correct each issue.
- Goal: Reduce noncompliance (Shipment, Packaging and Preparation) related chargebacks to less than .07%.
- Calculation: Total compliance charges divided by total cost receipts.

Audit Failure Rate %
- Defined: To maintain inventory integrity in our stores, it's critical that the ASN accurately reflects the physical contents of each carton. Spot-Check Audits are performed on all inbound shipments and "fail" if the error rate within the cartons checked exceeds the threshold. Reasons for failed audits include picking, ticketing, and carton labeling errors (VA01, PT01, PT03-PT06, UC01, UC02, UC05, and UC06).
- Goal: Achieve an audit failure rate of 1% or less.
- Calculation: Divide the number of "failed-audit" related compliance violations by the total number of audits performed.

Shipping Performance (Average Days Routings per Week)
- Defined: Kohl's expects vendors to route only once each week per DC. Multiple shipments increase Transportation and DC/Store handling expenses.
- Goal: Vendors should accumulate requests and request routing one time prior to the start ship date. Purchase orders with synchronized ship windows must be routed simultaneously to minimize the number of shipments per Kohl's Distribution Center locations.
- Calculation: The average number of days with routing entries by DC per ship point origin.

Shipping Performance (Shipment Creation)
- Defined: The date in which the PO/shipment is created in Kohl's routing system.
- Goal: Create shipments five days prior to the calendar week of the purchase order First Available date (as entered in Transplace). This allows optimal carrier utilization and reduces transportation costs.
- Calculation: Points are awarded for the number of days prior to the calendar week of the purchase order First Available date that the shipment is created.

Shipping Performance (PO First Available Day for Pickup)
- Defined: To reduce supply chain days, Kohl's would like to have the ability to pick up each load as early in the ship window as possible.
- Goal: Make freight available for pick up on the start ship date. Optimal score is "0," meaning freight was ready on the start ship date.
- Calculation: The number of days, as entered in Kohl's routing system, that indicates the first day of availability for pick up. Calculation begins on start ship date and descends based on day of availability.

Supply Chain Category		Optimal Score
Fill Rate:	Received as Ordered (1)	15
Compliance Dollars:	% to Cost Receipts (2)	20
Audit Failure Rate %:	Audit Failure Rate % Total (3)	20
Shipping Performance:	Average Days Routing/Wk (4)	15
Shipping Performance:	Shipment Creation (5)	15
Shipping Performance:	First Available Day (6)	15
	TOTAL Supply Chain Category Score	100

Certification

Certification overview
- Defined: Best-in-class supply chain vendors that have earned this prestigious reputation.
- Goal: Audit failure rate 1% or less, Compliance .07% of cost receipts or less, A/B scorecard grade for a rolling 9-12 months.
- Benefits: No spot-audits, increased speed to floor, vendor recognition.

Accessing the Scorecard

Compliance Portal (Traverse Systems): https://kss.traversesystems.com/#/login
- Vendor Compliance charge inquires and online disputes can be accessed through the Compliance Portal.
- All of your scorecard details can also be found in the Compliance Portal.