



Supplier Guide

MAIN GUIDE



Home Hardware Stores Limited Supplier Guide



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SUPPORT DOCUMENTS

The following Supplier Guide Support Documents are stand-alone documents supporting this guide.

- **HHSL Barcode Guidelines**
- **HHSL Measurement and Weight Guidelines**
- **HHSL Supplier Guide Glossary of Terms**

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SUPPLIER GUIDE

1 Introduction and Overview

Home Hardware is Canada's largest Dealer-owned hardware, lumber, building materials, furniture, and home improvement retailer with close to 1,100 stores across Canada. One of Waterloo region's largest employers, Home Hardware was founded in 1964 in St. Jacobs, Ontario and is 100% Canadian owned and operated. Through our network, Dealer-Owners have access to thousands of quality, brand-name and private label products, a state-of-the-art distribution system and extensive marketing and training programs.

In 2020, Home Hardware Stores Limited (*HHSL*) was recognized as one of *Canada's Best Managed Companies* achieving Platinum status for the second consecutive year. Home Hardware was also recognized as one of *Canada's Top Ten Most Trusted Brands* as well as being a *Top Fleet Employer* by Trucking HR Canada.



1.1 Mission Statement and Goals

Home Hardware

Vision – To be Canada's most trusted and preferred home improvement retail brand.

Mission – Home's mission is to provide a consistent retail brand experience differentiated by helpful advice, competitive prices and quality products delivered the way our customers want, backed by a culture that drives our Dealers' success.

Our Supplier relationships are critical to fulfilling our Mission and we appreciate that we have so many Home Suppliers who are as dedicated to the success of our Home Dealers as we are.

Home Hardware has become one of the most recognized and trusted retailers in Canada because shoppers know they can count on the stores to provide quality products as well as the information and service relating to those products. This is an unbeatable combination that ensures customer satisfaction and repeat business. Suppliers know that when their products are placed in Home Stores, they will be supported by sales staff known for their friendly and knowledgeable product advice.

This promise is fulfilled daily at over 1,000 locations, supplied from four regional Dealer Support Centres located strategically across Canada. Home Hardware's four banners, Home Hardware, Home Hardware Building Centre, Home Building Centre and Home Furniture ensure our customers have the product they want, when they want it.

1.2 Working with the Home Hardware Stores Limited Supplier Guide

We are pleased to introduce the **Home Hardware Stores Limited Supplier Guide** to you. This Guide offers a single source of information to assist your company when providing products and services to Home Hardware. This Main Guide and all support documents are periodically updated, and we ask that you access the most recent versions by visiting the Supplier Guide link in our corporate website. The Guide can be accessed by using the URL <http://www.homehardware.ca/supplier-guide>, or by going to the bottom of the home page of HomeHardware.ca under the "About Us" heading and then clicking on the "Supplier Guide" link.

As a current/prospective Home Supplier, you have been given a copy/access to this Supplier Guide which provides details about the requirements to do business with HHSL. Please review and share the information contained within each section of this document with the appropriate individuals in your organization. If you have questions regarding the information presented, please contact your HHSL Merchandise Manager.

All Home Suppliers should regularly access this Guide to ensure you have our latest information and are following our compliance policies.



1.3 Business Ethics Policy

HHSL is committed to conducting business with the highest possible standards. We expect the same commitment from our Suppliers and for their compliance with our policies.

Gifts and Entertainment - HHSL expect our Staff to act and make decisions based on an impartial and objective assessment of the facts, free from the influence of gifts, entertainment and similar favours that might adversely affect judgment.

- ◆ Gifts of symbolic value and promotional items of little value identified with the Supplier's name may be accepted.
- ◆ Monetary gifts of any value can never be accepted.
- ◆ Meals that are offered and paid for by a Supplier or with the Supplier's representative must be of reasonable duration/value and in conjunction with business.
- ◆ Traveling of any kind offered by a Supplier must be refused unless in the case of a visit to the manufacturing facility of a Supplier, in which case it must be approved by HHSL. In all cases, expense sharing between HHSL and the Supplier must be negotiated prior to the travel to avoid any conflict of interest or perceived preference of business because of this travel in any on-going or future business transactions.
- ◆ Any gifts or forms of entertainment accepted are required to be disclosed by the Staff Member to their Supervisor.
- ◆ All exceptions must be pre-approved by the functional Senior Vice-President.

Samples - HHSL Staff Members in a position to purchase products on behalf of HHSL may accept product samples for the purpose of product testing and evaluation. Samples are not to be accepted as a gift and they become the property of HHSL.

Solicitation - HHSL Staff Members are not permitted to solicit Home Suppliers for personal reasons. If there is a valid reason to do so, such as requesting items for a company sponsored event or charity fundraiser, approval will be granted by HHSL.

Compliance with Laws - All Home Suppliers are expected to comply with all applicable laws and regulations in the conduct of their business with HHSL.

Reporting Ethical Concerns to HHSL - HHSL has a Business Ethics and Wrongdoing policy that applies to all Staff, contractors, or anyone working on behalf of HHSL. It is also a mechanism for all of Home's stakeholders (*Dealers, Suppliers and Business Partners etc.*) to raise concerns regarding business conduct. If you have a concern that should be brought to our attention, we ask that you report it to your Home Hardware contact. If that is not practical, then please contact the Staff Relations and Compliance Manager at 519-664-4792 or through our Ethical Concerns and Wrongdoing number at 1-866-462-5352.



1.4 Home Supplier Code of Business Conduct

Ethical Standards - HHSL, its affiliates, divisions, and subsidiaries strive to conduct business in a responsible manner. It is important to preserve our collective commitment to human rights in the workplace as well as a safe work environment.

HHSL expects that all Home Suppliers will abide by all applicable local laws, rules and regulations in the manufacture and distribution of merchandise or services provided to HHSL. All Home Suppliers are strongly encouraged to exceed HHSL's guidelines and promote continuous improvement throughout their operations.

All Home Suppliers must be able to demonstrate compliance with these requirements at the request of HHSL. HHSL reserves the right to audit any Supplier's operations involved in the manufacture, distribution of merchandise, or services provided to HHSL. HHSL expects that any changes to the Supplier's company/factory or manufacturing location will be communicated in writing to HHSL.

These guidelines introduce the minimum requirements that all Home Suppliers must meet to conduct business with HHSL. These requirements are part of all new and/or renewed commercial agreements with HHSL.

HHSL does not permit the use of forced, involuntary or child labour in any HHSL operation or those of any supplier of HHSL. Supplier agrees not to use forced, involuntary or child labour in its operations, and will only purchase materials or components from contractor or subcontracts who commit to the same.



1.5 Alliance International LLC

We invite you to become an Alliance Supplier.

It's the best way to increase sales and consolidate sales with the Alliance Members.

The Alliance International LLC formed in 1993 is a North American buying group that brings together the purchases of Do it Best Corp. in the US and Home Hardware Stores Limited in Canada. The purchasing power of these two important companies generates retail sales of over US \$14 Billion in home improvement business through over 5300 retail stores throughout Canada, the US and internationally. The Alliance is the third largest retail group in the industry and represents 8% of the top 17 retail home improvement market in Canada and the US.

The Alliance Members are a strong force in the marketplace for many important reasons.

- ◆ The Alliance Members efficiently distribute and retail over one hundred thousand items to nearly 5,300 retailers.
- ◆ The hardware and building materials industry recognize the Alliance Members for their low distribution costs. These low distribution costs help keep retailers competitive.
- ◆ The outstanding financial results posted by the Alliance Members provide a sound foundation for growth.
- ◆ The retail programs developed for home improvement retailers have earned high praise in the industry and the strong support of retailers and Suppliers. The Do-it Best, Do-it Center, Do-it Express, Home Hardware, Home Building Centre, Home Hardware Building Centre, and Home Furniture retail formats are recognized by consumers across Canada and the US.

The Alliance Purchasing Teams are responsible for reviewing and negotiating agreement proposals. Member Merchandise Managers review all proposals as an Alliance Purchasing Team. The team responsible for your products will meet to review your proposal and will confirm the proposal in writing when everyone agrees.

The objective of the Alliance Supplier Agreement is two-fold. First, is through increased sales for the Supplier, then through additional profits for the Alliance Members. These profits are above and beyond those already in place for any one of the Members. 100% of these profits are passed along to the Members retailers. The Alliance retains no part of any allowances from Suppliers.

Questions regarding how to propose an Alliance Supplier Agreement should be directed to any Home or Do-it Best Merchandise Manager or to the Alliance Executive Director. In advance, thank you for your interest and support of the Alliance Members.



2 Supplier Introduction to Home Hardware Stores Limited

As a potential HHSL Supplier, you will have access to a network of dedicated Home Dealers across the country. Understanding the information in this Guide and building a relationship with your Merchandise Manager is key to “getting your foot in the door”. Do your homework, come prepared and you may have the opportunity to become one of HHSL’s select Suppliers.

Once “on-boarded” you are responsible for the accuracy and completeness of all information you provide to HHSL as well as compliance with the requirements set out in this Guide. This information helps us to determine the most effective way to order and flow your product through our system safely and efficiently. Failure to meet these requirements will delay processing of your payments and may result in fines levied against your company.

2.1 Financial Information - Credit Reports

Our Merchandise Managers will request a “Business Credit Report” through Equifax for all prospective Suppliers. Review of this information is an important aspect to the acceptance of you as a Supplier to HHSL.

If you require a “business credit report” for HHSL see the following statement from our Corporate Controller:

“Home Hardware Stores Limited is a privately-owned company and therefore does not share its financial statements with our Suppliers. For accurate business information and/or a current business credit report for HHSL, be advised we do report to Dun and Bradstreet Canada. They can be contacted via <http://www.dnb.ca>. We will supply a one-page credit update which lists some key contacts and references.”

2.2 Supplier Profile

On being accepted as a Supplier to HHSL, you will be forwarded a Supplier Profile form to initiate the collection of your business information. Please fill out this profile in detail and return to your Merchandise Manager with all information requested in the profile. Submission of this form does in no way create a binding partnership with your organization and HHSL.

All new Suppliers are required to complete a Supplier Profile. Along with the presentation of your program to HHSL, a review of the information you include in your profile will take place to ensure all data is complete and current. It is your responsibility to keep HHSL informed of any changes taking place within your company.



2.3 Supplier Agreement

Term: This Agreement shall continue in effect for one (1) year following the Effective Date ("Initial Term") and, following the Initial Term, shall remain in effect unless until terminated upon not less than one hundred eighty (180) calendar days' prior written notice to the other Party or the occurrence of any of the following event:

(i) If the other party breaches any provision of this Agreement in any material respect and fails to remedy such breach within sixty (60) days of written notice of such breach (unless the breach may not reasonably be cured within this time, in which case a reasonable time shall be given); or

(ii) If the other party becomes insolvent or seeks protection under any bankruptcy, receivership, trust deed, creditors arrangement, composition, or comparable proceeding, or if any such proceeding is instituted against the other (and not dismissed within 90 days).

Confidentiality: Supplier, by and through its representatives, covenants and agrees not to communicate during the continuance of this Agreement, or at any time subsequently, any information relating to the secrets, business methods, business secrets, including trade secrets, business information and the manner in which HHSL conducts its business to any person, corporation or entity. Supplier acknowledges and agrees that the Supplier has and will receive confidential information including, but not limited to, HHSL's business and confidential data which includes quotations, sales volume, pricing etc. and that money damages will not adequately compensate HHSL for any disclosure of any information in violation of this agreement. Any right of equitable enforcement granted to HHSL shall not be deemed to preclude HHSL from seeking actual monetary damages or any other remedy from Supplier and/or its agents in the event of a breach of such covenant. Confidential information is not meant to include any information which at the time of disclosure, is generally known by the public.

Images: Supplier warrants that it is the intellectual property owner of any copyrightable material, image, content, artwork or photos or any trademarked property ("Material") submitted for publishing by HHSL, and it grants a non-exclusive license to HHSL to publish, reproduce or use such Material. It represents it has the legal right and authority to grant such license.

Insurance: During the term of this Agreement and for a period of three (3) years after the date of termination, Supplier shall take out and maintain in full force and effect Commercial General Liability insurance coverage (including products liability) with a limit of not less than \$2,000,000 per occurrence. Such insurance coverage shall show Home Hardware Stores Limited as an additional insured and provide for thirty days (30) advance notice of cancellation or material change which diminishes coverage. Supplier further agrees to have delivered to HHSL by the Supplier's insurer a current certificate of insurance (COI) showing the coverage required by this provision. COI's evidencing proof of coverage must be submitted to: Home Hardware Stores Limited, Merchandise Services – Content, 34 Henry Street, St. Jacobs, ON, N0B 2N0. A photocopy/fax of valid insurance certificate must be appended. A current certificate must be supplied yearly prior to the expiry of the current certificate. This clause shall survive termination or expiry of this Agreement. Production of the COI is a pre-condition required for business transactions.



Indemnity: Supplier agrees to indemnify and hold harmless HHSL against any and all claims and expenses of any nature in any way connected with the Agreement or the goods and/or services, including associated Material, labeling and packaging, and including, without limitation, compliance to laws and regulations, intellectual property, injury, death and property damages, but only to the proportionate extent of Supplier and Supplier's suppliers' liability. This clause shall survive termination or expiration of this Agreement. HHSL SHALL NOT BE LIABLE TO SUPPLIER FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, LOSS OF ANTICIPATED PROFITS, OCCASIONED BY A BREACH OF ANY PROVISION OF THIS AGREEMENT EVEN IF APPRISED OF THE POSSIBILITY OF SUCH DAMAGES.

Relationship of the Parties. Supplier's relationship to HHSL shall be that of an independent contractor under this Agreement. In no event shall HHSL be considered an employer of Supplier's Principals, employees, agents, or subcontractors. Supplier has sole responsibility to hire, terminate, supervise, and dictate the daily work of its Principals, employees, agents, or subcontractors and is solely responsible for the payment of wages, salaries, and benefits to its employees. In no event shall Supplier or any of its Principals, employees, agents, or subcontractors be considered under this Agreement to have employee status or any entitlement to participate in any plans, arrangements, or distributions by HHSL.

Choice of Law. The law of the Province of Ontario shall govern and control this Agreement, all performance, and any disputes arising out of or relating to this Agreement.

Force Majeure. No Party shall be deemed in breach of this Agreement if performance of its obligations or attempts to cure any breach or end an Event of Default are delayed or prevented by reason of any act of nature, fire, natural disaster, failure of electrical power systems, or any other act or condition beyond the reasonable control of the Party affected ("Event of Force Majeure"), provided that the Party so affected makes commercially reasonable efforts to avoid or eliminate the causes of its non-performance and continues performance immediately after such causes are eliminated. Notwithstanding this Section, any delay that exceeds sixty (60) calendar days shall entitle the Party whose performance is not affected by the relevant Event of Force Majeure to terminate this Agreement upon not less than thirty (30) calendar days' advance written notice to the other Party.

Audit: HHSL may employ a 3rd party auditor to review disbursements and supplier statements, including verification of price terms and conditions. Supplier agrees to cooperate with requests for information from any 3rd party auditor retained by HHSL, verify, and rectify any errors or oversights identified including but not limited to duplicate payments, pricing errors, incorrect payments, and missing rebates. Supplier agrees to retain all documentation relating to the Supplier Agreement for a minimum of three (3) years for auditing purposes.

Price Change Notification: Subject to any Supplier price guarantees to HHSL, Supplier shall provide minimum of 90 days written notice to HHSL of any price change(s) and supporting documentation to support cost increase

Other: This Agreement may not be amended, waived, or modified without HHSL's written consent. The provisions of this Agreement are deemed to be several and any invalidity of any provision of this agreement will not affect the validity of the remaining provisions of this Agreement. Either party's failure to enforce any terms or conditions of this Agreement shall not be construed as a waiver of any right available to either party. This Agreement is governed by and is to be construed in accordance with the laws in force in the Province of Ontario. Neither party may dispose of or encumber any right under this agreement without the prior written consent of the other party.



3 Presenting Your Program to Home Hardware Stores Limited

HHSL Merchandise Managers are committed to providing the quality products and programs that will ensure the success and growth of our Dealers. Your help in providing the needed program information is critical to our ability to make timely purchasing decisions. Here are the key elements in making an effective presentation of your program:

- ◆ Know our Dealers and their competition. Understand the needs of the independent Dealer channel.
- ◆ Determine how your product/program will help our Dealers grow the sales and profits within your product category.
- ◆ A strategy for transitioning from the currently stocked product to your product is a very important factor in any decision to switch product lines. Allowances within your program that will help facilitate a program change may be required.
- ◆ **Prior to Home Hardware Stores Limited placing orders or accepting invoices, we must have a signed “Certificate of Insurance” ([see section 4.1 Certificate of Insurance \(All Suppliers\)](#)) and a “Supplier Agreement” ([see section 4.2 Supplier Agreement \(All Suppliers\)](#)) from your company.**

3.1 Item Assortment

- ◆ Outline your positioning philosophy versus that of your competitors within the market (*i.e., Good, Better, Best*).
- ◆ Please discuss any innovative marketing opportunities that you can provide (*e.g., new product lines, product improvements, POP, merchandising initiatives*). Competitive niches are the key concept here.

3.2 Item Quality

- ◆ Detail your company's commitment to product quality and performance standards.
- ◆ Outline major tests or performance indicators used in your quality control testing.
- ◆ If your company has more than one line of products, highlight the varying degrees of quality and/or specifications.
- ◆ Explain your quality control initiatives.
- ◆ What contingency processes does your company have in place to deal with HHSL inventory, at both Dealer Support Centres and stores, in the event of a quality control issue?



3.3 Marketing Strategy

A sound marketing strategy is an integral part of a long-term relationship and the mutual growth of our respective organizations.

- ◆ As a business partner of HHSL, how would you propose we strengthen our collective market share over both the short and long term?
- ◆ What is your company's strategy to differentiate HHSL from its competition?

Your strategy should be sufficiently detailed to give us a good understanding of your marketing capabilities and direction.

3.4 Quoting Costs

We require that you provide the following price quotations when submitting your program:

- ◆ Cost with Prepaid Freight to each of our Dealer Support Centres located in St. Jacobs Ontario, Debert Nova Scotia, and Wetaskiwin Alberta.
- ◆ Cost with Collect Freight.
- ◆ Pick-up Allowance (*because HHSL delivers to our Dealers via our own truck fleet, it is of mutual benefit that Home Suppliers allow pick-up opportunities*).
- ◆ A complete Drop Ship pricing program (*if available*) should also be quoted. Be sure to indicate the full range of drop ship purchase levels since we have Dealers capable of a wide range of purchasing volumes (*i.e. from minimum order sizes to full truckload quantities*).

3.4.1 Retail Price Analysis

A retail market price survey for your product should be presented with all proposals and/or price changes. The price survey should include pricing for big box stores, regional chains, and other independents. The price survey should also indicate which items are price sensitive and which items are blind.



3.5 Price Guarantees and Notice of Price Changes

Price Decreases - If the Supplier (*or manufacturer*) provides a price decrease, these changes will be effective immediately for any product where an ASN has not been sent. Any open Purchase Orders will reflect the new lower price. The Supplier must invoice at the lower price immediately for any open or future Purchase Orders.

Price Increases - HHSL requires a **90-day notice** of any price increases and justification for the cost increase to be initiated. The HHSL Merchandise Manager will decide on whether to accept or reject the increase. In the meantime, the Supplier must continue to invoice at the original price unless otherwise mutually agreed. Communication will be made with the Supplier regarding the Merchandise Manager's decision:

- ◆ If the price increase is rejected, the Supplier must continue to invoice at the original price.
- ◆ If the price increase is accepted, the changes will be effective 90 days after the acceptance date or as negotiated.



4 Business Agreement Information

Following please find a list of Business Agreements you will be required to participate in as well as some additional business opportunities that you may wish to participate in. Your HHSL Merchandise Manager will be happy to discuss them with you.

THE FOLLOWING ARE MANDATORY AGREEMENTS

4.1 Certificate of Insurance (*All Suppliers*)

It is **mandatory** that all Suppliers submit a **Certificate of Insurance (COI)** to HHSL annually. We buy products and services from many businesses every year and in order to ensure the organization's financial interests are protected, our policy requires that contractors, consultants, service providers and/or Suppliers doing business with HHSL maintain liability insurance and other insurance as necessary in amounts deemed adequate by Home Hardware. If you have any question, please contact your HHSL Merchandise Manager.

4.2 Supplier Agreement (*All Suppliers*)

It is **mandatory** that all Suppliers submit a Supplier Agreement to Home Hardware Stores Limited. This form will be provided to you by your Merchandise Manager. You will not be accepted as an approved Supplier of HHSL if this Supplier Agreement is not completed. The form is to be completed and returned to the Merchandise Manager. The form may not be altered in any way. If the completed Supplier Agreement is not returned on or before HHSL's first order of product, then the Supplier Agreement shall be deemed accepted by the Supplier.

4.3 New Item Introduction (*All Suppliers*)

To assist with the introduction of your new items to our Dealers, your Merchandise Manager will be requesting an opening order discount on orders for merchandise being stocked in our Dealer Support Centres.



5 General Business Requirements

This section of our Guide deals with several business requirements to do business with Home Hardware Stores Limited. Please review each of these requirements carefully. If you have questions, please discuss with your HHSL Merchandise Manager.

5.1 Non-Compliance Generic Email Address

Provide a “generic” email address for non-compliance issues. We suggest that this email address include contacts from your Shipping Department, Purchase Order Desk and Finance Department.

5.2 Items

To list your item with Home Hardware Stores Limited, we require detailed information on that item. To provide this information and get your item in our systems, an “Item Profile”, filled out in its entirety will be required.

5.2.1 Item Profile and Identifications

An Excel-based item profile will be forwarded to you by your Merchandise Manager, along with a set of instructions.

Most of the informational requirements listed in the profile are self-explanatory. If you require a more detailed explanation on topics such as item identification, please refer to the following sections.

5.2.1.1 Bilingual Requirements

Home Hardware Stores Limited has stores in the Province of Quebec and other areas where French is the primary language. It is therefore our policy to have all item information in both English and French. It is mandatory that within the Item Profile the “Features and Benefits” and “Marketing Copy” be completed in both languages. “Features and Benefits” and/or “Marketing Copy” will be outsourced to a professional translation service where both English and French versions are not provided. These services will be invoiced on a cost recovery + 15% basis. For additional bilingual requirements, please refer to [section 7.1.2 Bilingual Packaging Requirements](#).

5.2.1.2 GTIN and Barcode Requirements

Please refer to the [Barcode Guidelines Support Document](#) for details.

5.2.1.3 Package Measurement & Weight Rules

Please refer to the [Measurement and Weight Guidelines Support Document](#) for details.



5.2.2 Product Detail Page Style Guide

When listing an item with Home Hardware Stores Limited, you are expected to adhere to all aspects of our Product Detail Page Style Guide. This Guide includes our guidelines for product details, product overview, product specifications, mandatory media types and all recommended media types.

<https://cdn-tp1.mozu.com/24871-m2/cms/files/f29d0b81-5811-452a-adc3-6eda6c44f507>

5.3 Discontinued Items

HHSL has one of the highest fill rates in the industry and discontinued product can cause continuity and service level problems for our Dealers. It is extremely important that our Suppliers have a steady supply of product and maintain an “in stock” position at our DSCs. Suppliers must give a **minimum of 120 days notification** prior to a product being discontinued. This notice will allow us to create the proper transition to alternative product for our Dealers. Product purchased within sixty (60) days of the notification may be returned to the Supplier for full credit. Under certain circumstances, markdown funds may be discussed and agreed upon with your Merchandise Manager.



5.4 Environmental - Product Safety - Stewardship Information

The Supplier shall, at its expense, comply with the environmental, product safety and stewardship requirements reasonably specified by Home Hardware Stores Limited or as required by Law, Standard or HHSL policy, including without limitation the following requirements:

Product Safety:

- ◆ Provision of a current Safety Data Sheet, in English and French, and other information regarding environmental or occupational health and safety aspects of the merchandise as may be specified by HHSL or an authorized independent agent contracted by HHSL (*prior to the provision to the Supplier of a Purchase Order*) for a chemical or other product requiring the same, or a product specified by HHSL and the renewal and updating of such Safety Data Sheets and other information as required by a Law or Standard or as requested by HHSL, all in a form acceptable to HHSL.
- ◆ Provision of a 24-hour emergency telephone number and a regular business hours emergency telephone number, listing the hours of operation and the applicable time zone.
- ◆ Provision of detailed instructions as to the manner in which merchandise may be destroyed or disposed of by HHSL or Home Dealers, including information as to the manner in which all Canadian Laws and Standards relating to environmental matters should be complied with in connection with such destruction or disposition.
- ◆ Provision for the removal and/or disposition of any merchandise (*or any part thereof*), within the HHSL supply chain or at store level, that is no longer legal for sale in Canada pursuant to any Law or Standard.
- ◆ Registration, labelling and compliance of all pesticide products with the appropriate governmental authority, where required by law.
- ◆ Ensure compliance and registration with NRCAN (*Natural Resources Canada*) of regulated products under the Energy Efficiency Regulations 2012.
- ◆ Ensure compliance procedures are established for reporting of products causing property damage or personal injury as required by Health Canada.
- ◆ Ensure all products are labelled according to CCCR (*Consumer Chemicals and Containers Regulations*) or
- ◆ Products intended/packaged for commercial use shall be compliant with the Canadian WHMIS 2015 labelling regulations.
- ◆ Ensure all products are compliant with the National Fire Code as required.



Stewardship / Environmental

- ◆ Development and implementation, with HHSL, of product stewardship programs to manage the life cycle of merchandise and its associated packaging, from materials acquisition to use and ultimate disposition of merchandise and its associated packaging, with proper regard for its impact on HHSL, Home Dealers, the consumer and the environment.
- ◆ If it is confirmed that HHSL is the registered Steward for applicable programs, then NO fees shall be passed on with Dealer Support Centre shipments.
- ◆ **Environmental Handling Fee (EHF):** fees payable to the Supplier shall be a separate detailed line item on the original shipping invoice.
- ◆ Under ALL circumstances the Supplier shall remain responsible for all stewardship costs related to direct store shipments.
- ◆ Co-operation with HHSL in the implementation of product and packaging stewardship programs mandated by law or standard, which may include funding for stewardship programs, or changing product or package attributes, to minimize stewardship or environmental impacts.
- ◆ Provision to HHSL or an independent agent contracted by HHSL of specific product information that HHSL requires to meet the reporting requirements of any Law or Standard.
- ◆ Cooperation with HHSL in reformulating or repackaging merchandise to comply with environmental, health and safety or stewardship programs required by HHSL or by any Law or Standard.
- ◆ Register and comply with any and all required stewardship programs where the Supplier is the obligated steward, provide HHSL with details of registration compliance.
- ◆ Notify HHSL immediately if there is any change in product design, packaging or change that may impact stewardship obligation or compliance.

5.5 Item / Packaging Modifications

It is extremely important for HHSL to receive item modification details, as well in advance of any shipment of modified items being made. This includes modification to the product itself, or other details such as packaging, dimensions, or VPN. It is the responsibility of the Supplier to review these modifications and assign new UPC / GTINs appropriately. Please refer to *section 3.5 When to Change GTIN* in the [Barcode Guidelines Support Document](#) for further details.

Depending on the severity of the modification, HHSL may determine a new HH item number is required. When this occurs, you will be advised of the new HH item number by your Merchandise Manager.

HHSL requires 60 days' notice of any GTIN changes prior to shipment. Should product be received containing a barcode not registering in HHSL systems due to non-communication of such barcode data, our minimum administrative charge for rectifying this problem is \$250.00

5.6 Item Pricing

Pricing related topics are covered in [section 3 Presenting Your Program to Home](#). See the following topics for additional details: [section 3.4 Quoting Costs](#), [section 3.4.1 Retail Price Analysis](#), [section 3.5 Price Guarantees and Notice of Price Changes](#). If you have any questions, please contact your HHSL Merchandise Manager.



5.7 Item Testing

Your HHSL Merchandise Manager may require testing of your product(s) for quality assurance and product performance. If you do not already have the testing results available, your Merchandise Manager may ask you to have the required testing completed. If HHSL has the testing completed on your behalf, you will be responsible for reimbursing HHSL for all costs associated with testing.

The Supplier acknowledges and agrees that Home Hardware Stores Limited will be entitled to a credit for all defective product purchased from the Supplier. The Supplier agrees to allow Home Hardware Stores Limited to deduct from payment of each invoice submitted by the Supplier to offset defective product costs. If a defective product allowance does not cover the total costs associated with defective products, Home Hardware Stores Limited will be entitled to deduct any remaining differences from Supplier's future invoices or bill the Supplier directly, at HHSL's option.

5.8 Private Label Packaging

HHSL maintains high graphical standards for private brand packaging. Colour standards, and design standards including font usage, text placement, logo size and placement, product verbiage, etc. must meet our standards. In collaboration with the Merchandise Manager, all new private brand packaging design work must be executed or supervised with full oversight by Home Hardware's Private Brand Department. This will ensure that private brands are consistently executed across the store. All private brand packaging development costs must be paid for by the Supplier. Suppliers must notify their Merchandise Manager prior to reprinting any package to ensure the package design is current and complies with our standards. We reserve the right to reject shipments not conforming to these standards.

5.9 Samples

Suppliers must provide, without charge, samples of their products as may be required by HHSL. These samples will be for internal use by HHSL, in connection with its catalogues, print advertising, image files, and point of purchase displays.

The samples must be authentic, and the dimension of the consumer unit package must be identical to the actual packaging of the product being sent to us. HHSL will determine the disposition of samples as they will not be returned to the Supplier.

5.10 Substitutions

HHSL does not accept substituted product unless first approved by the Merchandise Manager. In some cases, the substitution may require a new HH item number which will require the completion of the New Item Profile. This must be completed prior to any shipment to any DSC.

If the merchandise listed on a Purchase Order cannot be shipped in full, the Supplier shall contact HHSL's purchaser no more than seventy-two (72) hours after the Supplier has received the Purchase Order to discuss options. (*e.g.: deferred quantities, substitutions*)



5.11 Dangerous Goods - TDG - CCCR

The Supplier is responsible for correctly identifying, classifying, packaging, marking, labelling, and completing documentation for Transportation of Dangerous Goods (TDG) and/or Consumer Chemicals and Containers Regulations (CCCR) requirements according to national and international governmental regulations. If the cargo includes explosives, chemicals or other products that are covered by the [TDG Act](#) and/or the [CCCR Regulations](#), the Supplier must do everything required to ensure compliance with the regulations. You must provide HHSL with all information required to transport the products in accordance with Dangerous Goods/CCCR regulations in Canada before we can ship the goods to our Dealer network. HHSL has the right to refuse any shipment of Dangerous Goods/CCCR products if HHSL believes the Supplier has not done everything reasonable to ensure compliance with the TDG Act and CCCR Regulations. Interpretation and use of the rules may vary for different circumstances and HHSL cannot assume responsibility for any errors, omissions or consequences that may arise from information obtained from the above-mentioned publications.

Please Note: *If you are submitting a new product that is a dangerous good, limited quantity or CCCR compliant, the item profile includes a unique tab named "TDG - CCCR Form" which includes a form to be completed as part of your product submission.*



6 Electronic Data Interchange (EDI) Implementation Requirements

Electronic Data Interchange (EDI) is the computer-to-computer exchange of routine business data between trading partners in standard data formats. For EDI Compliance, HHSL requires the following EDI documents:

- ◆ **Purchase Order (850)** - These are for DSC orders only. Required for Stock DSC Suppliers. Outbound to Suppliers.
- ◆ **Functional Acknowledgement (997)** – Required for all HHSL 850's, should acknowledge the transaction and group level within 24 hours of receipt.
- ◆ **Purchase Order Acknowledgement (855)** - This document means you, the Supplier, agree with the details of the PO for terms, currency, ship date, item prices, item availability and quantities. Inbound from Suppliers.
- ◆ **Advance Shipment Notice (856)** - Also referred to as an ASN. This document contains the packing slip details of each shipment. This will include item identification and how much was shipped for each item. This is required to be sent as soon as the shipment leaves the Supplier shipping facility. Required for Stock DSC Suppliers. Inbound from Suppliers.
- ◆ **Invoice (810)** - The EDI Invoice would be a representation of your existing paper invoices. This includes all DSC and direct to store shipments made to a HHSL location. Required for Stock DSC and Direct to Store Suppliers. Inbound from Suppliers.

All EDI information is available at: www.commport.com/HomeHardwareEDI.

6.1 Purchase Order Management

This is an overview of the life cycle of a **Purchase Order (PO)** from the time that it is initiated by HHSL then sent to the Supplier to be reviewed and accepted, shipped, and invoiced.

Our intent is for all stock Dealer Support Center Suppliers to be EDI compliant for Purchase Orders, PO Acknowledgements, ASN and Invoicing.

NOTE: At this time, HHSL is unable to send POs initiated by one of our Home Dealers via EDI. These will still need to be handled manually through the Supplier's Order Desk, but the EDI Invoice will be expected for all these POs.

New Suppliers:

As a new Supplier, you may not be EDI capable. We will partner you with Commport Communications International and their web portal. This web portal will allow you to receive POs and send PO Acknowledgements, ASNs and invoices via EDI to HHSL. Commport will provide you with a web portal sign-on and system training. www.commport.com/HomeHardwareEDI.

If you are already partnered with a different web-based EDI provider, you may still receive your **initial** POs and all other required documents via Commport until such time as your own EDI solutions have been setup and tested with our in-house EDI team.



6.2

Pending Supplier Acceptance (PSA) Process Guide

Purchase Order (PO) Acknowledgement, Negotiation and Acceptance

- ◆ PO Acknowledgment (*Electronic Data Interchange (EDI) model 855*) is a required transaction.
- ◆ EDI model 855 serves several purposes; acknowledgement from the Supplier that they have received the PO, acceptance of the terms and requirements as listed below, enables Suppliers to start negotiation by using the Reject PO Condition of the 855.

PO Negotiation Process

This section outlines the negotiation process and responsibilities for both Supplier and Home Hardware. The Supplier must acknowledge that they have reviewed the PO and accepted the terms and conditions as follows:

- ◆ The PO can be shipped by the Requested Ship Date. This means that the entire order will be In-Transit no later than that date. Any Shipments sent more than seven (7) calendar days early will be subject to a Non-Compliance fee. Transportation arrangements will need to be planned for in ADVANCE of this date for all prepaid and collect orders.
- ◆ Changes made to requested ship dates after the PO has been accepted is subject to an administrative fee. See Section [8.2 On-Time Shipment Compliance Objectives](#) for further details. It is the responsibility of the supplier to be aware of supply chain disruptions internally and globally to plan accordingly wherever possible.
- ◆ Each item and quantity ordered is available in full to ship by the Requested Ship Date. ****See note below.**
- ◆ Each item will match UPC, model and/or Manufacturer number.
- ◆ Each item unit cost is accurate.
 - Special Deal items for promotional events will have an adjusted deal cost and PO will contain a suffix of PB, PR or LL. The PO comments will post the event # associated with the promotional deal. *****See note below.**
 - Items purchased as part of our Market program will have a PO with a suffix of MK, FM, or SM. Comments will be posted on the PO that indicate the PO is a Market Order (Pre-Market or Post Market). ****See note below.**
 - Special Deals and/or payment terms that are outside of Promotional or Market activity will be noted in the PO comments for the Supplier.
- ◆ PO Payment terms.
 - Will pick up regular terms based on our Supplier agreement.
 - Any changes to payment terms will reflect either market or promotional or special activities as agreed to by Supplier and Home Hardware and will be posted using appropriate suffix and PO comments as listed above for Special Deal or Market.



Where an item cannot meet any of the above, the Supplier is required to move the PO to a negotiation process by using the Rejected status and include comments.

- ◆ A response from a Supplier must be transmitted within six (6) calendar days from the transmission date of a new PO. This may be a PO Acceptance or a PO Reject.
 - PO Accept sent via EDI 855, meaning all above conditions may be met.
 - PO Reject may only be issued if there are issues with meeting the requirements of the PO. If there are discrepancies the Supplier may reject the PO by issuing an EDI 855 reject. Details and comments as to why the PO is rejected must also be sent with the EDI 855. This will then be regarded as PO negotiation between issuer of the PO and the Supplier. The PO may not be rejected or in PO negotiation status longer than seven (7) calendar days.

*** If there are item(s) that cannot meet the requested ship date and require a new PO created specifically for those items Home Hardware will consider that any Supplier minimums have been met with the initial Purchase Order.*

**** If there are discrepancies due to pricing, Supplier must validate that special deal pricing is not applicable (as listed above) before rejecting a PO. It is the Supplier's responsibility that ALL departments within their company are aware of special pricing and payment terms.*

- ◆ Once PO negotiation between Supplier and issuer of the PO is complete Supplier must provide EDI 855 Acceptance.
 - The 855 will be confirmation that the Supplier can meet the requirements of the PO and Supplier will be held responsible for complete, accurate, on-time shipments of the PO.
 - All orders will then require an **Advance Ship Notice (ASN)** submitted at the time the order has left the Supplier facility. See notes [section 6.3 Advance Shipping Notice \(ASN\) \(EDI 856\)](#).

Failure to provide an 855 PO Accept or fulfill PO requirements will be subject to a non-compliance submission and will be at risk as a non-compliance charge back to Supplier.

Any PO adjustments, delays, or item changes AFTER an 855 Acceptance has been received will be subject to a non-compliant review and potential fee.



6.2.1 Order Lead Time

It is the Supplier’s responsibility to advise the issuer of a Purchase Order of any anticipated changes in order lead-time. Unanticipated changes in order lead-time cause service level problems at our Dealer Support Centres. By having advance notice of shipping delays, we will be able to accurately adjust our forecasts. See also [section 6.2 Pending Supplier Acceptance \(PVA\) Process Guide](#).

6.3 Advance Shipping Notice (ASN) (EDI 856)

- ◆ The primary purpose of the ASN is to provide HHSL with an electronic copy of a Supplier’s Bill of Lading or Packing Slip so we can receive your shipments as efficiently and accurately as possible.
- ◆ The ASN must be created and sent within the hour that the order leaves your facility so that all ASNs will arrive in advance of the order arriving at the intended facility. This enables Home Hardware to be as prepared as possible when your product arrives at our DSCs. **It should not be sent before the shipment leaves your facility.**
- ◆ Each ASN must be represented by a unique ASN number for each shipment. It is possible to combine multiple Purchase Orders within a single ASN or shipment.
- ◆ The ASN number(s) must be clearly stated on the Bill of Lading or Packing Slips.
- ◆ License Plate Numbers (LPN) or Serialized Shipping Container Codes (SSCC) should be attached as per [section 7.2.2 Serialized Shipping Container Code \(SSCC-18\) Labelling](#).

6.4 Invoicing (EDI 810)

To assist us in processing your invoices for payment, please adhere to these guidelines: For **all** invoices, please indicate the **“BILL TO”** as:

ALLIANCE INTERNATIONAL LLC
(Home Hardware Stores Limited)
34 Henry Street West
St. Jacobs, ON N0B 2N0

For **Direct to Store** invoices, please indicate the **“SHIP TO”** as:

Dealer Name
Dealer Address
Dealer Store No. #####-#

For **DSC invoices**, please indicate the **“SHIP TO”** as:
(for DSC invoices tagged for a Dealer Store, please ensure the Dealer Store # is included in the body of the invoice and not as part of the “Ship To” address)

Home Hardware Stores Limited
Appropriate DSC’s location
(St. Jacobs, ON, Elmira, ON, Debert, NS or Wetaskiwin, AB)



Please note the following additional information:

- ◆ Alliance International LLC is the buying arm for Home Hardware Stores Limited.
- ◆ To ensure proper invoice processing, the Purchase Order number must appear on all invoices.
- ◆ Please be advised that if our Company Name, Alliance International LLC, does not appear as the “Bill To” party, we will not be held responsible for payment.

All 810 Invoice EDI Information is available at: www.commport.com/HomeHardwareEDI.

6.5 Dealer Membership Confirmation

When receiving an initial PO directly from a Home Dealer, for which the invoice will be billed to Alliance International LLC in St. Jacobs, you may contact the Accounts Receivable Department (accountsreceivable@homehardware.ca) at the Dealer Support Centre in St. Jacobs to verify the Membership of the Home Dealer with us.



7 Shipping and Marking Standards

HHSL has developed marking, packaging, and shipping standards to assist in improving efficiencies at our receiving docks. In doing so we are asking that each respective Supplier review the following standards and begin the process toward compliance immediately.

7.1 Packaging Standards

Our goal is to ensure that product moves from your facility to our Dealer's stores in the best possible condition, through safe and efficient handling. We want to ensure that the consumer package is protected during the various types of handling required for product flow. In Canada, packaging and labelling standards are governed by both federal and provincial legislation, and accordingly compliance at both levels must be ensured.

7.1.1 Each or Consumer (*end user*) Trade Item Packaging

The "each" describes the lowest consumer unit of measure that carries a UPC/EAN barcode. In most cases this will identify the unit that is sold to the consumer, commonly identified as a "consumer (*end user*) trade item". The requirements for consumer unit packaging are as follows:

- ◆ All Consumer (*end user*) Trade Item packaging must display a scannable GTIN/Barcode of UPC or EAN. For more information on these types of barcodes, please refer to *section 1.3 Barcode Types* in the [Barcode Guidelines Support Document](#).
- ◆ Private Label packaging information can be found by referring to [section 5.8 Private Label Packaging](#).
- ◆ Carton quantity will be listed for each item on our Purchase Orders. Confirmation of the # of units per carton is required. Deviation from carton quantity cannot be changed without approval from issuer of PO.
- ◆ Please discuss all packaging changes with your Merchandise Manager before the product is shipped to HHSL.

7.1.2 Bilingual Packaging Requirements

- ◆ All consumer unit packaging, whether it is part of the HH Private Label Program or your own brand, must be bilingual (*English & French*) and in compliance with Quebec's Charter of the French Language.
- ◆ French must be featured at least as prominently as any other language on products, their containers and wrappings, and documents or objects supplied with them, including directions and warranties.
- ◆ You are responsible for any fines incurred by HHSL for non-compliance with the Charter of the French Language.

7.1.3 GTIN and Barcode Requirements

Please refer to the [Barcode Guidelines Support Document](#) for details.



7.1.4 Package Measurement & Weight Rules

Please refer to the [Measurement and Weight Guidelines Support Document](#) for details.

7.1.5 Quality and Sustainability of Packaging

All retail unit and case packaging is expected to meet agreeable minimum quality and environmental conscious standards. You are responsible for providing packaging information that is compliant with CSSA standards. Some points to keep in mind are:

Product packaging should be:

- ◆ Efficient - protect goods while reducing packaging
- ◆ Recyclable - increased recyclability of packaging, increased recycled content
- ◆ Sustainable - responsible materials, efficient use of resources

Transportation packaging should consider:

- ◆ Environmental Impact - minimize required space
- ◆ Cube Utilization - reduces product packaging and space required

7.2 Carton Labels and Markings

Proper labeling throughout the entire supply chain creates efficiencies for both the Supplier and **Home Hardware Stores Limited (HHSL)**. The correct labeling of all cartons, and the proper logistics label is critical for this efficiency. The carton label and marking allows the product to be tracked when the carton is not associated with a pallet. The GS1-128, or **Serial Shipping Container Code (SSCC)** is to identify and track items throughout the supply chain by either a pallet, loose carton, or mixed re-packed carton. The proper SSCC label or license plate facilitates the efficient flow of goods between the Supplier and HHSL.



7.2.1 Carton Marking Instructions - Non-North American Suppliers Only

PLEASE NOTE: The following carton markings **are in addition to** the required SSCC labelling as outlined in: [section 7.2.2 Serialized Shipping Container Code \(SSCC-18\) Labelling](#).

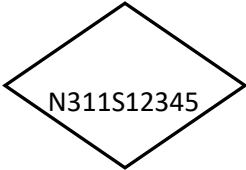

The following field needs to be displayed inside a diamond mark

PO #: (PLEASE NOTE: The “S”, “D”, or “W” in the Purchase Order number indicates the destination warehouse; “S” being St. Jacobs, “D” being Debert and “W” being Wetaskiwin).

A minimum of the following fields needs to be displayed outside the diamond mark.

- ◆ HH ITEM #:
- ◆ ITEM DESCRIPTION:
- ◆ SUPPLIER MODEL #:
- ◆ QUANTITY PER CARTON: / UNIT OF MEASURE:
- ◆ NUMBER OF CARTONS ON ORDER: (A shipment for a single Purchase Order consisting of more than one carton must have each carton individually numbered. If that shipment consists of three cartons, for example, the cartons would be marked as being 1 of 3, 2 of 3 and 3 of 3.)
- ◆ GTIN CASE BARCODE: All cases are required to be identified with a GTIN/Barcode, with our preferred symbology being ITF-14. Also acceptable at this level, but not preferred, are UPC/EAN or GS1-128 symbologies. The retail UPC barcode should not be shown on the carton unless the carton is also the individual retail selling unit package.

The following is a sample of markings that should be displayed on the side of each carton. *Please include the PO number you have been issued, and only one PO number per carton.*

PO #	
HH Item #	1234-567
Desc	WIDGIT, BLACK 4"
Model #	WBLK4
Qty / UOM	10 / EA
# of Carton	1 of 3
Barcode	

Where possible, the size of this Carton Marking must be at least 12” x 12” (30cm x 30cm). Cartons smaller than these dimensions must have the largest marking possible. (Note: This does not apply when there is no master carton)

The shipping container barcode symbol shown in this example is an ITF-14 (also known as Interleaved 2 of 5) barcode with human readable numbers below barcode.

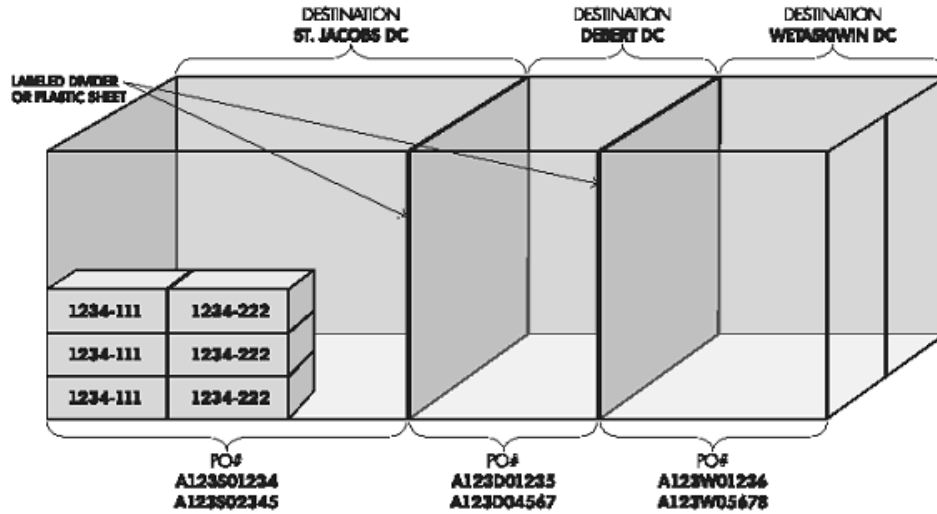


7.2.1.1 Ocean Container Loading

Before loading the container, it must be inspected for any defects or residue.

Do not load a container that is not in good condition.

The figure below illustrates a container loading for multiple Dealer Support Centres.





7.2.2 Serialized Shipping Container Code (SSCC-18) Labelling

HHSL requires all shipping containers, for example stretch wrapped pallets, loose cartons, or mixed re-packed cartons, be labelled with an industry standard GS1 logistics label also known as an MH10 label. The requirements for this labelling are as follows:

- ◆ The GS1 logistics (SSCC-18) label format requires the standard dimensions of 4" x 6" or A6 (105mm x 148mm).
- ◆ The label consists of three sections, carrier, customer, and Supplier.
- ◆ The lowest portion of the label will have the GS1-128 bar code encoding the SSCC-18. Each bar code will require the **H**uman **R**eadable **I**nterpretation (HRI) above the symbol. For more information on these types of barcodes, please refer to *section 1.3 Barcode Types* in the [Barcode Guidelines Support Document](#).
- ◆ The HRI must include the **A**pplication **I**dentifiers (AI), data content, and the Check Digit. To help distinguish the AIs, parentheses should be placed around these values. The HRI characters must have a minimum height of 3mm, or 8-point font, recommended 7mm or 20-point font. All plain text must have a minimum height of 3mm.
- ◆ The data title represents the standard abbreviated description of the various data fields and must have a minimum height of 3mm.
- ◆ The data titles of the label must be bilingual with both English and French. All text must be clearly legible.

The GS1 logistics (SSCC) label should be placed on the upper right half side of the pallet. Two sides of the pallet must have SSCC labels located from 16" to 32", 400mm to 800mm from the base of the pallet. The label should be at least 2", 50mm from any vertical edge to avoid damage.

More information on the GS1 specifications for SSCC labelling can be obtained from the following document:

https://gs1ca.org/gs1ca-components/documents/std_BarCodingBasicsforShippingContainers_en.pdf



7.2.2.1 GS1 Logistics (SSCC) Label Examples

Please see the following page(s) for examples of GS1 Logistic Labels for both “Dealer Support Centre Purchase Orders” and “X-Dock Store Ready Pallet or Special Purchase Orders”.

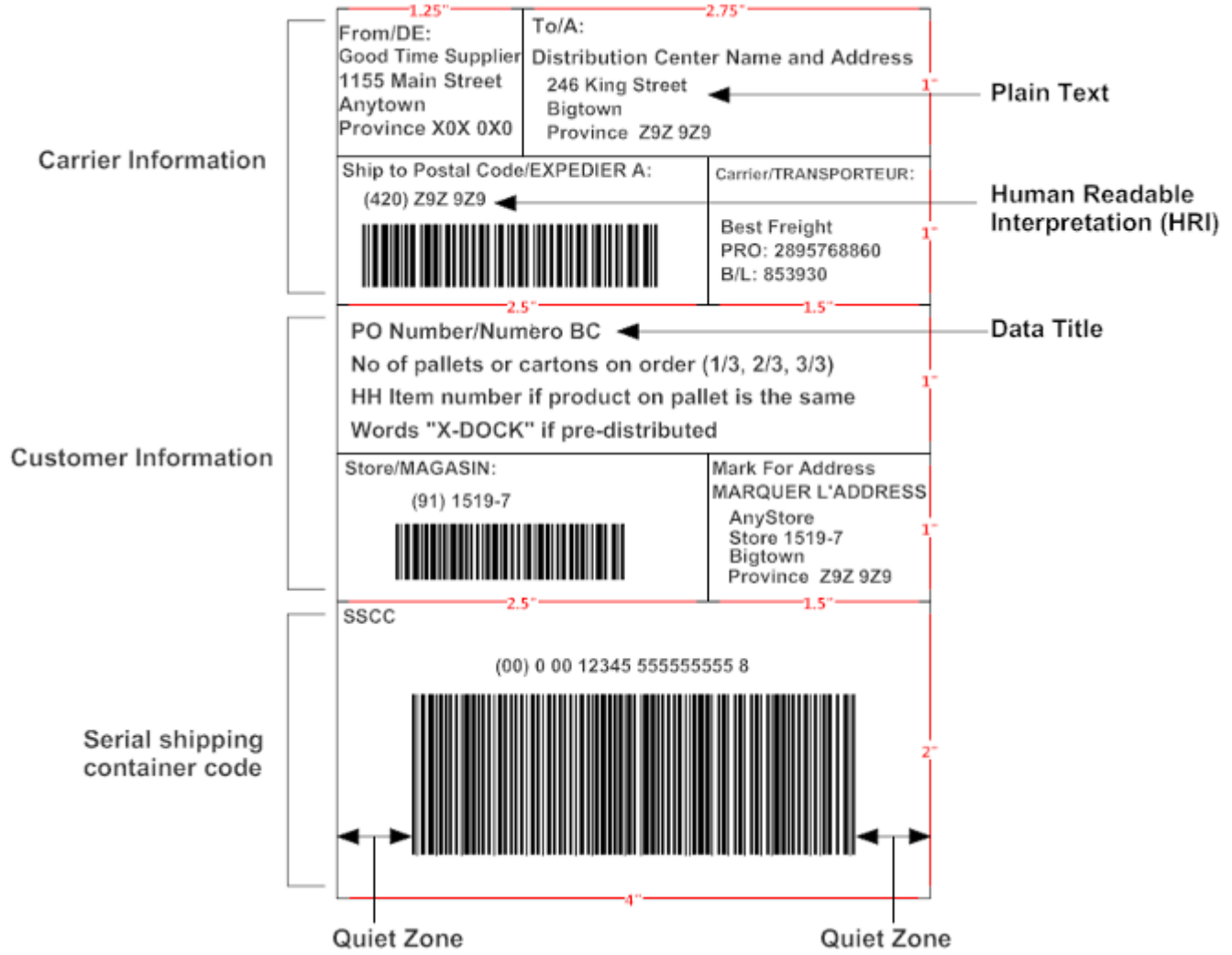
These sample labels provide context and content of information required on the label. The red lines illustrate the dimensions for the various sections of the label and may vary by +/-0.2 inch.

Mandatory Information for Dealer Support Centre Purchase Orders





Mandatory Information for X-Dock Store Ready Pallet or Special POs





7.3 Pallet Requirements

HHSL supports the CHEP pallet pooling program and encourages all our Suppliers to ship to us on CHEP pallets on a one-way basis. The CHEP program reduces the overall Supply Chain costs by increasing efficiencies. CHEP pallets are readily available to be delivered when you need them. CHEP eliminates the administrative need for pallet balance tracking, purchasing, inspecting, and quality control activities with their one-way pallet program.

Pallet requirements for HHSL:

- ◆ The use of CHEP is mandatory.
 - Other pallet requirements must be communicated and approved. Contact information is listed at the end of this section. Pallet size requirements are 40” wide x 48” long, with opening on 40” side.
 - All pallets must be in good condition. Broken pallets will be not accepted.
- ◆ Pallet height is measured from the floor to the top layer of product. Ideal warehouse rack-ready pallet height is 42 inches. Total pallet height should not exceed 96 inches, or 8 feet in total height.
- ◆ Product overhang is not acceptable on the front or back of the pallet.
- ◆ Product overhang is acceptable on the sides of the pallet. This overhang should not exceed 4 inches per side.
- ◆ Pallets containing multiple products must be consolidated into unique layers, with the largest product quantity on the bottom, graduating to the smallest quantity on the top layer. Layering of the same product must be grouped together on successive layers.
- ◆ Product must be shrink-wrapped securely to avoid shifting during transit. Plastic or metal banding may also be required on extremely heavy or unstable product in order to secure product to the pallet.
- ◆ Bagged goods require a corrugated bottom and top sheet with corner protectors.
- ◆ HHSL item numbers are required on all packing slips.
- ◆ POs for each Dealer Support Centre (DSC) must be separated.
- ◆ If PO quantities are greater than ½ pallet do not consolidate multiple POs for the same DSC on the same pallet.
- ◆ If PO quantities are less than ½ pallet consolidate multiple POs for the same DSC on the same pallet.
- ◆ A pre-approved appointment is required for all deliveries.

Please contact the appropriate Dealer Support Centre for appointments and questions

DSC	Phone	Email	CHEP Account #
St. Jacobs	519-664-4967 direct line	stj.receiving@homehardware.ca	6155010350
Debert	902-662-2800 ext. 2229	deb.receiving@homehardware.ca	6141010350
Wetaskiwin	780-352-1984 ext. 119	wet.receiving@homehardware.ca	6198010340



7.4 Shipping / Routing Instructions

Routing instructions are provided multiple ways: by PO, by routing letter or by being an on-boarded Supplier for the Transportation Management System (TMS).

HHSL's "Traffic & Inbound Logistics" department will contact Suppliers for onboarding setup when a Supplier is deemed a candidate for the TMS.



8 HHSL Supplier Compliance Policies

The core objective of the HHSL compliance program is not to collect fines but to encourage proactive communication, positive behaviour changes and process improvement with our Supplier partners. By measuring, tracking, and reporting on key metric performances, HHSL can proactively work with Suppliers to improve service levels and can implement a fair and consistent consequence management program.

On each non-compliance issue, HHSL investigates the information available to ensure its validity. We notify the Supplier of these non-compliance issues outlining the actions required to correct the problem and any costs that may apply for doing so. Penalties may apply on continued repeat offences. All charges will be deducted from our next payment to the Supplier.

8.1 Purchase Order Acceptance

Suppliers have six (6) calendar days from date of submission to accept or reject a Purchase Order. The maximum time a Purchase Order can be in rejected status is seven (7) calendar days. Any response falling outside of that window, or a failure to respond will result in the Supplier being considered non-compliant and will be subject to a \$250 fee. Please contact issuer of P.O. for concerns or issues.

8.2 On-Time Shipments Compliance Objectives

All Purchase Orders have a ship date and orders are to be “ready for shipment” by that date.

All North American Orders and Import Prepaid orders shipped outside of the window of seven (7) calendar days prior and two (2) calendar days after the requested ship date are considered non-compliant.

Collect Import Orders shipped outside the window of seven (7) calendar days prior and seven (7) calendar days after the requested ship date are considered non-compliant.

Shipment Non-Compliance fees on late shipments will be 10% of the Purchase Order value.

Late ASNs will incur a \$250 non-compliance fee. Refer to section 6.3 Advance Shipping Notice (ASN) (EDI 856) for ASN timing requirements.



8.3 Advance Shipping Notice Accuracy / Invoice Matching

The Advance Shipping Notice is compared against goods received. Any differences between quantity and/or cost will be considered a non-compliant event and subject to a \$250 fee per invoice.

8.4 GTIN and Barcode Compliance

As a Supplier to HHSL, you are responsible for the accuracy and completeness of the GTIN and Barcode information you provide. Please review our objectives and compliance management details below.

8.4.1 Compliance Requirements / Management

- ◆ HHSL requires Suppliers to verify that all levels of item packaging have been assigned GTIN and Barcode data as per GS1 standards.
- ◆ HHSL requires Suppliers to perform ongoing quality checks of product packaging containing barcodes and any barcode labels that may be affixed to packaging coming from third party suppliers.
- ◆ It is the responsibility of the Supplier to communicate their Product Code contact's name, phone number and email address to SupplierCompliance@homehardware.ca.
- ◆ HHSL requires sixty (60) days notice of any GTIN changes prior to shipment. Should product be received containing a barcode not registering in HHSL systems due to non-communication of such barcode data, our minimum administrative charge for rectifying this problem is \$250.00.
- ◆ The administration fee for a UPC and Carton GTIN non-compliant labeling issue is \$1,000.00.
- ◆ A repeat issue of non-compliance will initiate communication between our "Supplier Compliance Department" and the Supplier Product Code contact to discuss processes to prevent further occurrences. If continued repeat offences occur, a decision to apply penalties up to \$5,000 per occurrence, and/or a review with the Merchandise Manager of the Supplier's ongoing business status with HHSL, will be made.
- ◆ When items are received in a non-compliant manner, HHSL will communicate to the Supplier the most effective means of correcting that inventory. Relabeling and/or rework will be charged at \$100 per hour, with a minimum of 1 hour applied. Any such charges will be deducted from our next payment to the Supplier.
- ◆ Miss-shipped items - any shipments delivered to HHSL with incorrect product, non-approved substitution of an item, or product labeled for another retailer. Product will be returned or disposed of at the discretion of the Supplier. There will be a charge of \$250.00 assessed for such occurrences.
- ◆ Shipment of products to HHSL will be interpreted as an agreement on behalf of the Supplier to pay any fines assessed as a result of non-compliance with this policy.
- ◆ HHSL holds the right to withhold payment on shipments of product that are not in conformance with our barcode standards.

**8.5****Table of Common Fines**

Policy	Fine per Purchase Order (Unless Otherwise Noted)
Purchase Order Acceptance	\$250
On-Time Shipments	10% of Purchase Order Value
Late Advance Shipping Notice	\$250
Advance Shipping Notice Accuracy	\$250
Invoice Matching Accuracy	\$250 per Invoice
UPC Barcode Relabeling	\$1,000 + \$100 per hour
Case GTIN Issue	\$1,000
Fail to Notify a UPC Change	\$250
Mis-shipped Items (Returned)	\$250
Missing French language	Translation cost + 15%

8.6 Non-Compliance Dispute Procedure

Home Hardware will review disputes if the proper supporting documents are provided. If approved, the deducted amount will be credited back to the Supplier's account. Please follow the procedure below:

Do not inquire to other Home Hardware departments or contacts.

Email disputes to: SupplierCompliance@homehardware.ca.

The following information is required for all disputes:

- ◆ Subject line to include "Supplier Number, Supplier Name – Compliance Dispute."
- ◆ Non-Compliance event reference number assigned by Home Hardware as provided on the Non-Compliance detail report.
- ◆ Reason for the dispute.
- ◆ Supporting documentation for the dispute.

Home Hardware has 30 days to review and respond to the dispute.

All disputes must be made within 180 days of the infraction. Disputes older than 180 days will not be considered.



9 Supplier Guide Glossary of Terms

Please see the Supplier Guide Support Document [Glossary of Terms](#) for a listing of all terms used within the Supplier Guide and all support documents.