



FACTORY COMPLIANCE DEPARTMENT FACTORY INACTIVATION POLICY

Factory Monitoring Cycle

Kohl's factory compliance policies and procedures include a third party monitoring cycle for factories producing Kohl's private brands, exclusive brands, or goods where Kohl's is the importer of record. The number of required factory monitoring visits is determined by the type and severity of issues noted by Kohl's third party monitors.

The factory monitoring cycle is complete when a factory is deemed:

1. compliant for the year; or
2. not authorized to produce for Kohl's.

Factory Inactivation Guidelines

1. A factory inactivation request may only be submitted when:
 1. the factory has completed the monitoring process at least once and is not currently in the monitoring process;
 2. all product for Kohl's has been shipped from the factory.
2. Inactivation requests must be submitted to factory.compliance@kohls.com by the vendor's compliance contact. When making the request, the vendor is responsible for providing the following information:
 1. Factory name:
 2. Factory entity ID:
 3. Last x-factory date:
 4. Reason for inactivation:
3. Inactivation requests for factories with visits already scheduled to occur may result in cancellation or monitoring fees, which are the responsibility of the vendor. Factory inactivation requests must be submitted a minimum of 30 days prior to the next scheduled factory monitoring visit to avoid such costs.
4. The period of factory inactivation is a minimum of 12 months. If a vendor wishes to reactivate a factory, it will be treated as a new factory and all necessary paperwork must be submitted to factory.compliance@kohls.com.

Important Notes

1. Only the factory compliance contact or principal as designated on the Domestic Import Contact Information Form can request inactivation of a factory. Requests made by any other vendor employees will be returned for approval from the compliance contact.
2. Kohl's Factory Compliance / Sourcing Departments may require that the current monitoring cycle is taken to completion depending on the number of previous visits and the types of issues noted during the visits. For example:
 - If a factory had one or more egregious issues noted on the last audit, the factory cannot be made inactive until all egregious issues have been corrected;
 - If all products for Kohl's have been shipped from the factory and the factory is currently in a factory monitoring cycle, the factory may be made inactive if only 'major deficiency' violations were noted during the last audit.