



THE HOME DEPOT

# **Supplier Reference Guide**

Spring 2014





## REVISION HISTORY: Application and Program

Date	Changes	Modified By
April 2012	<ul style="list-style-type: none"><li>▪ Updated Corporate Compliance Sections: 1.1.2, 1.1.3, 1.1.3.1, 1.1.3.2, 1.1.5</li><li>▪ Updated Vendor Safety Section 1.3</li><li>▪ Updated Insurance Section 1.6</li><li>▪ Updated Compliance Section 2.1, 2.2</li><li>▪ Updated Store Fixtures Section 5.3.1</li><li>▪ Updated Package Engineering Section 6.5</li><li>▪ Updated Routing Guidelines Section 6.1.1</li></ul>	Internal Business Teams
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## TABLE OF CONTENTS

<b>1</b>	<b>Supplier Setup.....</b>	<b>5</b>
1.1	Supplier Diversity .....	5
1.2	Equal Employment Opportunity – Affirmative Action Statement .....	5
1.3	Affiliated Companies .....	5
1.4	Corporate Compliance and Ethical Standards.....	5
1.5	Social and Environmental Responsibility (SER) Standards.....	8
1.6	Vendor Safety.....	10
1.7	Selling Restrictions.....	13
1.8	Supplier Buyer Agreement (SBA) .....	13
1.9	Insurance .....	14
1.10	HomeDepotLink .....	18
<b>2</b>	<b>Compliance.....</b>	<b>21</b>
2.1	Vendor Compliance Program .....	21
2.2	Supplier Scorecard.....	21
<b>3</b>	<b>Electronic Data Interchange (EDI) .....</b>	<b>27</b>
3.1	Overview .....	27
3.2	Getting Started.....	27
3.3	Testing.....	28
<b>4</b>	<b>Item Management.....</b>	<b>29</b>
4.1	Item Data Management .....	29
<b>5</b>	<b>Assortment &amp; Space Planning .....</b>	<b>30</b>
5.1	Planograms (POG) .....	30
5.2	In Store Environment – Visual Merch .....	30
5.3	Store Environment.....	30
<b>6</b>	<b>Transportation &amp; Logistics.....</b>	<b>33</b>



6.1	Logistics Requirements .....	33
6.2	Transportation Management.....	37
6.3	International Logistics .....	38
6.4	Reverse Logistics, RTVs and Buybacks .....	50
6.5	Package Engineering.....	53
6.6	Special Orders.....	98
<b>7</b>	<b>Finance &amp; Accounting .....</b>	<b>100</b>
7.1	Invoicing Requirements .....	100
7.2	Receiving/Payment Based on Tender Type.....	103
7.3	Invoice Reconciliation/Dispute Process .....	104
7.4	RTV Best Practices .....	109
7.5	Returned Goods.....	109
7.6	RTV Reconciliation and Dispute Process .....	110
7.7	Out for Repair.....	111



# 1 Supplier Setup

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## 1.1 Supplier Diversity

The Home Depot is committed to promoting economic growth through diversity by offering competitively priced, high quality products and services to our customers. One of the ways The Home Depot will achieve growth is through a comprehensive Supplier Diversity business strategy including minority-owned, women-owned, and small businesses. For more information, visit the team's HomeDepotLink page: **Business Operations > Supplier Setup > Qualifying as a Diverse Supplier**.

## 1.2 Equal Employment Opportunity – Affirmative Action Statement

If applicable: THD complies with Executive Order 11246, as amended, and incorporates the requirements of 41 CFR §§601.4(a)(7) and 29 CFR Part 471 Appendix A to Subpart A. Seller is advised that under the provisions of government contracting and in accordance with these laws and regulations, nonexempt OR covered contractors and subcontractors are obliged to take affirmative action to provide equal employment opportunity without regard to race, color, religion, national origin or sex.

**If applicable, this contractor and subcontractor shall also abide by the requirements of 41 CFR § 60 300.5(a) and 41 CFR § 60 741.5(a). These regulations prohibit discrimination against qualified protected veterans and qualified individuals on the basis of disability, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.**

## 1.3 Affiliated Companies

The terms of this Supplier Reference Guide apply to all suppliers of The Home Depot and its affiliates. However, in certain cases, some of the terms may be modified depending on the channel of affiliate to which the supplier is supplying product(s).

For HomeDepot.com suppliers please log on the HomeDepotLink page via **Supplier Setup > [HomeDepot.com Onboarding](#)** and refer to the handbook link on the supplier dashboard for more detailed information.

For Your Other Warehouse suppliers please log on the HomeDepotLink page via **Supplier Setup > [Your Other Warehouse \(YOW\)](#)** and refer to the handbook link on the supplier dashboard for more detailed information.

## 1.4 Corporate Compliance and Ethical Standards

The Home Depot, its affiliates, divisions, and subsidiaries have a strong commitment to ethics and integrity and we are committed to conducting business in a responsible manner. Ethics and integrity form the foundation of our supplier relationships and The Home Depot expects that suppliers will abide by all applicable laws, rules and regulations in the manufacture and distribution of merchandise or services provided to The Home Depot. All suppliers are strongly encouraged to meet or exceed The Home Depot's Corporate Compliance and Ethical Standards. The guidelines below provide an introduction to the minimum requirements that all suppliers must



meet in order to conduct business with The Home Depot. These requirements are part of all new and/or renewed commercial agreements with The Home Depot.

#### 1.4.1 Gifts and Entertainment

The Company has a zero tolerance policy for receiving unsolicited gifts and entertainment. This policy does not change during traditional gift-giving seasons or during Company sponsored events. Gifts and entertainment apply to anything received as a result of an actual or potential business relationship and for which the recipient does not pay face value. Examples of gifts and entertainment include: meals, travel and travel accommodations for business or personal purposes, tickets to sporting or cultural events, discounts not available to the general public, gift cards, vendor product samples for personal use, wine or alcohol and any other merchandise or services.

Before making any attempt to provide gifts or entertainment, suppliers are advised to discuss such plans with a senior level contact at The Home Depot.

For the purposes of this policy, financial or in-kind donations made directly to The Home Depot Foundation are not considered gifts and entertainment and may be accepted within reason.

#### 1.4.2 Conflicts of Interest

The Home Depot's Business Code of Conduct and Ethics instructs The Home Depot associates to disclose actual or potential conflicts of interest for further review.

- A conflict of interest can occur when an individual's private or professional interests interfere (or appears to interfere) in any way with the interests of The Home Depot. As conflicting loyalties impair an associate's ability to make objective decisions, conflicts of interest must be avoided
- A conflict of interest can result from, social relationships between associates and current or prospective, suppliers, vendors, or service providers, that may interfere with the associate's ability to perform their job objectively
- A conflict can occur when an associate's personal financial interest of their family member's financial interest interferes with the associate's responsibility at The Home Depot
- A conflict exists when the parties to the relationship give or receive (or appear to give or receive) unfair advantages or preferential treatment. Conflicts of interest also arise when an associate or a member of his or her family receive improper personal benefits as a result of his or her position with the Company. Having such a conflict arouses suspicion about an associate's ability to perform their work objectively and can cause damage to The Home Depot's reputation
- The Home Depot expects all suppliers to be aware of this policy and to avoid contributing to a conflict of interest or the appearance of a conflict of interest. Any involvement by a supplier in any conflict may be grounds for a termination of business



### 1.4.3 The Foreign Corrupt Practices Act (FCPA) and Anti-Bribery Policy

It is against our policy, to participate in any form of corruption. Neither we, nor outside parties acting on The Home Depot's behalf will bribe another party to gain any benefit for Home Depot. Among other things, U.S. law and the foreign laws where we do business make it illegal to offer or pay a bribe to a foreign official for a business favor or when otherwise intended to gain an improper business advantage. The term "foreign official" includes employees of any government agency, government-owned business (such as state-owned enterprises or SOEs), or political party, plus any political candidate. Bribes go beyond giving cash payments and may also include giving gifts or other things of value. Our policy also prohibits giving facilitating or expediting payments to foreign officials. And since The Home Depot can be held liable for payments made by third parties, outside parties engaged directly or indirectly by The Home Depot who may interact with foreign officials on the company's behalf must be approved by Legal, be thoroughly screened before being hired and must contractually agree to comply with this policy The Home Depot's Foreign Corrupt Practices Act (FCPA) and Anti-Bribery Policy and these laws. Suppliers must also contractually agree to comply with this policy and these laws

#### 1.4.3.1 Policy

Suppliers may not offer or give cash, gifts, or anything of value to a foreign official that might be considered a bribe.

Depending on local law requirements, you may be able to host a business meal with a foreign official or, give a token gift in appropriate circumstances, but only after receiving approval from Legal, which can be requested by contacting (770) 433-8211, ext. 18440 or [legal\\_question@homedepot.com](mailto:legal_question@homedepot.com). If approved, the expenses must be accurately and fully recorded.

#### 1.4.3.2 Adequate Records; Adequate Controls

The FCPA also imposes a statutory duty on public reporting companies such as The Home Depot to maintain accurate books and records and an adequate system of internal accounting controls. This duty also extends to ensuring that the subsidiaries, domestic and foreign, of public companies such as The Home Depot also comply with these records and controls requirements.

### 1.4.4 Former Associates' Relationships with Suppliers

The Home Depot will not conduct business with a former associate who is working for a supplier providing product or services to The Home Depot for a period of one (1) year after the associate's separation ("cooling period") from The Home Depot. During the cooling period, the former associate will not have any access to The Home Depot facilities for business purposes. The former associate will not be allowed to participate in any meetings with current The Home Depot associates while the former associate is working for the supplier/new employer. In addition, former associates have an independent obligation not to use or disclose The Home Depot proprietary and confidential information.

The purpose of this policy is to:

- Eliminate any risk that the former associate will use his/her relationship with current The Home Depot associates to improperly influence the parties' business dealings; and
- Safeguard The Home Depot proprietary and confidential information that the former associate acquired during the course of employment that would inevitably be compromised.

This prohibition is not applicable if the former associate's termination was the result of a reduction in force.





#### 1.4.4.1 Exceptions

For salaried store associates, the Regional Vice President responsible for the former associate's region may authorize an exception to the current policy. For hourly associates, the District Manager responsible for the former associate's district may authorize an exception to the current policy. For non-store associates, the Executive Vice President responsible for the former associate's previous department may authorize an exception to the current policy or may designate a Senior Vice President to review and approve an exception.

All exceptions must be approved in advance and must be submitted to The Home Depot's Corporate Compliance department.

#### 1.4.5 Supplier AlertLine Information

The Home Depot makes our expectations and compliance standards clear and encourages suppliers to contact us if an associate ever asks you to do anything that infringes upon these standards. The Home Depot provides the Supplier AlertLine for the exclusive use of suppliers to report violations of company policy pertaining to receiving or soliciting gifts, bribes or kickbacks, disclosure of confidential information or a conflict of interest.

If you are aware of a situation where you think there may be a violation of company policy pertaining to receiving or soliciting gifts, bribes or kickbacks, disclosure of confidential information or a conflict of interest, immediately notify The Home Depot's Merchandising Leadership Team.

If you are uncomfortable taking the issue to the Merchandising Leadership Team or if you wish to remain anonymous, contact the Supplier AlertLine at <https://tnw.reportlineweb.com/custom/HDVendorRelations> or by using the following toll-free numbers:

- United States and Canada: 1-800-435-3152
- Mexico: 001-888-765-8153
- China: 10-800-711-0714 or 10-800-110-0654

### 1.5 Social and Environmental Responsibility (SER) Standards

The Home Depot, its affiliates, divisions, and subsidiaries strive to conduct business in a responsible manner. As we expand our business activities and work with suppliers domestically and globally to meet customers' needs, it is important to preserve our collective commitment to human rights and safety in the workplace.

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

All suppliers must be able to demonstrate compliance with these requirements at the request of The Home Depot.

These guidelines provide an introduction to the minimum requirements that all Suppliers must meet in order to conduct business with The Home Depot. These requirements are part of all new and/or renewed commercial agreements with The Home Depot. Additional information on the SER Program can be found in the SER Supplier Manual on HomeDepotLink at Business Operations > Supplier Setup > Supplier Guidelines.

#### 1.5.1 Laws and Regulations

Suppliers must operate in full compliance with all applicable laws and regulations of the countries in which they operate.





### **1.5.2 Child Labor**

Suppliers must not employ workers younger than the greater of 15 years of age -- or 14 where the local law allows such exception consistent with International Labor Organization guidelines -- or the age for completing compulsory education or the minimum age established by law in the country of manufacture.

In addition, Suppliers must comply with all local legal requirements for the work of authorized young workers, particularly those pertaining to hours of work, wages, and working conditions.

### **1.5.3 Forced Labor**

Suppliers will not use of any form of involuntary labor including forced, prison, indentured, bonded, slave, or human trafficked labor.

### **1.5.4 Harassment and Abuse**

Suppliers must treat all workers with respect and dignity. No worker shall be subject to corporal punishment, physical, sexual, psychological or verbal harassment or abuse. In addition, Suppliers will not use monetary fines as a disciplinary practice.

### **1.5.5 Compensation**

Suppliers must comply with all wage and compensation requirements as defined under applicable labor laws and regulations for regular work, overtime work, production rates and other elements of compensation and employee benefits.

### **1.5.6 Hours of Work**

Suppliers must ensure that, except in extraordinary business circumstances, on a regularly scheduled basis, workers shall not be required to work more than the lesser of (a) sixty (60) hours per week, including overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture. In addition, except in extraordinary business circumstances, all workers shall be entitled to at least one day off in every consecutive seven day period.

### **1.5.7 Non Discrimination**

While The Home Depot recognizes and respects cultural differences, Suppliers will ensure employment -- including hiring, salary, benefits, advancement, discipline, termination and retirement -- should be based solely on the person's ability to perform the job requirements and not personal characteristics.

### **1.5.8 Freedom of Association and Collective Bargaining**

Suppliers must recognize and respect the rights of workers to exercise lawful rights of free association, including joining or not joining any association. Suppliers must also respect the legal right of workers to bargain collectively.

### **1.5.9 Health and Safety**

Suppliers must provide a safe and healthy working environment in accordance with applicable laws and regulations.

### **1.5.10 Environment**

Suppliers must comply with all local environmental laws and regulations applicable to the workplace. Factories must conduct business in a manner which minimizes their impact on the environment.



#### **1.5.11 Subcontracting**

Suppliers must not use subcontractors in the manufacture of products or product components for The Home Depot without disclosing such information to The Home Depot and only after the subcontractor has adequately demonstrated compliance with these Social and Environmental Responsibility Standards.

#### **1.5.12 Communication**

Suppliers must communicate the provisions of The Home Depot Social and Environmental Responsibility Standards to all workers and supervisors.

#### **1.5.13 Business Ethics**

Suppliers will conduct business with The Home Depot consistent with honesty and integrity and demonstrate the highest standards of business ethics. Suppliers will take no actions directed at improperly impacting the results of any audit including presentation of falsified records or coaching of employees. Consistent with The Home Depot Gift and Entertainment policy, Suppliers will not offer any incentives to the company's associates or audit firm representatives.

#### **1.5.14 Monitoring and Compliance**

The Home Depot will undertake affirmative measures, such as announced and unannounced on-site audits of production factories, to monitor compliance with these Social and Environmental Responsibility Standards. Suppliers must maintain on site all documentation necessary to demonstrate compliance with the Social and Environmental Responsibility Standards, and Suppliers must allow representatives from The Home Depot full access to production facilities, worker records, production records and workers for confidential interviews in connection with monitoring visits.

Suppliers are expected to take necessary corrective actions to promptly remediate any noncompliance. Suppliers are expected to actively engage in remediation – including timely preparation and presentation of a Corrective Action Preventative Action (CAPA) plan. The Home Depot reserves the right to terminate its business relationship with any Supplier who is unwilling to comply with these Social and Environmental Responsibility Standards.

Any and all fees incurred in connection with the above-referenced audits shall be paid and assumed by Supplier, in the understanding, however, that The Home Depot shall have the right, at its own discretion, to pay for those audits and deduct such payment from payments due to Supplier under any commercial agreement between The Home Depot and Supplier.

### **1.6 Vendor Safety**

The Home Depot complies with all federal, state, local, and provincial ordinances including Occupational Safety and Health Administration (OSHA), Department of Transportation (DOT), Environmental Protection Agency (EPA), National Fire Protection Agency (NFPA), National Electric Code (NEC), and in Canada, Occupational Health and Safety Act (OHSA) regulations.

While on the premises, all suppliers and representatives are required to observe The Home Depot vendor safety standards. Please note the Supplier Reference Guide contains an abbreviated overview of The Home Depot vendor safety standards. Vendors should view the [Vendor Safety Standards](#) document found on the team's HomeDepotLink page: **Business Operations > Assortment & Space Planning > In Store Environment – Visual Merch**. For any questions regarding Vendor Safety Standards, please utilize the contact method found on the team's HomeDepotLink page.



### 1.6.1 General Safety Standards

General in-store safety requirements are as follows:

- Suppliers and their designated representatives are required to sign into the Vendor/Visitor Log; the In Store Service (ISS) representatives sign in through the beacon.
- The Home Depot stores provide suppliers or their representatives with a numbered badge worn prominently throughout the visit; the ISS Representatives should wear the company name badge.
- Unless in designated smoking areas, smoking is strictly prohibited.
- Supplier representatives maintain control of tools and equipment and never leave unattended tools, equipment, chemicals, or any other potentially hazardous substances on the sales floor.
- Professional behavior is expected at all times.

### 1.6.2 Ladders

Ladder safety rules include the following:

- Representatives may utilize fiberglass stepladders only when working in the light/fan cloud or with electricity. Platform ladders may also be used in this capacity.
- Step stools and other unapproved ladders are prohibited.
- Electric ladders are restricted to individuals who have received appropriate training.
- Supplier representatives should place barricade gates in the working aisle a minimum distance of two full bays, or 16 feet, on either side of the electric ladder.

### 1.6.3 Fall Protection Equipment

Fall protection standards are as follows:

- All suppliers will comply with all applicable The Home Depot and OSHA (U.S. and Canada) fall protection standards.
- While working on an order picker or in a safety cage, or engaged 6 feet or more above floor level, The Home Depot requires the use of fall protection equipment.
- Operation of the electric ladder requires travel restraint equipment.
- The Home Depot requires representatives to use supplier-provided fall protection equipment.
- Before each use, representatives must visually inspect all fall protection and travel restraint equipment.

### 1.6.4 Powered Lift Equipment

Powered lift equipment safety rules include:

- Suppliers are prohibited from operating The Home Depot powered lift equipment.
- Suppliers comply with all The Home Depot safe work practices, policies, and procedures including barricade gates, spotters, and the “zone of safety”. Suppliers are responsible for designing and operating safety programs meeting The Home Depot and regulatory standards.
- Representatives maintain a zone of safety around all moving lift equipment. This zone minimally extends 10 feet in the direction of travel and 4 feet on all remaining sides.
- If individuals enter the safety zone, the operator immediately ceases equipment movement.
- Place barricade gates a minimum distance of two full bays, or 16 ft, on either side of the lift equipment (working and opposite aisle).
- Suppliers cannot act as spotters for The Home Depot associates.
- Limit store business hour use of scissors lifts.

Suppliers must comply with all applicable local, state, federal, and provincial regulations covering lift truck operation.



### 1.6.5 Power Tools

Manufacturer's specifications govern use and maintenance of portable power equipment. The operator will employ all manufacturer-provided safety guards and devices.

Additional The Home Depot power tool policies include:

- Representatives use appropriate personal protective equipment as specified by OSHA (U.S and Canada) and other regulatory agency requirements.
- Unplug unattended portable power equipment.
- Secure or tape down electric cords presenting a potential trip hazard.
- Remove extension cards after each shift.

Demonstrations involving power equipment require the presence of a vendor representative or The Home Depot associate. All parties involved in the live demonstration including vendor representatives, The Home Depot associates, and customers wear appropriate personal protective equipment (PPE).

Permanently installed power tool demonstration areas have additional safety requirements:

- Unsupervised equipment possesses a keypad with a timed shutoff.
- Remove the blade of any unsupervised battery powered saw.
- Remove batteries and blades of displayed cordless planers.
- Screw guns, drills, and oscillating/orbital sanders are exceptions to the previous rules. The following safety guidelines, however, do apply to unsupervised equipment:
  - Provide eye protection such as safety glasses or safety goggles.
  - To promote child safety build a display at least 48 inches high.

### 1.6.6 Machine Maintenance

Equipment usage requires the following safety policies:

- Immediately remove all non-functioning equipment.
- Inspect all equipment such as ladders, saws, and other power equipment.
- Suppliers or their authorized representatives may not disassemble or repair any machines or equipment.
- Supplier representatives should avoid contact with any equipment that is locked, tagged out of service, or under repair.

### 1.6.7 Merchandising Safety Standards

While on store premises, suppliers and representatives are also required to observe all The Home Depot merchandising safety standards. Vendors should review [Merchandising Safety Standards](#) for detailed information regarding the merchandising safety standards in each of the departments listed below.

- Department 21: Lumber
- Department 22: Building Materials
- Department 23: Flooring
- Department 24: Paint
- Department 25H: Hardware
- Department 25T: Tools
- Department 26B: Bath
- Department 26P: Plumbing
- Department 27E: Electrical/Lighting
- Department 27L: Lighting
- Department 28I: Indoor Garden
- Department 28O: Outdoor Garden
- Department 29: Kitchen



- Department 30: Millwork
- Department 59: Décor / Org

## 1.7 Selling Restrictions

### 1.7.1 Laws and Regulations

It is incumbent upon all suppliers to The Home Depot to ensure that their packaging and products conform to all federal, state and local requirements in the region in which they will be retailed. These regulations may be general in nature, referring to entire industries, or more specific, referring to specific products. The Home Depot recommends that suppliers perform their own research – determining which laws are relevant to the products they are providing and regions in which those products are distributed and make The Home Depot aware of any requirements related to the merchandising of the products.

### 1.7.2 Hazardous Materials

In accordance withal Federal, State and Local Regulations and to ensure regulatory compliance for The Home Depot, any items that may be considered regulated or containing hazardous materials sold online and within the stores are required to undergo review by both internal and external compliance teams before completing a product approval process. Suppliers are responsible for any incurred cost resulting from these reviews. In addition, suppliers should allow additional time for these hazmat reviews during product onboarding. This review process ensures we can obtain correct transportation, merchandising/fire code, and disposal requirements for all products and apply selling restrictions, as applicable, BEFORE they are transported, merchandised and sold.

**Note:** The term regulated as it applies here indicates product may have transportation, fire code, and/or waste/disposal requirements and restrictions. These requirements/restrictions may vary by state.

Based on the type of material an item contains, its unit of measure, or other physical and chemical properties, The Home Depot's on-boarding process will determine if your item requires additional regulatory or hazmat information and a submission of an SDS (Safety Data Sheet). The SDS is another Federal requirement that must be satisfied before a proper assessment can be made.

For more information on what constitutes hazardous material, please refer to the team's HomeDepotLink page: **Business Operations > Item Management > Item Data Management.**

### 1.7.3 Stop Sale

It could occasionally become necessary for The Home Depot to execute “stop sales” on the products that it sells. A stop sale is a hold that is placed on a particular SKU and UPC at POS (Point of Sale) so that it cannot be sold to any customer. When a cashier attempts to ring up the SKU or UPC that has a stop sale prompt code entered on it, an error message will appear and neither the SKU nor the UPC will be allowed to be entered or rung up. This error message will alert the cashier that there is an issue with that product and the product is not to be sold. Stop sales may be placed on products for reasons including but not limited to regulatory, safety, quality, performance, expectations and value. When a stop sale is necessary, The Home Depot will partner with the supplier on next steps and disposition of affected product. Stop Sale maintenance is done by the Merchant or Merchant Assistant.

## 1.8 Supplier Buyer Agreement (SBA)

The Supplier Buying Agreement (SBA) serves as the main legal agreement between the Supplier and The Home Depot. Once The Home Depot decides to do business with a Supplier, the Merchant or Merchant Assistant will send the Supplier an email inviting them to complete their SBA via our online tool – the SBA Webform Application.



The email invitation contains step-by-step directions on the SBA submittal process. There are six sections of the SBA Webform that you should be prepared to complete when you log onto the application: General information, Product information, Payment terms, Shipping terms, Return terms and Contact information. Invitations expire after seven days; failure to submit all information by the expiration date will require your Merchant Assistant to issue a new invitation.

Your Merchant and Merchant Assistant are the primary source for information and support regarding the SBA process; please contact them for any questions or concerns you have regarding your SBA with The Home Depot.

## 1.9 Insurance

### 1.9.1 Supplier Instructions

1. Provide your insurance agent/broker with The Home Depot, Inc. Insurance Approval Request Form.
2. Provide your agent/broker with the chart entitled Home Depot Insurance Requirements, which identifies the insurance limit required, based on the product being supplied.
3. Make sure that agent follows instructions below in full when submitting for approval.
4. Complete the Insurance Approval Request Form in entirety. Please remember to list the required limit based on the product you will be supplying from the Home Depot Insurance Requirements chart.
5. Fax or email the Insurance Approval Request form and certificate of insurance to Home Depot.

### 1.9.2 Agent Instructions

The Home Depot's Supplier Insurance Requirements:

1. Requirements must be completed in full to be submitted for approval.
2. All insurance must be written by a U.S. insurance company which is rated in the most recent edition of Best's Key Rating Guide (Property-Casualty International edition) as A-VIII or better.
3. Supplier must provide a current Certificate of Insurance with the agent's signature.
4. The insured's name and address must be the same as the company executing the Supplier Buying Agreement (SBA). The same applies if a third party handles receivables.
5. Supplier must have a certificate of insurance that meets the following requirements:
  - Commercial general liability, insurance on an occurrence basis with per occurrence and general aggregate limits of not less than the US dollar amounts specified on the Home Depot Insurance Requirements chart.
  - Products-completed operations insurance on an occurrence basis with per occurrence and general aggregate limit of not less than the US dollar amount specified in the Home Depot Insurance Requirements Chart.
  - A Certificate that reflects a 30 days' notice of cancellation.
  - An insurance policy that provides for filing of claims in the United States and for payment of claims in U.S. currency.
  - An insurance policy that permits legal service of process in the U.S. and U.S. law must apply to claims.
  - The Home Depot, Inc., its affiliates and subsidiaries, must be named as an additional insured.
  - The Certificate Holder should read: "The Home Depot, Inc., its affiliates and subsidiaries"  
Attn: Supplier Insurance  
P.O. Box 12010-HD  
Hemet, CA, 92546-8010





Request that the agent/broker email or fax the Certificate of Insurance and the completed Insurance Approval Request form to the address or fax number on the form.

The Certificate will be reviewed for compliance with The Home Depot's insurance requirements. If approved, an approval letter with an approval number will be returned to Supplier. If not approved, a detailed list of the deficiencies will be returned to Supplier and the agent/broker. It should be noted that delays in this process may disqualify the supplier from this sourcing event.

A revised Certificate and the original deficiency notice should be sent back to The Home Depot.

Any questions regarding The Home Depot's requirements or clarification of deficiency notices should be referred to The Home Depot at 951-766-2210.

### **1.9.3 Insurance Coverage Option (Import Only)**

If you are an import supplier, and are having difficulty meeting The Home Depot's insurance requirements or wish to have an alternative, you may contact Marsh, an insurance broker, by email (preferred method) at [import.vendors@marsh.com](mailto:import.vendors@marsh.com), by telephone at 404-995-3174, by fax at 404-995-3175, or by mail at: Home Depot Foreign Vendors Program, Marsh USA Inc., 3560 Lenox Road, Atlanta, GA 30326.





## Home Depot Insurance Requirements Chart

Home Depot Insurance Category	Home Depot per Occurrence and Aggregate Limit Requirement	Home Depot Department	Home Depot Class/Product Descriptions
I	\$2,000,000	21-Lumber	All Product Classes
		22-Building Materials	Siding, Ventilation, Concrete, Gypsum, Metal Products, Fencing
		23-Flooring	All Product Classes
		24-Paint	All Product Classes <u>except</u> Power Equipment, Pump Sprayers, Pressure Washers, Chemicals (without volatile compounds)
		25-Hardware	All Product Classes <u>except</u> : Generators, Trailers/Wheeled Implements, Miscellaneous Power, Power Tool Accessories, Deck and Drywall Screw Guns, Knives
		26-Plumbing	Housewares
		27-Electrical and Lighting	Switch Plate Covers (non-electrical) and Similar Type Products
		28-Seasonal/Garden	Refuse Containers, Trash Bags, Planters, Hose, Decorative Holiday(non-electrical), Cookware, Apparel, Storage Buildings, Landscape Fencing, Seed/Bulbs, Pool Accessories, Animal Care (Non-Ingestible), Watering, Live Goods, Cleaning Accessories (Brooms, Mops, Sponges, etc.), Tools (Rakes, Shovels, etc.)
		29-Kitchen and Bath	Kitchen Cabinets, Kitchen Sinks, Vanities, Bath Fixtures
		30-Millwork	Windows, Doors, Mouldings, Glass, Millwork Specialties
		59-Blinds and Wallpaper	All Product Classes
		Out For Repair (OFR)	All Out For Repair (OFR) Vendors
II	\$4,000,000	21-Lumber	None
		22-Building Materials	Insulation, Roofing
		23-Flooring	None
		24-Paint	Pump Sprayers
		25-Hardware	Power Tool Accessories, Deck and Drywall Screw Guns, Knives
		26-Plumbing	None
		27-Electrical and Lighting	None
		28-Seasonal/Garden	Resin/Extruded Aluminum Furniture, Outdoor Furniture, Other Agricultural Products, Patio/Hearth, Landscape Accessories
		29-Kitchen and Bath	None
		30-Millwork	None
		59-Blinds and Wallpaper	None
III	\$8,000,000	21-Lumber	None
		22-Building	None



		Materials	
		23-Flooring	None
		24-Paint	Power Equipment, Pressure Washers, Chemicals (with volatile compounds)
		25-Hardware	Generators, Power Tools, Fastening Tools, Rope, Chains, Tie-downs, Padlocks, Locks, Truck/Tractor Parts, Batteries, Fire Extinguishers, Garage Door Openers, Trailers/Wheeled Implements
		26-Plumbing	Pipes and Fittings, Faucets, Pumps and Irrigation Systems, Water Heaters,
		27-Electrical and Lighting	All Product Classes
		28-Seasonal/Garden	Fertilizers, Cleaners, Pesticides, Chemical Products, Power Equipment (Lawnmowers), Grills, Decorative Lighting, Appliances, Pellet Stoves, Fireplaces, Firepits, Fireplace Accessories, Oils/Fluids, Grease, Tires, Wheelbarrows, Grills, Grill Accessories, Power Equipment, Fountains, Statuary, Concrete Edging, Pavers and Accessories, Garden Wall Block, Step Stones, All Foods/Drinks, Pet Care (Ingestible)
		29-Kitchen and Bath	Appliances(major/small), Disposers, Hot Water Dispensers, Light Bars, Whirlpools, Outdoor Spas, Tub & Shower Doors
		30-Millwork	Skylights
		59-Blinds and Wallpaper	None
IV	\$20,000,000	21-Lumber	None
		22-Building Materials	Ladders, Scaffolding
		23-Flooring	None
		24-Paint	None
		25-Hardware	None
		26-Plumbing	None
		27-Electrical and Lighting	None
		28-Seasonal/Garden	None
		29-Kitchen and Bath	None
		30-Millwork	None
		59-Blinds and Wallpaper	None



## 1.10 HomeDepotLink

The Home Depot is committed to strengthening the relationship with our vendors and one of the ways we do that is with HomeDepotLink. HomeDepotLink is Home Depot's vendor portal that is used by vendors to:

- Access important Home Depot information (i.e. Supplier Reference Guide)
- Access Applications/Reports used to do business with THD (i.e. TMS, IDM)
- Manage vendor contact information
- Communicate with THD through Alerts/Tasks

HomeDepotLink is important as it serves as a "one-stop-shop" for our vendors to conduct business with The Home Depot. Vendors that do not access HomeDepotLink on a regular basis are at risk to miss the following:

- Ability to review training documentation, reference materials and other important information that will help vendors conduct business with The Home Depot
- Ability to utilize applications and reports that are essential to doing business with The Home Depot.
- Notifications (alerts/tasks) that provide important information that associates want to communicate to vendors
- Ability to update vendor contact information which could result in The Home Depot store or corporate associates not having the ability to contact the appropriate vendor contacts

It's important that vendors utilize HomeDepotLink regularly as documentation and communications are updated frequently.

In order for HomeDepotLink to be an effective tool for vendors, the following actions must occur:

### 1.10.1 User Account Setup

At least one guardian user account must be setup with access to [HDLink](#) from your company. Please refer to section 1.10.2 for more information on HomeDepotLink Guardians.

**Note** – This normally happens automatically through the SBA process. In the event that this does not automatically happen, e-mail [homedepotlink@homedepot.com](mailto:homedepotlink@homedepot.com) and request that an account be setup. This must occur no later than **30 days** from the SBA completion date.

### 1.10.2 Guardian Training

Guardians are HomeDepotLink users that have the following responsibility:

- Create HomeDepotLink user accounts for users at their company who need access to HomeDepotLink
- Provision application and/or report access for those users and for themselves
- Maintain vendor contact information

Guardians are responsible for reviewing available [guardian training](#) in order to become familiar with guardian duties.

### 1.10.3 Portal Login

At least one guardian user from your company must log into [HDLink](#) at least once every **6 months**. Please note that this is the *minimum* requirement. We recommend that vendors log into HDLink more frequently (as much as daily) as business commitments require.



#### 1.10.4 Contact Type Maintenance

The below contact types are **required**. At least one user from your company must be assigned to each of the following contact types:

- **Account Manager** - The contact who own the day-to-day relationship with The Home Depot. Primary point of contact for Merchants and MA's for all account related communications
- **Account Receivable** - Contact responsible for processing payments received from The Home Depot – including Co-Op and rebate deductions, Compliance, EFT and direct deposit
- **EDI** - Responsible for maintaining EDI communications between The Home Depot and their supplier. Used for targeted communications related to EDI topics
- **Supply Chain** - Contact for strategic supply chain operations. Serves as the escalation point for transportation and logistics issues
- **President/CEO** - Used by The Home Depot executives to send targeted messages to supplier Presidents/CEO's
- **Account Executive** - Contact for executive level communications. Used by The Home Depot executives and Merchants to communicate with executive level account managers
- **Customer Svc Manager** - Primary escalation point of contact for all service related issues when they cannot be resolved by the first level of support
- **Legal & Compliance** - Primary point of contact all legal and contractual communications including regulatory compliance (i.e. hazardous materials)
- **Inventory/Ordering** - Responsible for receiving and processing orders from The Home Depot. Used by CAR analysts for procurement related communications
- **Transportation** - Contact for day to day shipping and transportation related topics. Used by the supply chain organization for resolving transportation related issues
- **Compliance** - Contact who maintains the supplier compliance program with respect to item data, planograms, supply chain and other scorecard metrics
- **Data Management** - Person responsible for maintaining the suppliers item data. Used as the primary point of contact by the data team for data related communication

The below contact types are important but not required:

It's important that at least one user is assigned to these contact types as well:

- **Accounts Payable** - Primary point of contact at a supplier when remittance is due to The Home Depot.
- **Merch. Services** - Contact for communications related to visual merchandising, packaging, in store environment, merchandising refreshes/resets, and advertising/marketing.
- **Planograms** - Primary point of contact for the creation and management of planograms.
- **RTV** - Primary point of contact for coordinating return to vendor operations
- **Installation** - Manages installation duties within HDConnect and accesses a variety of applications like Siebel or ProviderNet

**Note** – One to many Contact Types can be aligned to a user (i.e. User WXW5555 can be made a Compliance contact as well as the Account Manager)

Click [here](#) for instructions on how to update your Contact Type information



### 1.10.5 Primary Contact Setup

For **each** Mvendor at your company, a Primary Contact will need to be setup for the below required contact types:

- **Account Manager** - The contact who own the day-to-day relationship with The Home Depot. Primary point of contact for Merchants and MA's for all account related communications
- **Account Receivable** - Contact responsible for processing payments received from The Home Depot – including Co-Op and rebate deductions, Compliance, EFT and direct deposit
- **EDI** - Responsible for maintaining EDI communications between The Home Depot and their supplier. Used for targeted communications related to EDI topics
- **Supply Chain** - Contact for strategic supply chain operations. Serves as the escalation point for transportation and logistics issues
- **President/CEO** - Used by The Home Depot executives to send targeted messages to supplier Presidents/CEO's
- **Account Executive** - Contact for executive level communications. Used by The Home Depot executives and Merchants to communicate with executive level account managers
- **Customer Svc Manager** - Primary escalation point of contact for all service related issues when they cannot be resolved by the first level of support
- **Legal & Compliance** - Primary point of contact all legal and contractual communications including regulatory compliance (i.e. hazardous materials)
- **Inventory/Ordering** - Responsible for receiving and processing orders from The Home Depot. Used by CAR analysts for procurement related communications
- **Transportation** - Contact for day to day shipping and transportation related topics. Used by the supply chain organization for resolving transportation related issues
- **Compliance** - Contact who maintains the supplier compliance program with respect to item data, planograms, supply chain and other scorecard metrics
- **Data Management** - Person responsible for maintaining the suppliers item data. Used as the primary point of contact by the data team for data related communications

Click [here](#) for instructions on how to update your Contact Type information

### 1.10.6 Store Contact Setup

For **each** Mvendor at your company, store contact information will need to be added. This is information that stores will use to contact vendors if they have a question/issue. Click [here](#) for instructions on how to add store contact information

### 1.10.7 Maintenance Requirements

It is the **vendor's responsibility** to maintain accurate contact information.

In the event that there is employee turnover (i.e. user leaves the company), it's the guardians responsibility to perform the following:

- A. Guardian Setup – Ensure that at least one user is setup as a guardian and that they review available [guardian training](#) to become familiar with their guardian responsibilities
- B. Required Contact Assignment – Ensure that all required contact assignments are populated within the system (See section 1.10.4)
- C. Primary Contact Assignment – Ensure that Primary Contacts are set for **each** Mvendor at your company (See section 1.10.5)

For questions regarding HomeDepotLink, please e-mail [homedepotlink@homedepot.com](mailto:homedepotlink@homedepot.com).



## 2 Compliance

### 2.1 Vendor Compliance Program

The compliance program was designed to create a collaborative supply chain environment based on the philosophy of continuous improvement and sustainable performance. This endeavor is accomplished by evaluating key performance indicators, identifying areas for improvement and partnering with suppliers to ensure robust processes are in place to support achievement of performance goals and expectations.

Suppliers are expected to meet or exceed the established performance thresholds. Failure to meet the defined threshold for certain key strategic metrics may result in a financial offset. Additional information regarding performance metrics, non-compliance financial offsets and how to dispute scorecard non-compliance penalties can be found in the Vendor Performance and Analysis section of HomeDepotLink.

### 2.2 Supplier Scorecard

The Home Depot Supplier Scorecard provides visibility into product flow performance through the supply chain. Metrics are published on a weekly basis and suppliers are advised to visit the scorecard once per week or more. This will help suppliers to promptly identify and correct issues as they occur.

#### Vendor Expectations

- Clearly understand the performance requirements on the Supplier Scorecard
- Continuously review scorecard metrics to identify performance improvement opportunities
- Identify root-cause of poor performance and implement the corrective action that supports sustainable performance
- Become a proactive partner with The Home Depot support teams to collaboratively resolve issues and share best practices

The Vendor Performance Analysis team periodically adds suppliers to the compliance program based on certain thresholds, one of which is volume of business with The Home Depot. If your company is selected to participate in the program, you will receive notification from the Vendor Performance & Analytics team.

#### 2.2.1 Supplier Scorecard Access

To access the Supplier Scorecard, please visit HomeDepotLink and select “Business Operations” from the top dropdown menu (see Figure 2.2.1a) and choose “Vendor Performance and Analysis.” A link to Supplier Scorecard Login will be visible on the left side page navigation (see Figure 2.2.1b). For supplier scorecard related questions and password set-up and resets visit the compliance page on HomeDepotLink via **Business Operations > Compliance > Vendor Performance and Analysis**.

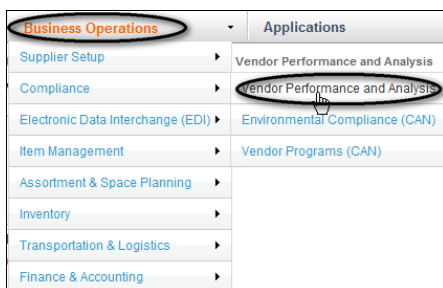


Figure 2.2.1a



Figure 2.2.1b





## 2.2.2 Supplier Scorecard Metrics

The primary categories for Supplier Scorecard measurement are SKU Set-Up and Maintenance, Electronic Data Interchange (EDI), Transportation (Routing Guide, Consolidation, and TMS “Ready-To- Ship) and Purchase Order Fulfillment (Fill Rate, On-Time Delivery, ASN). Each of these primary categories contains one or many performance metrics that evaluate performance to a predefined threshold.

A list of complete programs, corresponding metrics, thresholds, and potential offsets can be found below:

Program	Metric	Threshold	Offset
DTS	Fill Rate	98%	10% of value of items not shipped
	On Time	90%	10% of value of late PO
	Valid ASN	95%	\$25 per PO
	Certified Receiving	N/A	Posted to Scorecard for participating vendors
RDC	Fill Rate	98%	10% of value of items not shipped
	On Time	90%	10% of value of late PO
	ASN Timeliness	98%	\$250 per ASN
	ASN Accuracy	98%	\$250 per ASN
	Fluid Receiving	Tiered 1%, 2%	Reject Rate > 1% = \$5/box, > 2% = \$10/box
Data Quality	Accuracy	100%	\$1,000/item per week (after 3 day grace period) not to exceed 1% of previous quarter weekly avg COGS
DISC	Late Booking	100%	\$250 per PO
	Late Delivery	100%	\$500 per PO
	Late Document	100%	\$300 per PO
Transportation	8 Metrics	Varies	Varies by metric
S/O DTS	Unit Fill Rate	N/A	Program in pilot
	Cost Fill Rate	N/A	Program in pilot
	On Time	N/A	Program in pilot

## 2.2.3 Supplier Scorecard Supporting Fields

Below is a list of additional fields you may see on the Supplier Scorecard.

Scorecard Field	How it's Calculated
DTS Cost of Units Ordered	Cost per SKU * quantity of units ordered
DTS Total Units Ordered	Quantity of units ordered
Units Shipped	Quantity of units shipped
DTS Cost of Units Received	Cost per SKU * quantity of units received
DTS Total Units Received	Quantity of units received
DTS Cost of Units Not Filled	(Cost per SKU * quantity of units ordered) minus (Cost per SKU * quantity of units received)
DTS Unit Fill Rate	Quantity of units received/quantity of units ordered; no credit given for overages or substitutions
DTS Unit Fill Rate (current 4 weeks)	Quantity of units received/quantity of units ordered; no credit given for overages or substitutions over the most recent 4 week period
DTS Unit Fill Rate Status	Unit Fill Rate status by vendor and department. Red = 0 to 97.99%, Green = 98 to 100%





DTS Cost Fill Rate	Cost of units received/cost of units ordered; no credit given for overages or substitutions
DTS Cost Fill Rate Status	Cost Fill Rate status by vendor and department. Red = 0 to 97.99%, Green = 98 to 100%
DTS Lines On-Time	Total number of on-time lines. Measured by comparing Actual Ship Date to Estimated Ship Date for Collect Suppliers and Key Rec Date to Estimated Delivery Date for Prepaid Suppliers
DTS Lines Complete	Total number of complete lines. Calculated by dividing units received by units ordered at each line level
DTS Lines Complete Rate	Percentage of complete lines
DTS Total LOTC	Total number of lines on-time and complete
DTS LOTC %	Percentage of keyrec'd lines that are both On-time and Complete. No credit is given for substitutions or overages
DTS On-Time Cost	Cost per SKU * quantity of units on-time
DTS On-Time Rate (Collect Suppliers)	Number of on-time POs/total number of POs; the PO is on-time if (Actual Ship Date – Estimated Ship Date) ≤ 0
DTS On-Time Status	On-Time status by vendor and department. Red = 0 to 89.99%, Yellow = 90 to 94.99%, Green = 95 to 100%
DTS On-Time Rate (Pre-paid suppliers)	Number of on-time POs/total number of POs; the PO is on-time if (Key Rec Date – Estimated Delivery Date) ≤ 0
DTS Actual Lead Time Days	Keyrec Date minus PO Create Date
DTS Average Actual Lead Time Days	Average of actual lead times by vendor and department
DTS Average Actual Lead Time Days (current 4 weeks)	Average of actual lead times by vendor and department over the most recent 4 week period
DTS Actual Turn Time Days	Ship Date minus PO Create Date
DTS Average Actual Turn Time Days	Average of actual turn times by vendor and department
DTS Average Actual Turn Time Days (current 4 weeks)	Average of actual turn times by vendor and department over the most recent 4 week period
DTS Lead Time Variability	Keyrec Date minus Estimated Delivery Date
DTS Average Lead Time Variability	Average of lead time variability by vendor and department
DTS Turn Time Variability	Actual Ship Date minus Estimated Ship Date
DTS Average Turn Time Variability	Average of actual turn time variability by vendor and department
PO Count	Number of Direct-to-Store or TF PO's captured within the Supplier Scorecard (hereafter referred to as: "evaluated PO")
Valid ASN Count	Number of ASN's transmitted and received prior to key-rec of evaluated PO. Also, the ASN must contain an accurate Transmit Date and Shipped Date (DTM 011 segment)
Valid ASN %	Percentage of ASN's transmitted and received prior to key-rec of evaluated PO. Also, the ASN must contain an accurate Transmit Date and Shipped Date (DTM 011 segment)



Non-Compliant ASN Total	Number of evaluated PO's key-rec'd without record of receiving as ASN OR with the Transmission Date of the ASN occurring before the PO Create Date or after the PO Key-Rec Date or after the ASN Received Date OR with an ASN that has a Shipped Date (DTM 011 segment) that is before the PO Create Date or after the PO Key-Rec Date
Missing ASN Count	Number of evaluated PO's key-rec'd without record of receiving an ASN
Missing ASN %	Percentage of evaluated PO's key-rec'd without record of receiving an ASN
Late ASN Count	Number of evaluated PO's key-rec'd with the Transmission Date of the ASN occurring after the PO Key-Rec Date
Late ASN %	Percentage of evaluated PO's key-rec'd with the Transmission Date of the ASN occurring after the PO Key-Rec Date
Inaccurate ASN Ship Date Count	Number of evaluated PO's key-rec'd with an ASN that has a Shipped Date (DTM 011 segment) that is before the PO Create Date or after the PO Key-Rec Date
Inaccurate ASN Ship Date %	Percentage of evaluated PO's key-rec'd with an ASN that has a Shipped Date (DTM 011 segment) that is before the PO Create Date or after the PO Key-Rec Date
Inaccurate ASN Transmit Date Count	Number of evaluated PO's key-rec'd with the Transmission Date of the ASN occurring before the PO Create Date or after the ASN Received Date
Inaccurate ASN Transmit Date %	Percentage of evaluated PO's key-rec'd with the Transmission Date of the ASN occurring before the PO Create Date or after the ASN Received Date.
Late & Inaccurate ASN Ship Date Count	Number of evaluated PO's key-rec'd with both a "LATE" and "INACCURATE SHIP DATE" defect
Late & Inaccurate ASN Ship Date %	Percentage of evaluated PO's key-rec'd with both a "LATE" and "INACCURATE SHIP DATE" defect
Late & Inaccurate ASN Transmit Date Count	Number of evaluated PO's key-rec'd with both a "LATE" and "INACCURATE TRANSMIT DATE" defect
Late & Inaccurate ASN Transmit Date %	Percentage of evaluated PO's key-rec'd with both a "LATE" and "INACCURATE TRANSMIT DATE" defect
Inaccurate ASN Transmit Date & Ship Date Count	Number of evaluated PO's keyrec'd with both an "INACCURATE SHIP DATE" and "INACCURATE TRANSMIT DATE" defect
Inaccurate ASN Transmit Date & Ship Date %	Percentage of evaluated PO's keyrec'd with both an "INACCURATE SHIP DATE" and "INACCURATE TRANSMIT DATE" defect
Late, Inaccurate ASN Transmit Date & Ship Date Count	Number of evaluated PO's keyrec'd with a "LATE" AND "INACCURATE SHIP DATE" AND "INACCURATE TRANSMIT DATE" defects
Late, Inaccurate ASN Transmit Date & Ship Date %	Percentage of evaluated PO's keyrec'd with a "LATE" AND "INACCURATE SHIP DATE" AND "INACCURATE TRANSMIT DATE" defects
RDC Total Units Ordered	Quantity of units ordered
RDC Total Units Shipped	Quantity of units shipped
RDC Total Unit Cost	Cost per SKU * quantity of units ordered
RDC Total Ship Cost	Cost per SKU * quantity of units shipped
RDC Total Lines Ordered	PO SKU combinations ordered
RDC Lines On Time	Total number of PO SKU combinations that met RDC On Time metric guidelines
RDC Lines Complete	Total number of complete lines. If ASN Shipped Units Quantity >= PO Ordered Units Quantity then Complete else Incomplete



RDC Total LOTC	Total number of lines on-time and complete
RDC Lines On-Time %	# Lines On-Time divided by # Total Shipped Lines
RDC Lines Complete %	# Lines Complete divided by # Total Shipped Lines
RDC LOTC % (Lines On-Time and Complete)	Percentage of shipped lines that are both On-time and Complete. No credit is given for substitutions or overages
RDC Vendor Turn Time	The time (in business days) between the PO creation date in The Home Depot systems and ASN ship date
RDC ASN Timeliness	Each shipment is considered to meet ASN Timeliness if an accurate ASN (EDI 856) is received into The Home Depot's Warehouse Management System (WMS) up to 1 hour after the trailer checks into the RDC  The timestamp when the ASN is created in our WMS is used to determine the time when the ASN was received in The Home Depot's system. The receiving DC's Trailer Check In Timestamp is used to determine the date the shipment was received at the RDC
RDC ASN Accuracy	ASN Accuracy is measured by comparing the ASN Shipped Quantity by SKU to the Received Quantity at the RDC
RDC Unit Fill Rate	Total quantity of units received divided by the total quantity of units ordered for each evaluated PO received at a The Home Depot RDC. No credit will be given for overages or substitutions
RDC On-Time Shipping (Collect Shipments)	Total shipments shipped On-Time divided by the total evaluated shipments received at a The Home Depot RDC. Each Collect Freight Term Shipment is considered on-time if the shipment departs the supplier's ship location on or before the "ship no later than date" indicated on the PO
RDC On-Time Shipping (Prepaid Shipments)	Total shipments shipped On-Time divided by the total evaluated shipments received at a The Home Depot RDC. Each Prepaid Freight Term Shipment is considered on-time if the shipment departs the supplier's ship location on or before the "ship no later than date" indicated on the PO
RDC No Read Cartons	Number of carton barcodes unreadable by scanner – unable to receive via fluid process
On-Time RTS Compliance	% of PO's marked RTS by 11am, two days prior to PO pickup request date and Pickup request date is on or before Estimated Ship Date
Routing Guide – Collect	Any collect LTL shipment where the approved The Home Depot core carrier was not used
Routing Guide – Prepaid	Any prepaid LTL shipment where the approved The Home Depot core carrier was not used
Multi BOL	LTL collect shipments shipped on the same day to the same The Home Depot destination without being combined onto a single BOL
Offshore Bypass	LTL collect shipments shipped directly to our offshore stores bypassing the consolidation center
Vendor Detention	TL shipments where the carrier charges The Home Depot vendor caused detention
Ship Origin	Shipments not coming from the closest assigned origin (DTS & RDC)
Parcel PO/Store	Parcel shipments without the required 8 digit purchase order number and 4 digit store number information
Miscellaneous	Miscellaneous charges logged by our IB load planners -mostly TONU charges
Item Accuracy	Total items actually received & on ASN divided by Total items detailed on ASN



Financial Accuracy	Total dollar value of product actually received & on ASN divided by Total dollar value of product detailed on ASN
DTS and RDC Last Log-In Date	Most recent date a vendor logged into the scorecard system (mm/dd/yyyy)
Supplier Status	Financial and Item accuracy of each PVendor. Red = outside lower bound, Yellow = between lower bound CI and additional lower bound tolerance, Green = above lower bound. CI = 95%

#### 2.2.4 Supplier Scorecard Documentation

All program guides, FAQs, and additional help documentation can be found on the Supplier Scorecard and on HomeDepotLink. For additional assistance or questions please visit the Vendor Performance page on HomeDepotLink via **Business Operations > Compliance > Vendor Performance and Analysis** or contact us at [Compliance\\_Dispute@homedepot.com](mailto:Compliance_Dispute@homedepot.com).



## 3 Electronic Data Interchange (EDI)

### 3.1 Overview

The Home Depot uses an expanding range of electronic business interfaces to support business and supply chain initiatives with the supplier community. These consist of web-based and message-exchange based application interfaces.

The benefits of conducting business electronically, instead of manually faxing or mailing paper are lower costs from reduced manual data entry and postage costs, timeliness due to rapid exchange of business data, accurate information and audit trails of transactions, and flexibility of the technology. As we look for ways to drive down the cost of doing business, we are pleased to extend electronic trading programs to all of our business partners to gain efficiencies across the supply chain. There are 2 electronic trading exchanges in place:

- **EDI** - Electronic Data Interchange (EDI) is an exchange of business transactions utilizing a standard file format. EDI is The Home Depot preferred method for electronic exchanges of business transactions for suppliers. The Home Depot EDI program relies on the standards and conventions as developed by the American National Standards Institute (ANSI) that are common across the industry and used by most major retailers.
- **Web based Solutions** – Allows suppliers the ability to trade business documents electronically via the Internet (via a secure web-based service called Sterling Web Forms). These solutions allow you to participate in the exchange of business transactions if you do not possess the technical or capital resources to purchase and support an EDI system.

#### 3.1.1 Expectations

The following section discusses The Home Depots expectations for our suppliers with trading data electronically.

- All suppliers, at their expense, are to maintain the appropriate systems and software to facilitate the electronic exchange of information pertinent to the respective business relationship.
- All suppliers are to be fully engaged and compliant with the requirements of the Business to Business (B2B) electronic exchange program within 90 days of becoming a supplier to The Home Depot.
- Complete the certification process within the defined deadline date.
- Ensure compliance around the timing and accuracy of transmission files are maintained once you become an electronic trading partner with The Home Depot.

### 3.2 Getting Started

The following section discusses the steps to getting started with Electronic Trading Exchanges.

It is a requirement to have an EDI solution or Web Based Solution within 90 days of becoming a supplier. If your company fails to fulfill this requirement, you will be subject to compliance fees and other potential offsets.

#### 3.2.1 Getting started with the Web Based Solution

1. Ensure your computer system meets certain performance requirements for utilizing Sterling Web Forms:
  - Microsoft® Internet Explorer 6.0 (or higher) or Netscape® Navigator 6.2 (or higher) is recommended.
  - High-speed Internet connection is recommended but not required for optimum performance.



- Ability to send and receive email.

**Note:** The Web Based Solution is only for Suppliers for Purchase Orders, Advance Shipped Notices, Invoices, Remittance Advices, and Error Messages.

2. Review the following training documents from Sterling Webforms (SWF) SWF Training located on the EDI HomeDepotLink page **Business Operations > Electronic Data Interchange (EDI) > US Merchandise Suppliers**
3. Contact us at [b2b\\_testing@homedepot.com](mailto:b2b_testing@homedepot.com) or 770-433-8211 ext. 10036.

### 3.3 Testing

The following provides details on what needs to be tested for EDI certification.

Before going live with EDI with The Home Depot, validation tests will need to be conducted to verify that the documents meet mapping specifications for core EDI.

Review the Merchandise Suppliers Implementation Guide to confirm what core EDI's need to be tested:  
Training located on the EDI HomeDepotLink page **Business Operations > Electronic Data Interchange (EDI) > US Merchandise Suppliers**



## 4 Item Management

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### 4.1 Item Data Management

Vendors are required to utilize Item Data Management, an online tool for supplier partners to view, set up, and maintain product data. Product data includes marketing data, product specifications, marketing photos, and other collateral and supply chain data. This data will feed homedepot.com, support The Home Depot supply chain initiatives and ultimately drive the new SKU setup process for merchandising. Additional information on Item Data Management can be found on HomeDepotLink at **Business Operations > Item Management > Item Data Management**.





## 5 Assortment & Space Planning

### 5.1 Planograms (POG)

A Planogram is designed to illustrate the display of retail product(s). Its purpose is to enhance the customer buying experience and provide a safe retail environment. It is utilized by The Home Depot associates and suppliers for setting merchandise. To support those efforts, The Home Depot has established standards for Planograms. Please refer to Planogram Policies below for details.

- Current Policy POG is located on the team's HomeDepotLink page via **Business Operations > Assortment & Space Planning > Planograms**.

### 5.2 In Store Environment – Visual Merch

#### 5.2.1 Consumer Literature

Suppliers must provide all consumer literature to the Merchant. The Merchant determines the appropriateness for The Home Depot stores and, if suitable, provides a The Home Depot identifier for inclusion on the piece. Restocking these items rests with supplier representatives or service groups.

#### 5.2.2 In-Store Activities/Services

The Home Depot recognizes the cost associated with Supplier Service and requires suppliers to negotiate with their Merchant concerning the level of service provided to The Home Depot stores.

The following services are often negotiated into the Supplier Buying Agreement:

- Maintain displays and Point of Purchase materials
- Monitor in-stock conditions by addressing out of stocks, backorders, and overdue orders
- Coordinate Return To Vendors
- Give informal product knowledge training with new department associates on each visit
- Provide formal product knowledge training
- At the request of the Merchant, re-set product line
- Remove current stock and displays, construct new displays, rework beams, and clean up debris for re-sets
- Coordinate buy backs, markdowns, and sell-through program for discontinued merchandise
- Construct beams, displays, POP, and Depot Dons
- Merchandise, label, and sign product
- As approved by the Merchant or New Store Merchant, write backup orders

#### 5.2.3 Visual Merchandising

To access the entire Visual Merchandising Standards Manual visit the team's HomeDepotLink page via **Business Operations > Assortment & Space Planning > In Store Environment – Visual Merch**.



### 5.3 Store Environment

#### 5.3.1 Store Fixtures

If you are considering designing or reviewing a NEW display, read carefully:



- New displays are the exception and should only be considered after all existing fixture solutions have been ruled out by the fixture team as potential solutions.
- Common solutions for common problems - A fixture solution should be designed with maximum flexibility in mind in order to perform across multiple categories which:
  - Reduces the need for store surveys or audits to determine bay size.
  - Consolidates manufacturing in order to reduce fixture cost.
  - Reduces the quantity of fixture components that have to be maintained by the stores and carried in inventory.
- If an existing fixture solution cannot be provided, then the Visual Merchandising Manager should be contacted through your Product Merchant to initiate a design brief, fixture development, and DAF (Display Authorization Forum) approval.  
It is through this process that all legal design considerations will be addressed with regards to National Racking Standards, Fire Safety Standards, UL ratings, Fastener Standards, etc.

#### 5.3.1.1 Fixture Design and Approval Process

The Home Depot has established Display Authorization Process Design standards for store fixtures, showrooms, adjacencies, and cross merchandising. To ensure the safety and security of displays, suppliers are required to obtain prior approval for installation of store displays and fixtures through the Display Authorization Form (DAF) which is found on the team's HomeDepotLink page via **Business Operations > Assortment & Space Planning > Store Environment**.

##### 5.3.1.1.1 DAF Project Initiation

The Merchant or Visual Merchandiser (VM) notifies the Fixture Design Manager of an approved project. Depending on the funding source, The Home Depot Fixture Team supports one of two fixture development processes. If the project is funded by The Home Depot, the VM completes the Display Authorization Forum (DAF) Project Brief and submits it, the Project Charter and the funding paperwork to the Fixture Design Manager. Upon receiving the completed DAF Project Brief, a fixture designer is assigned and the Procurement GCL initiates selection of a CORE vendor to produce a design/prototype of the display.

When the project is funded by the supplier, the Merchant directs the supplier to contact the VM with all available information about the display or fixture including sketches, renderings, engineering drawings, and photographs. The VM completes the DAF Project Brief and submits to it and the Project Charter to the Fixture Design Manager. To assist in the development of a fixture solution, a fixture designer is selected to work with the supplier's design firm or fixture.

##### 5.3.1.1.2 DAF Project Development

In partnership with the VM and Procurement GCL, the Fixture Designer will guide the display/fixture design development through the revisions necessary to arrive at a final concept. The prototype is fabricated and merchandised for review by the DAF committee.

##### 5.3.1.1.3 DAF Project Approval

A committee consisting of Visual, Fixture Design, Store Planning, Construction, Safety, Procurement, Asset Protection, Operations and Signing conducts weekly DAF approval review at the Innovation Center. Notes are taken at the initial walk through and reviewed by the committee the following business day. The project owner is then notified of provisional approval or project rejection.

In order to achieve full approval, the prototype builder submits to the Fixture Designer production drawings and specifications in AutoCAD and PDF format along with the installation instructions in Word or PowerPoint. Some fixtures may require stamped engineering drawings or UL listing.

Prior approval of the DAF committee and the SVP of Store Merchandising is necessary for in-store installation of fixtures/displays. Installations using racking must meet National Racking Installation Standards (NRIS).

## 5.3.2 Signage

The Home Depot has developed a signage and fixture design process which covers project conception to store implementation



#### 5.3.2.1 The Home Depot Signage Governance and Approval Process

Prior to placement in The Home Depot stores, all permanent and temporary signs undergo a review process. Suppliers wishing to place any sign, brochure, or marketing materials must comply with this process. Depending on the intention and nature of the sign, suppliers will work with one of the following two teams: Permanent Signage or Promotional Signage. (Permanent signage includes directional signage regardless of funding source.) The assigned Implementation and Planning Merchandiser will contact the appropriate The Home Depot group. Both of these functional teams expedite development and present the design to the Signage Governance Executive Review Committee for approval. Once signage approval is granted, The Home Depot will issue a unique item number and approval stamp for placement on the signs. Store management will not allow installation without the stamp of approval. For more information, visit the team's HomeDepotLink page via **Business Operations > Assortment & Space Planning > Store Environment**.

#### 5.3.2.2 Sign Design Standards

With the exception of English versions only in Alaska, Hawaii, Guam and the U.S. Virgin Islands, signage is printed in two languages.

#### 5.3.2.3 The Home Depot Approved Sign Stamp/Universal Product Code

Approved signage includes a The Home Depot Approved stamp/UPC displayed on the final print. The Home Depot personnel will discard any signage arriving in the stores without the approval stamp/UPC.

#### 5.3.2.4 Promotional Signage

To provide continuity with marketing strategy, the Merchandising Marketing Manager (MMM) manages the approval process for promotional signage. Once a promo is approved, the MMM works with the Promotional Signage team to develop the necessary in-store signage. After development, it is presented to the Sign Governance Committee for final approval. A The Home Depot-designated fulfillment supplier prints and packages the material.

### 5.3.3 Point-of-Purchase (POP) displays

#### 5.3.3.1 Featured Endcaps

To meet visual presentation standards and brand consistency, The Home Depot Promotional Signage team develops, produces, and prices all end cap POP. The Home Depot pays for creative, consolidation, and shipping costs. Suppliers awarded end caps are required to cover the printing costs of the POP.

#### 5.3.3.2 Dedicated Receiving Bay for Point of Purchase (POP) Signage

For easy location of POP signage by ISS and factory representatives, The Home Depot stores maintain a dedicated bay in the receiving area. The POP bay mirrors the color scheme of the merchandise departments.

### 5.3.4 Innovation Center Policies and Procedures

It is the supplier's responsibility to follow the Innovation Center policies and procedures for space reservations for Product Line Reviews which can be reference at the following location on HomeDepotLink



## 6 Transportation & Logistics

### 6.1 Logistics Requirements

#### 6.1.1 Routing Guidelines

The Home Depot utilizes TMS or Transportation Management System to manage inbound freight. Suppliers are expected to adhere to the routing in The Home Depot's Transportation Management System (TMS). When a PO has been marked "Ready to Ship" in TMS and routed onto a shipment the following should be followed:

- The Truckload (TL) the supplier should use is the shipment mode specified in TMS.
- Non-Truckload shipments (LTL or Parcel) the supplier should refer to the online Routing Guides for shipping instructions.

Suppliers should check the routing guide weekly to stay informed of any routing changes or compliance and chargeback programs that have been implemented. Signing into the Routing Guide, at least once a month ensures automatic notification of any key routing guide updates to the email address used. All suppliers are expected to comply with the routing guide. Failure to adhere to the routing guide could result in loss of business with The Home Depot, cancellation, or renegotiation of the Supplier Buying Agreement or financial penalties.

Carriers are assigned to shipments based on characteristics such as state-to-state lane, volume, and weight. Current routing guide configuration include continental U.S., Alaska, Hawaii, Canada, Puerto Rico, and Guam routes. Specific routing instructions for modes, locations, and suppliers are available at <http://www.routingguides.com/hd>.

##### 6.1.1.1 FOB (Freight on Board)

###### FOB Terms - Destination

Freight terms are indicated on the Supplier Buying Agreement (SBA). The majority of The Home Depot vendors are on FOB destination terms. As stated in section 3.1 of the SBA Terms and Conditions, risk of loss and title transfer from the supplier to The Home Depot upon receipt and acceptance of the merchandise in good condition by The Home Depot at the designated final destination. Receipt and acceptance of the merchandise occurs when The Home Depot receives the goods on a carton or item-level basis into its inventory management system via key-rec (Key Receiving) or other process at the final destination. The merchandise may be required to move through The Home Depot transfer locations, but the final destination is the ultimate destination listed on the Purchase Order.

##### 6.1.1.2 Offshore and Manhattan

Due to the unique nature of The Home Depot stores in Manhattan, NY and outside the contiguous 48 states, The Home Depot requires all vendors to ship to a designated consolidator based on the store's geographic location. Orders are not shipped directly to the store. Offshore locations include Alaska, Guam, Hawaii, Puerto Rico, and the U.S. Virgin Islands.

##### 6.1.1.3 Ship Origin

All Suppliers regardless of freight terms (Prepaid or Collect) ship from the location specified in the Supplier Buying Agreement (SBA). If a change is contemplated, suppliers must seek approval eight weeks in advance of any change from The Home Depot Channel Analysis group. Suppliers should visit the team's HomeDepotLink page via Business Operations > **Transportation & Logistics > Transportation Management** to obtain information on how to start the process.



#### 6.1.1.4 Off-cycle Shipping Guidelines

An “Off-cycle” order is any order which is:

1. Ready to ship on a day other than the designated ship day(s) for a given RDC,
2. A partial truck order or
3. A host order ready to ship after the Ship / Due Date.

As defined in the routing guide for full truckload shipping, any off-cycle order(s) may ship when ready.

LTL loads can ship:

- When ready, if the next designated ship day is more than two business days from the date the shipment is ready, via LTL.
- On the next designated ship day, if that ship day is in the next two business days, via the appropriate mode.
- Ship day is defined as the Regular Replenishment Order Day plus Vender Turn Time (measured in business days).

Please refer to the following for LTL examples:

LTL Shipping Rules		Shipment is Ready				
		Monday	Tuesday	Wednesday	Thursday	Friday
Next Ship Day	Monday	Ship	Ship	Ship	Hold	Hold
	Tuesday	Hold	Ship	Ship	Ship	Hold
	Wednesday	Hold	Hold	Ship	Ship	Ship
	Thursday	Ship	Hold	Hold	Ship	Ship
	Friday	Ship	Ship	Hold	Hold	Ship

For Host Orders ready to ship before the Due Dates:

LTL Shipping Rules		Shipment is Ready				
		Monday	Tuesday	Wednesday	Thursday	Friday
Next Ship Day	Monday	Ship	Hold	Hold	Hold	Hold
	Tuesday	Hold	Ship	Hold	Hold	Hold
	Wednesday	Hold	Hold	Ship	Hold	Hold
	Thursday	Hold	Hold	Hold	Ship	Hold
	Friday	Hold	Hold	Hold	Hold	Ship

If you are not aware of your normal ship and/or Order day or to request changes via the Order Day Request Form , please visit the team’s HomeDepotLink page via **Business Operations > Transportation & Logistics > Transportation Management**. The transportation team will provide separate mode rules for Back haul Vendors.

### 6.1.2 Shipping Documents Required

#### 6.1.2.1 Bill of Lading (BOL)

The Home Depot requires all Bill of Ladings used to tender shipment into The Home Depot be fully compliant with the VICS guidelines for the Bill of Lading.



In all instances, the shipper must provide a copy of the BOL to the driver, carrier, and The Home Depot destination. LTL shipments necessitate physically attaching an additional copy of the BOL to the shipment. Suppliers that load drop trailers/containers are responsible for ensuring that the BOL accurately reflects all required BOL information, including “Shipper Load and Count”. The shipper is responsible for all fines, penalties, and/or fees associated with an inaccurate BOL or any other shipping associated regulatory violation.

Generally the Bill of Lading has or contains the following:

- Unique, non-repeating numeric identifier (if shipment is tendered by THD TMS, the numeric identifier should be the THD Shipment ID #)
- Relevant purchase order numbers
- Applicable store and distribution facility numbers
- Shipment origin and destination address
- Number of handling units tendered to the carrier
- Commodity description with weight
- Freight terms
- A section to indicate who was responsible for loading the shipment and counting the freight

The Home Depot requires that all Bill of Ladings used for freight consigned to any of our warehouse/distribution center locations contain a completed **Trailer Load/Freight Counted By** section which is located at the bottom of the VICS Bill of Lading. This section contains important information regarding which party loaded the trailer and which party counted the freight, it also indicates whether the driver for claims purposes counted pieces or pallets.

If the shippers product when palletized is stacked in a manner that makes obtaining an accurate actual carton count impossible without breaking the pallet wrap, the shipper must indicate that the shipment was tendered to the carrier as “Shipper Load and count” or shipped as “X” pallets “Said To Contain” “Y” cartons.

The Home Depot will charge the shipper for any detention, delay or re-scheduling expenses incurred as the result of the shipper tendering shipments that cannot be easily counted upon arrival at one of our RDC locations to the carrier as counted by “Driver/Pieces”.

Any shipment that arrived with a BOL that does not have the requisite section indicating “loaded by” and “counted” information will be considered to be SLAC shipment by The Home Depot and the shipper will bear all responsibility for concealed shortages and/or damages.

Supplement page(s) usage:

The Supplement is in place only for shippers that need additional space in the body of the Bill of Lading to list the customer order numbers and the commodity descriptions being shipped. **The Supplement shall not be used unless necessary for the additional lines and is not required to be used.** It is preferred that only one page includes all the Bill of Lading information.

**Important Note:** When the Supplement page is used, only the Grand Total cartons and weight and/or pallets are to be listed on the first page of the Bill of Lading. The shipper will state “See attached Supplement Page” in the body of the first page of the Bill of Lading, then list the detail customer order numbers and commodity types on the Supplement page only.

This information is duplicated on the Advance Ship Notice (ASN). Certain transportation modes require additional BOL elements. In addition to the standard elements, full truckload Bill Of Lading list carrier, trailer number and seal number. Rail shipment Bill Of Lading notes railroad standards and if the BOL serves as the packing list, it lists the piece count by purchase order. The Shipment ID and appointment number from the BOL are transferred to the Dray ticket.





All purchase orders for all merchandising departments that are shipped on the same day to the same destination (The Home Depot store, DC or RDCX) must be on a single Bill of Lading. Subtotal the shipping units by P.O. and provide a grand total. Ship one Bill of Lading per store for shipments going to offshore stores (AK, HI, PR, USVI and Guam). Offshore shipments must go through the appropriate consolidation center and include all applicable paperwork. Purchase orders cannot be mixed in a carton or master carton/repack.

#### 6.1.2.2 Advance Shipping Notification (ASN)

An Advance Shipping Notification is an EDI formatted notification (packing list) of pending inbound deliveries to The Home Depot. In addition to the information included on the BOL, the document provides The Home Depot shipper ID number, BOL number in the reference section, and the lading quantity. The lading quantity is expressed as either the number of visible outer cartons and/or number of master cartons (larger uniform shipping carton for smaller packages or cartons).

Failing to populate the ASN with the required elements equates with failure to send an ASN and negatively impacts Supplier Performance. See the following sections Electronic, Vendor Compliance and Performance Management or data requirements, compliance areas, and performance scorecard elements, respectively. The timing of the ASN is critical; the supplier must transmit the ASN to The Home Depot facility prior to the physical arrival of the shipment. If the ASN is not received prior to receipt of the trailer, The Home Depot associates will notify the supplier and suspend the load processing until the ASN transmission is received.

Suppliers should conduct an internal evaluation to determine company capability to comply with the timing standard. Areas of concern include:

- Proximity of shipping location to The Home Depot facility
- System processes of order close out and shipment confirmation
- System timing of ASN creation
- System timing of ASN transmission
- Frequency and timing of outbound EDI cycles
- System capacity to map one ASN per purchase order

Refer to **Business Operations > Electronic Data Interchange (EDI) > US Merchandise Suppliers** for guidelines on ASN requirements and EDI transmissions.

#### 6.1.2.3 RDC Requirements

The ASN contains all the information required in the standard EDI transmission and suppliers are tested prior to on-boarding. The Home Depot B2B and Supplier Performance teams lead the pre-certification efforts.

The supplier's BOL number for each shipment must be reported on the ASN in the BOL field. Failure to accurately populate the BOL number in the ASN will be treated as the equivalent of failing to send an ASN. Multiple merchandise vendors on the same truck can be transmitted on the same ASN with one BOL.

For All RDC shipping requirements, see The Home Depot RDC Supplier Requirements Guide located on the team's HomeDepotLink page: **Business Operations > Transportation & Logistics > Logistics Requirements**. Shippers create one ASN per trailer; the information reflects pallet-level detail and contains UCC-128 codes (MAN segment on the ASN). Visit the EDI team's HomeDepotLink page via **Business Operations > Transportation & Logistics > Logistics Requirements** for an example of a pallet-level ASN.

#### 6.1.2.4 BDC Requirements

The ASN should contain any specifications made to accommodate rail transportation such as denoting the proper unloading side of the boxcar. Vendors shipping in through rail must populate the ShipXpress website with ASN information. This information includes but may not be limited to rail car origin, destination, ship date, required delivery date, and SKU information for the material being shipped including SKU ID, Pack Size, # of Packs, and a SKU description. When information must be updated, it is up to the vendor to make those changes on the website.





## 6.2 Transportation Management

### 6.2.1 Manhattan Transportation Management System (TMS)

If a vendor has been on-boarded to ship Collect to an RDC, IFC or SDC, it is necessary to use Manhattan TMS for arranging transportation. TMS is a powerful tool that shipment planners, vendors, and carriers use to manage inbound transportation (vendor to The Home Depot facilities). The driving purpose behind the system is to optimize utilization of all fleet and carrier assets across the network. The system dynamically links all inbound and outbound movement to reduce empty miles, reduce expense, and improve service, while utilizing a web-based user interface.

If there are questions about shipments, please consult The Home Depot routing guide at <http://www.routingguides.com/hd>. If the vendor has any further questions, please use the planner map located on the “Collect Full Truckload Shipments” tab to contact the appropriate planner.

If a vendor is shipping prepaid to an RDC, IFC or SDC, it is necessary to send the destination DC a completed appointment request form so that the inbound coordinator at the facility can create an appointment in TMS. This will ensure the DC has visibility to the inbound shipment as well as help expedite the yard check-in process.

#### 6.2.1.1 Using the Transportation Management System (TMS)

Suppliers are responsible for marking their Purchase Orders (PO's) Ready To Ship (RTS) each morning by 11am local time, checking routing for mode and carrier and reviewing their SKU info. If corrections need to be made to SKUs, please contact IDM by visit the team's HomeDepotLink page at **Business Operations > Item Management > Item Data Management**. If there are any questions regarding TMS training, please visit us at **Business Operations > Transportation & Logistics > Transportation Management**.

The following is the standard for all collect POs shipped to The Home Depot including TL, LTL, and parcel shipments:

1. Mark the PO “Ready to Ship” (RTS) in the Transportation Management System (TMS) no later than 11am local time, two business days prior to the “ship by date” on the PO\*. Marking the PO RTS earlier is acceptable.
2. POs marked RTS must ship on the TMS Shipment ID under which they were created.
3. Populate the REF\*CN segment of the ASN with the correct TMS Shipment ID number. POs on the ASN must be attached to the same TMS Shipment ID.
4. Have the load ready for pickup when the carrier arrives.
5. Transmit your ASN to The Home Depot as soon as the load leaves your facility.

*\* Any POs that are marked Emergency/Disaster (PO Type = '130') should follow directions provided by the Inventory Planning and Replenishment team at the time the PO is created. These POs will be excluded from any compliance program related to the standards above.*

Failure to comply with the steps outlined above may result in a financial offset, charged directly to the supplier, for each instance. Please refer to [THD Transportation Program Overview](#) for more details on the offset for non-compliance

If additional training is needed on using TMS, please logon to [HomeDepotLink](#) and review the documentation and training materials available. Please contact your [regional planner](#) for additional support.



#### 6.2.1.2 Trailer Seal

All inbound full truckload shipments are required to have a trailer seal and the trailer seal number listed on inbound paperwork. Unless required to do so by a governmental authority, the carrier guarantees it will not break the seal from origin to destination without the written consent of The Home Depot. In the event the seal is broken by government inspectors during the course of delivery, the search is noted on the Bill of Lading and, to the extent possible, signed by the government authority conducting the inspection. The trailer is resealed following the inspection and the new seal number noted on the Bill of Lading. Detailed standards, penalties, and remedies are contained in the carrier contract.

### 6.3 International Logistics

#### 6.3.1 Pre-Qualifications Imports

All packaging and display SKUs that are branded with a The Home Depot Proprietary Brand must be created by Big Red Rooster (BRR), the approved packaging agency. Each item in which only the dimensions, SKU and UPC change must also be submitted to the agency to ensure accuracy and compliance. Discounted rates apply to similar (Clone) items. The agency will obtain final approval by means of their online collaboration program (FLOW). Once final approval is secured, the artwork can be released to the supplier for print (provided that payment has been received) and the SKUs will be approved in PQOB (Pre-Qualification and On-Boarding).

##### 6.3.1.1 Process

- Vendors are not allowed to create their own packaging, but can download necessary brand assets for creating PLR mockups.
- Files can be made available on the Packaging agency's FLOW site by request. If a vendor is unable to gain access to the FLOW, BRR will assist with login credentials.
- Most items must be bilingual per The Home Depot Bilingual Standards, although there are some exceptions.
- BRR will provide an estimate when completed intake sheets have been submitted. No work will be completed until the estimate is signed and returned. Vendors are responsible for the cost of all package artwork. The rate sheet will serve as a guide but does not include RUSH fees and other charges resulting from supplier changes.
- If three rounds of reviews have transpired and additional changes are required, supplier will be billed per round according to the rate sheet.
- BRR contact information:
  - Jimmy Luedecke  
Onsite Packaging Manager  
P: 770.433.8211 ext 83791  
C: 847.431.4045  
jluedecke@bigredrooster.com

##### 6.3.1.2 Timing

Artwork Creation After BBR has received an intake sheet(s) request, an estimate will be provided within 24 hours. Timing is covered on the rate sheet that BBR provides along with the estimate.



#### 6.3.1.3 Graphics Development

When the packaging agency develops graphics for vendors, the timeline will be dependent upon several factors. New brands or categories will take longer to develop until packaging standards are established and approved.

Existing brands and categories are developed more quickly, but are highly dependent on vendors to provide requested inputs to the agency. Workable dielines with accurate dimensions and print quality photography (or production samples suitable for photography) must be provided. When dimensions do not match, file formats are not to size, image is not large enough, or the dieline incomplete etc. delays will occur.

#### 6.3.1.4 Important Considerations

To ensure smooth execution of all programs, vendors should cover these areas with The Home Depot:

- If you are on-boarding in PQOB, please obtain the index number for each SKU and add this number to all artwork slugs or include in email correspondence for easier tracking.
- Please contact The Home Depot Visual Merchant for to determine how SKUs will be merchandised in the bay. It is key to determine which panel is the face panel and how the SKU is oriented in the plan-o-gram. The Home Depot prefers face panels to be the short end and the top panel to be split top with the split going left to right so that tape does not interrupt the front panel.
- Is this SKU promotional (temporary) or for a test? You must inform packaging agency of any unique circumstances that may require exceptions to established brand standards.
- Identify if packaging needs to correlate with existing corporate signage to ensure consistency at shelf.
- Communicate actual print deadlines (the date pre-flighted files are due to the printer). Identify where your product will be distributed. Please indicate if the same item is being sold in multiple countries so the appropriate language standards are implemented.

#### 6.3.1.5 Photography

General photography – for silhouette product photos and simple scene compositions, please contact the photographer below for estimates and timing:

Paul Sitarchyk  
Concept2ink Incorporated  
5020 S. Atlanta Rd., Suite 4  
Smyrna, GA 30080  
404-355-8263  
[paul@concept2ink.com](mailto:paul@concept2ink.com)

For large programs with complex scene compositions, The Home Depot may recommend other studios.

#### 6.3.1.6 The Home Depot Contact Information

The Home Depot Latin America Sourcing office <b>Angel Muñoz</b> (Phone) 52-477-710-0180 <a href="mailto:Angel_Munoz@homedepot.com.mx">Angel_Munoz@homedepot.com.mx</a>	The Home Depot European Sourcing Office <b>Massi Zampella</b> (Phone) 39-347-552-2878 <a href="mailto:Massimiliano_zampella@homedepot.com">Massimiliano_zampella@homedepot.com</a>
The Home Depot India Sourcing Office <b>Sandeep Sharma</b> (Phone) 91-124-4514500 * 202 <a href="mailto:sandeep_sharma2@homedepot.com">sandeep_sharma2@homedepot.com</a>	



## 6.3.2 International Logistics

### 6.3.2.1 Policy

All shipments must be arranged through The Home Depot's appointed Origin Cargo Managers (OCMs). OCMs are closely linked to The Home Depot and have the responsibility for monitoring, providing shipping information and forwarding documents for all The Home Depot purchase orders.

### 6.3.2.2 Origin 3PLs

Strategic Account Contacts by Geographic Region:

Origin	OCM
China	Damco (re-branded from Maersk Logistics) Faith Dennison Faith.C.Dennison@damco.com Phone: 1-770-433-8211 ext. 83427 Fax: 770-384-3037
Australia Europe Middle East South America Asia (except China, including Taiwan)	Expeditors International Adam Mathews <a href="mailto:Atl-thdom@expeditors.com">Atl-thdom@expeditors.com</a> Phone: 1-770-907-2728 Fax: 201-865-1673
Mexico	Unyson Logistics Andy Branz <a href="mailto:HomeDepot@unysonlogistics.com">HomeDepot@unysonlogistics.com</a> Phone: 1-888-700-2170

All shipments and documents must adhere to customs regulations and requirements of both country of export and country of import.

### 6.3.2.3 Import Terms of Sale

Shipment terms define the financial and legal obligations of the parties involved in the import transaction. Listed below are the different shipment terms listed in the Supplier Buying Agreement. Depending upon which term is agreed upon with your Product Development Merchant, or as otherwise stated in writing and signed to by both parties; your company and The Home Depot must follow the obligations for the negotiated shipment term as shown below.

#### 6.3.2.3.1 FCA—Free Carrier

##### **Named Carrier's, Consolidator's, or Freight forwarder's location in the country of exportation**

Goods are delivered and the export is cleared to the buyer at an agreed upon Carrier's yard/port, Consolidator's, or Freight Forwarder's location in the country of exportation. These rules apply to the sale:

The Supplier:

- Is obligated to pay for foreign (origin) inland dray to the Carrier's, Consolidator's, or Freight forwarder's location.
- Is obligated to pay for export customs duties, fees and taxes.
- Is obligated to pay carrier port fees.
- Is obligated to pay OCM standard fees as contracted by The Home Depot.
- Is obligated to pay CFS receiving fees – if applicable.

The Home Depot:

- Is obligated to pay any consolidation fees.



- Arranges the international transportation from the Consolidator's dock or location in the country of exportation, selects the Carrier, and utilizes a Freight Forwarder.
- Is liable at the Carrier's, Consolidator's or Freight Forwarder's location.
- Is obligated to pay the international freight charges.
- Is obligated to obtain a marine cargo insurance policy, pay for the insurance premium, and file any claim.
- Is obligated to be the importer of record in the country of importation, and pay duties, fees and taxes upon the importation of the goods.

The term FCA is to be used where The Home Depot takes delivery of the goods at any location other than the seller's factory or warehouse. These include:

- Ocean Carrier's inland container yard
- Ocean port
- Airport
- Consolidation warehouse

#### 6.3.2.3.2 EXW—Ex Works, Ex Factory, Ex Mill, Ex Plantation, Ex Warehouse

##### **Named Factory Location in Country of Exportation**

Goods are made available to the buyer at the seller's factory location in the country of exportation. These rules apply to the sale:

The Supplier:

- Is responsible for loading of container at factory.

The Home Depot:

- Is obligated to pay for foreign (origin) inland dray.
- Is obligated to pay for export customs duties, fees and taxes.
- Arranges the international transportation from the factory in the country of exportation, selects the carrier, and utilizes a Freight Forwarder.
- Is liable at the origin factory dock location.
- Is obligated to pay the international freight charges.
- Is obligated to obtain a marine cargo insurance policy, pay for the insurance premium, and file any claim.
- Is obligated to be the importer of record in the country of importation, and pay duties, fees and taxes upon the importation of the goods.

#### 6.3.2.3.3 DDP – Delivery Duty Paid

##### **Named Place of Destination in Country of Importation**

Goods are delivered to the buyer at an agreed upon place of destination in the country of importation and cleared through customs by the seller. These rules apply to the sale:

The Supplier:

- Is obligated to pay for foreign (origin) inland dray.
- Is obligated to pay for export customs duties, fees and taxes.
- Arranges the international transportation from the factory in the country of exportation, selects the Carrier, and sometimes utilizes a Freight Forwarder.
- Is obligated to pay the international freight charges.
- Arranges and is obligated to pay for domestic (destination country) inland dray to the named place in the country of importation, if the named place is other than an entry port or point.
- Is obligated to obtain a marine cargo insurance policy, pay for the insurance premium, and file any claim.
- Is obligated to be the importer of record in the country of importation, and pay duties, fees and taxes upon the importation of the goods.

The Home Depot:

- Is liable at the destination place in the country of importation.



- Arranges and is obligated to pay for domestic (destination country) inland dray from the port or place of destination in the country of importation to the final destination, if the named place is other than the final destination.

The term DDP is to be used where The Home Depot takes delivery of the goods at any location in the destination country. These include:

- Ocean port
- Airport
- Overland Border Crossing (i.e., Laredo, TX)
- The Home Depot Distribution Center

### 6.3.3 Customs-Trade Partnership Against Terrorism (C-TPAT)

#### 6.3.3.1 Supplier and Factory Security Requirements

The Home Depot (THD) is a validated member of Customs-Trade Partnership Against Terrorism (C-TPAT). We are committed to expanding the reach of this initiative and we are taking measures to better secure our supply chain. As a requirement of C-TPAT membership, The Home Depot must work with our direct import Suppliers and Factories to ensure appropriate security controls exist at the foreign factory based on C-TPAT guidelines. The Home Depot is also required by the U.S. Government to ensure that all business partners develop or enhance security programs to better secure their supply chains.

These minimum security criteria are designed to be the building blocks for foreign manufacturers to institute effective security practices, to optimize supply chain performance, and to mitigate the risk of loss, theft, and contraband smuggling that could potentially introduce acts of terrorism or terrorists into the global supply chain. The determination and scope of criminal elements targeting world commerce through internal conspiracies requires companies, and in particular, foreign manufacturers to elevate their security practices.

Where a foreign manufacturer out-sources or contracts elements of their supply chain, such as another foreign facility, warehouse, or other elements, the foreign manufacturer must work with these business partners to ensure that pertinent security measures are in place and are adhered to throughout their supply chain.

All International Suppliers shall have and comply with processes and procedures to keep unauthorized items or persons from being placed into shipments destined for The Home Depot.

#### 6.3.3.2 Point Inspections Requirements

High security bolt seals that meet ISO/PAS 17712 standards are **required**.



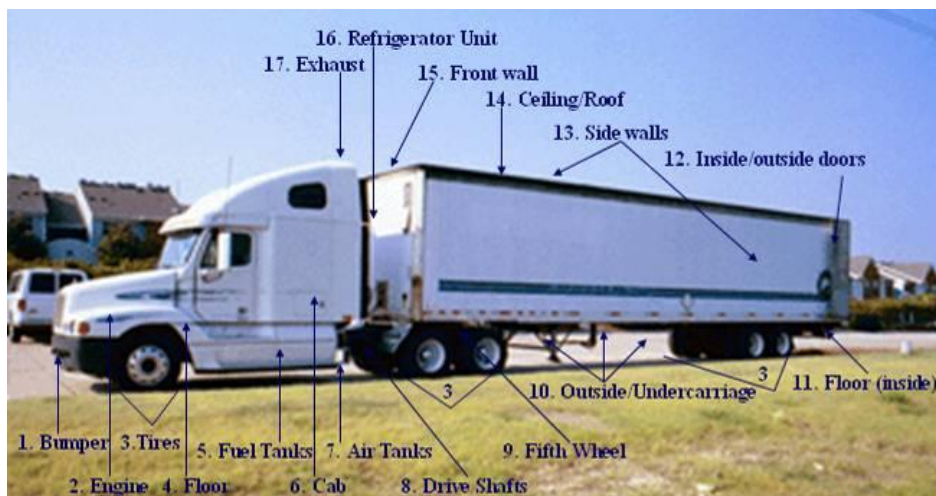




The following 7-point inspection is required for containers:



The following 17-point inspection is recommended for all trailers:



### 6.3.4 Container Inspection Form

For a copy of the Container Inspection Form visit **Not Yet a Supplier > Import Supplier Requirements** on the team's HomeDepotLink page.

**Note:** The factory must complete a container inspection report like the one above for all shipments to The Home Depot, and keep the reports on file for at least one year.

### 6.3.5 Security Awareness is Required

Every person at the factory that may handle The Home Depot cargo needs to be aware of the risks and steps required.



A threat awareness program should be established and maintained by security personnel to recognize and foster awareness of the threat posed by terrorists and contraband smugglers at each point in the supply chain. Employees must be made aware of the procedures the company has in place to address a situation and how to report it. Additional training should be provided to employees in the shipping and receiving areas, as well as those receiving and opening mail.

Additionally, specific training should be offered to assist employees in maintaining cargo integrity, recognizing internal conspiracies, and protecting access controls. These programs should offer incentives for active employee participation.

### **6.3.6 Security Plan is Required**

The Home Depot reserves the right to review the Supplier's security plan at each factory/warehouse from which merchandise is shipped. Suppliers will jeopardize their relationship with The Home Depot if they have inadequate security measures at these facilities.

### **6.3.7 Accurate Contact Information is Required**

The Home Depot must be able to communicate with the suppliers and factories. Keep supplier email, and factory email, contact, and location information current. Be diligent about maintaining updates to any contact information.

### **6.3.8 Next Steps**

- Determine the supplier contact that will be responsible for oversight of factory security.
- Review the C-TPAT standards, which form a basis for The Home Depot minimum standards, which can be found at <http://www.cbp.gov/>.
- Review the standards with all appropriate factory personnel.
- Take the necessary steps to implement programs to comply with the standards.

### **6.3.9 Contact Information**

If you have any questions about Supply Chain Security or need assistance in developing or improving a security program, please contact The Home Depot Global Trade Services team at [Global\\_Risk@homedepot.com/](mailto:Global_Risk@homedepot.com/).

### **6.3.10 Procedure**

#### **6.3.10.1 Delivery Window**

- EXW suppliers must have the PO completely produced, completed Pre-Shipment inspection and ready to be loaded into the trailer/container for pickup at factory, no later than one calendar day before the Early Ship Date (ESD) on the PO. OCMs will provide the pickup date to suppliers based on The Home Depot requirements.
- FCA suppliers must have the PO completely produced, completed Pre-Shipment inspection and ready to be loaded into the container for delivery to the origin port, no later than one calendar day before the Early Ship Date (ESD) on the PO. OCMs will provide the delivery date to suppliers based on The Home Depot requirements.
- Timing standards are detailed in Supplier Shipping Guidelines provided locally by The Home Depot's OCM provider.
- If the supplier chooses to deliver cargo before the ESD on the PO, the supplier must request approval to do so from The Home Depot's OCM. The supplier will be responsible for all costs that may occur for early delivery, including but not limited to, storage and other fees.



#### 6.3.10.2 Booking

- Suppliers are required to book all POs with The Home Depot OCMs no later than 14 calendar days prior to the Early Ship Date (ESD) stated on the purchase order. Any bookings or booking revisions submitted after the 14 calendar days' requirement will be subject to an expense offset.
- As an exception to the 14 calendar days' requirement, POs with Mexico as the country of origin must be booked no later than 7 calendar days prior to ESD. Any bookings or booking revisions for P.O.s with Mexico as the country of origin submitted after the 7 calendar days' requirement will be subject to an expense offset.
- POs cut less than 21 calendar days prior to ESD will not be subject to an expense offset for late booking.
- OCMs will make arrangements with The Home Depot's contracted carriers. OCMs will confirm booking with supplier once carrier confirms booking and space.

All shipments must be booked as instructed within the Supplier Shipping Guidelines provided by OCMs for each country of export

- Damco – China
- Expeditors International – Australia, Europe, Middle East, South America and Asia (except China, including Taiwan)
- Unyson Logistics – Mexico

#### 6.3.10.2.1 Transport Mode

- Full container load (FCL) and truckload – shipments must be delivered to named port
- Consolidated shipments – shipments must be delivered to CFS warehouse
- Air shipments – procedures provided when arrangements for air freight are made
- Rail Shipments – designated yard

#### 6.3.10.2.2 Delivery

- Late shipments – a shipment is “late” if the supplier does not deliver the cargo to the port, rail or the CFS facility on or before the delivery date. The OCM will provide the supplier the date cargo must be delivered to the port.
- If delivered to the port, rail, or CFS facility after the OCM-advised delivery date, The Home Depot reserves the right to refuse any shipment. The supplier is responsible for any additional costs incurred.
- The Home Depot reserves the right to refuse any shipment if it is delivered to the port after the OCM advised delivery date. Any additional costs incurred because of late shipments will be charged back to the supplier. Delivery is based on the terms of sale, as defined below:
  - **FCA terms:** Suppliers are required to deliver a loaded container prior to or on the delivery date provided by The Home Depot OCMs. The OCM will provide a delivery date to the supplier once a confirmed carrier booking and shipping order is received from The Home Depot's nominated carriers. Suppliers will be subject to an expense offset if the container is delivered after the necessary delivery date given by the OCM. Suppliers will also be subject to an expense offset if they request an ESD revision more than 2 business days after PO creation.
  - **EXW terms:** The OCM will provide a container loading date to the supplier once a confirmed carrier booking and shipping order is received from The Home Depot's nominated carriers. Suppliers will also be subject to an expense offset if they request an ESD revision more than two days after PO creation.
  - **Expense offsets will not be applied if:**
    - Delay is due to a logistics issue caused by the OCM and/or Ocean Carrier (e.g. Equipment Unavailability), or
    - Supplier requests a ship window change within 2 business days from the Purchase Order creation date.

#### 6.3.10.3 Solid Wood Packaging Materials (SWPM)

- All shipments and documents must adhere to customs regulations and requirements of both country of export and country of import.



#### 6.3.10.4 Shipping

##### Direct Import

- The OCM is responsible to ensure that the cargo departs and arrives at the proper destination based on requirements set forth by The Home Depot.

##### Cross-Border to Canada

- Please reference section 6.1.1 above regarding Canada Truck Shipments.

##### Forwarder's Cargo Receipt (FCR)

- The Forwarder's cargo receipt will be released to the supplier only after cargo is delivered, all documents are received, and all origin charges are paid to the OCM.

All applicable expense offsets incurred will be listed on the FCR. Do not present the FCR to the banks for payment if there are potential discrepancies with the listed offsets. Please address any DISC discrepancies locally with the OCMs and adhere to the escalation process if additional resolution support is required.

#### 6.3.11 Shipping Documents Required

**The following documents are required for every shipment and must be submitted to the OCM within the timeline as set forth in the Supplier Shipping Guidelines:**

- Commercial Invoice
- Packing List – must contain statement indicating the use or nonuse of solid wood packing materials
- Container Manifest
- Product Inspection Release Notice (unless specifically excluded from inspections by written notice from The Home Depot Quality Assurance Team. This document is sent to the OCM by the inspection company)
- Master Pack Inspection Release Notice (unless specifically excluded from inspections by written notice from The Home Depot Quality Assurance Team. This document is sent to the OCM by the inspection company)
- Lacey Act Declaration for US imports (as applicable)
- General Certificate of Conformity for US imports (as applicable)
- Any other document required by another government agency that will allow importation of product (FCC, FDA, CPSC).

Suppliers must submit all required documents no later than 3 business days after vessel sailing date. If documents are submitted after the 3 business day's requirement, suppliers will be subject to an expense offset. Required documents are defined by country and port of origin in the Supplier Shipping Guidelines provided by the OCMs.

Timely submission of required documents is critical; please refer to the Supplier Shipping Guidelines provided by The Home Depot's OCM's locally in every country of origin for more specific details.

##### 6.3.11.1 Transportation Metric

UCC 128 Labels	Transportation	Load Quality
<ul style="list-style-type: none"><li>➤ Scannable labels</li><li>➤ Label Placement</li></ul>	<ul style="list-style-type: none"><li>➤ Purchase Orders</li><li>➤ Vendor Routing Guide</li><li>➤ Bill of Lading</li><li>➤ Accessorial Charges</li></ul>	<ul style="list-style-type: none"><li>➤ Pallet quality</li><li>➤ Load configuration</li></ul>



#### 6.3.11.2 Purchase Orders (PO)

The shipper is fully responsible for all accessorial charges and surcharges for loads not shipped according to PO terms, loss or damage claims resulting from shipping on a prepaid basis, or related detention charges. All POs for all merchandising departments shipped LTL on the same day to the same destination must reside on a single Bill of Lading. For more details, see Bill of Lading (BOL).

#### 6.3.11.3 Vendor Routing Guide

Suppliers can access the routing guide at <http://www.routingguides.com/hd>. Failure to conform to the Routing Guide could result in loss of business with The Home Depot, cancellation or renegotiation of the Supplier Buying Agreement, or financial penalties. Suppliers should check the routing guide frequently to stay informed of any routing guide changes or compliance and chargeback programs that have been implemented. Signing into the routing guide, at least once monthly, ensures automatic notification of any key routing guide updates to the e-mail address used.

#### 6.3.11.4 Bill of Lading

The Home Depot requires an EDI VICS (Voluntary Inter-industry Commerce Standards) standard Bill of Lading. The supplier is responsible for all fines and penalties, and/or fees associated with an inaccurate Bill Of Lading or any other shipping documentation that results in an overweight load or other associated regulatory violations.

#### 6.3.11.5 Accessorial Charges

All transportation costs, storage fees or other expenses incurred by The Home Depot because of the Supplier's non-compliance with the terms and conditions of the Supplier Buying Agreement shall be charged to the supplier.

Additionally, any carrier detention charges will be charged back to the supplier. All accessorial charges and surcharges on shipments not shipped according to PO terms or shipped on a Prepaid basis, and loss or damage claims relating to such shipments, shall be the sole responsibility of the supplier and may result in a chargeback to the supplier for any accessorial charges or surcharges.

### 6.3.12 On-Boarding PQOB

The PQOB system is web based and therefore accessible anywhere in the world. Please make sure your system does not block messages from the PQOB System. A detailed User Guide on how to use the system is located on the website, after supplier sign-on. All suppliers are strongly encouraged to review the User Guide to make sure they understand how to navigate the system.

The website for the system is <http://www.thdsourcing.com>.

The supplier will first be sent an email with the web address, user id, and password which provides access to the PQOB system. The system collects essential supplier, factory and product information. The information will have to be completed for each product being offered by the supplier. Once all the information required is filled in, the data will be locked by the Import Operations team, and the on-boarding process will begin.

Once the on-boarding process has begun, the vendor will be assigned a service provider for SER, QSA, and PPT Testing, and also the vendor will have to give an estimated time for the product sample to be sent to the testing facility. This step is highly important for the timely completion of the process.

The expeditious completion of this information is essential to begin the on-boarding process. The steps within the process can be performed simultaneously; however, all information must be entered before the process can begin. The steps in the process include: Social and Environmental Responsibility, Quality System Assessment, Pre-Purchase Testing, Logistics, Customs, Packaging, and a Pro-Forma (Financial)





review. Purchase orders (POs) will not be issued without the completion of all these steps of the on-boarding process.

#### 6.3.12.1 Supplier Responsibilities

- Review PQOB Supplier User Guide located on the team's HomeDepotLink page via **Not Yet a Supplier > Import Supplier Requirements** prior to logging in to the system.
- Ensure that all required information is entered in the PQOB system, and that samples are submitted to the testing provider according to the timeline provided.
- Communicate with The Home Depot Import Operations team and/or PDM for any questions regarding the SKU on-boarding.

#### 6.3.12.2 Supplier PQOB Guide

This guide is only an overview for suppliers to get started with PQOB. If your question cannot be answered by this guide or have more detailed questions or issues, please log in to PQOB system (<https://www.thdsourcing.com/pqob/>) and refer to the user guide link on your supplier dashboard for more detailed information ([https://www.thdsourcing.com/pqob/manuals/THD\\_User\\_Guide\\_v1\\_032907.pdf](https://www.thdsourcing.com/pqob/manuals/THD_User_Guide_v1_032907.pdf)) or notify your designated contact within The Home Depot.

#### 6.3.12.3 Questions & Answers

##### **Q: When is SKU information submitted?**

**A:** The SKU information should be submitted once the supplier has been notified by The Home Depot system that a program was created for that SKU. The supplier should then complete the program information within 3 days after receiving the notification.

##### **Q: Can I use an old program to On-board a new SKU?**

**A:** No, after a program is finalized, a new program will have to be created for any new SKUs.

##### **Q: Why is the information locked in the system? Can I make changes to product info after on-boarding?**

**A:** The information is locked for accuracy of The Home Depot records. Changes can be made to the product after on-boarding by the Import Operations Team. Please notify your Import Operations contact if you need to make changes to your product after on-boarding has been kicked off. No changes can be made after the product has been finalized, to make these types of changes the supplier has to utilize the ECN process.

#### 6.3.12.4 Quality Assurance Program

The Home Depot's Quality Assurance (QA) program is in place to:

- Support the supplier and product selection process.
- Evaluate supplier performance in the areas of factory, product, and packaging quality.
- Facilitate the continuous improvement efforts of The Home Depot's suppliers.
- To protect the company, our associates, and our customers The Home Depot QA program is NOT a replacement for any quality control procedure required by the supplier to manufacture and deliver compliant product.

### 6.3.13 Stock Keeping Unit (SKU)

For a SKU to be set up in The Home Depot systems, it must pass through the on-boarding process. For the on-boarding process to begin, all information regarding that SKU must be entered into the Global Supplier Pre-Qualification and On-boarding System (PQOB).





The SKU information requested provides a description of, and other pertinent information on the products to be purchased. All products must be submitted in the PQOB system. The information must be completed prior to a supplier entering the import on-boarding process.

The main information requested of the SKU is:

- Product information, i.e. description, dimension, material breakdown
- Cost
- Brand
- Packaging
- Shipping point
- Container information
- Customs compliance/Import product profile
- Supplier and product manufacturing factory contact information
- Special Duty
- Trademark and Patent information
- GSP claim form

Before a supplier is required to enter SKU information, a login invitation will be provided, where a special ID and Password will be assigned to the vendor.



## 6.4 Reverse Logistics, RTVs and Buybacks

This RTV Policy outlines how Supplier RTV policies will be executed under The Home Depot's Reverse Logistics Program.

### 6.4.1 Disposition Options

#### 6.4.1.1 Return to Supplier Option

Suppliers agree to have RTV merchandise shipped to the Supplier's designated return location as identified in the Supplier Buying Agreement on the date an item is cataloged for RTV in store. The Home Depot will manage all transportation from the stores, through a centralized reverse logistics facility, to the Supplier's designated return location on a freight allowance basis rather than Prepaid & Add or Collect terms. The freight allowance will represent costs incurred by The Home Depot to transport merchandise to the Supplier's designated return locations from the centralized reverse logistics facility. The Home Depot shall adjust the freight allowance as transportation rates increase. For RTV merchandise returned directly from a Home Depot store to a supplier, Prepaid & Add and Supplier truck are the only return freight options available. If you chose Prepaid & Add, small package shipments will be returned via The Home Depot core carriers chosen by the state-to-state routing guide. If you do not specify a carrier, then the system will use the same carrier selection criteria as Prepaid & Add shipments. All RTV freight terms are Destination .

As an alternative to the freight allowance, Suppliers will have the option to pick up merchandise at each individual The Home Depot store utilizing their own transportation. If a Supplier elects to pick up merchandise directly from a The Home Depot store, the Supplier will agree not to require an RGA or an Inspection on that merchandise covered by that RTV agreement. Due to Department of Transportation and other state environmental regulations, HAZMAT merchandise will be ineligible to flow through a Reverse Logistics Facility. Suppliers of HAZMAT merchandise will need to select Supplier Truck as their freight terms, utilizing their own transportation to make pickups at the store level, or switch to a No Return policy.

#### 6.4.1.2 No Return Option (previously "Destroy in Field")

Suppliers agree they do not want RTV merchandise returned to their designated return locations, and The Home Depot will determine how the merchandise is handled. The Home Depot will choose the method of disposal including selling the merchandise for salvage on the secondary market "as is" or refurbished, recycling the merchandise, or simply disposing of the merchandise. Any costs incurred through the handling or disposing of HAZMAT merchandise will be passed on to the Supplier.

#### 6.4.1.3 Repair RTV Policies

Merchandise covered by a Repair policy will not be affected by the Reverse Logistics Program.

#### 6.4.1.4 Self-Service RTV Policies

Merchandise covered by a Self-Service policy will not be affected by the Reverse Logistics Program.

#### 6.4.1.5 RTV Policy Updates



Updates to the active RTV policy can only be made through the SBA process by contacting your category merchant and requesting an SBA invite. These updates include contact information, shipping destination, and any changes in product disposition related to the RTV process. Email is the communication method used by the RLC's for return goods authorization requests to the supplier and is obtained from the SBA. It is the supplier's responsibility to ensure this email is monitored and up to date. Generic email addresses are suggested to allow for multiple approvers or easy transition without a SBA update if there is a personnel change in the suppliers RA department. Any changes to the returns section of the SBA will impact items cataloged in store only after the new policy is loaded, the policy does not retroactively adjust the disposition of any product.

## 6.4.2 RGAs and Inspections

### **RGA Requests**

If the Suppliers current RTV policy requires an RGA, The Home Depot will provide the information below via email listed in the active SBA to the supplier. No additional information is available or will be provided.

- GENCO SLP Number (For RTV items processed at one of the Reverse Logistics Centers (RLCs). This will not be available for RTV items processed by a Home Depot store).
- Home Depot SKU Number
- Home Depot Item Description
- Home Depot Part Number
- Quantity of each SKU
- Cost Value (Item Cost) for each SKU
- RTV Reason Code
- Customer Comments (If available)
- If a comment is not available, non-descriptive, or notated as N/A this is not a valid reason for denial of credit
- Purchase Date (If available)
- If a purchase date is not available, or notated, this is not a valid reason for denial of credit

Defective reason codes are defined within the reason code captured at the store. These reason codes defined as defective are as follows: Manufactured Defect, Missing Parts, and Safety Recall.

The Home Depot's satisfaction guarantee is over a 90 day timeframe from date of purchase. When a purchase date within 90 days +30 days transport time is available full credit will be issued on the product.

RGAs must be obtained within two (2) business days from the time of request, otherwise items will be processed for credit and disputes will be denied. Business days are defined as non-weekend days Home Depot stores are open for operation.

If a supplier has been previously approved for an inspect policy, inspections must be completed within five (5) business days from the time of request, otherwise items will be processed for credit and disputes will be denied. Business days are defined as non-weekend days Home Depot stores are open for operation.

Once an RGA is issued to a centralized facility, the supplier will not have the option to dispute the credit The Home Depot received.



### 6.4.3 Buybacks

Buyback agreements made between the supplier and THD may now be processed through the Reverse Logistic Centers. The RLCs will consolidate the product from the stores and send full truckload shipments when possible directly to the desired returns location. Items will continue to flow to the RLC from stores following buyback expiration for consolidation and shipment. Suppliers should expect to receive shipments from the RLC 4-8 weeks from the expiration date of the buyback.

Eligibility for items to be processed through the RLC via buyback is at the sole discretion of the RLC team. Hazmat, fragile, and liquids are examples of items that would not be eligible to flow through the RLC unless approval is given.

For buybacks which have a disposition of destroy Suppliers agree they do not want merchandise returned to their designated return locations. The Home Depot will determine how the merchandise is handled. The Home Depot will choose the method of disposal including selling the merchandise for salvage on the secondary market “as is” or refurbished, recycling the merchandise, or simply disposing of the merchandise.

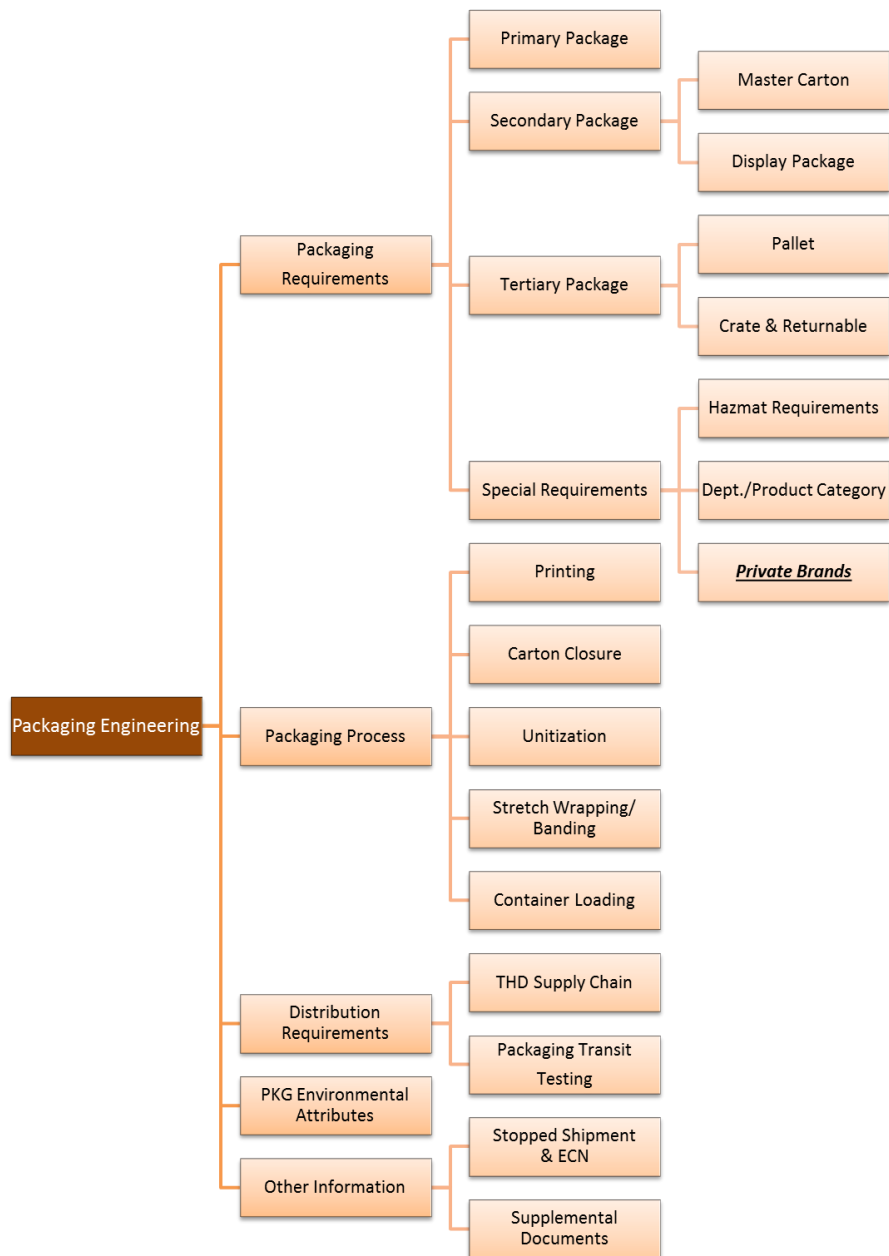
### 6.4.4 Acceptance and Agreement

Supplier acknowledges and agrees that: (a) the terms and conditions outlined above are incorporated herein by reference into the Supplier’s RTV Agreement; (b) these terms are deemed an addendum to and part of the RTV Agreement; (c) in the event of any conflict or discrepancy between the terms or provisions of the RTV Agreement and this RTV Addendum, the terms and provisions of this RTV Addendum shall control and govern.



## 6.5 Package Engineering

This section of *Packaging Engineering* covers all The Home Depot packaging-related requirements in packaging design, packaging process, distribution/supply chain and environmental attributes. These Packaging Engineering requirements apply to **all The Home Depot import & domestic products for the United States, Canada and Mexico (unless otherwise specified).**





In order to ensure packaging meets or exceeds all requirements, The Home Depot will follow testing and inspection processes similar to that described in Product Engineering. **Relevant inspections can be applied to but not limited to:**

- Structural Standards
- Packaging Specifications
- Marketing and Labeling requirements
- Instruction manuals (if provided)
- Requirements specific to The Home Depot

For any packaging engineering questions, please contact [packaging\\_support@homedepot.com](mailto:packaging_support@homedepot.com) or assigned Packaging Engineer for assistance

## 6.5.1 Packaging Requirements

All packaging systems designed for The Home Depot should:

- Enhance the customer's shopping experience.
- Provide protection for product integrity.
- Serve the customer from pre-purchase through product use and package disposal.
- Comply with all requirements, as set forth herein.

The packaging system also should be compliance with all package requirements described in this section, including general and special requirements for primary, secondary and tertiary packaging, along with any regulatory or agency compliance standards.

### Definition of Packaging System

All packaging submitted to the Home Depot stores should work as a complete packaging system. The levels of packaging should minimize the use of packaging materials as much as possible, while providing the required amount of product protection for handling, distribution and customer use. The following information provides a description of the different classifications of packaging.

- I. **Primary Package** – This is also known as the “retail level” package and is what usually goes home with the customer. Typically this package provides the basic product protection and communication for the customer. Examples are boxes, clamshells, hangtags, blister cards, etc.
- II. **Secondary Package** – This level of packaging consolidates a larger quantity of products during transportation through the supply chain and is not normally part of the selling unit. Typically, multiple primary packages are transported in a secondary package. In some cases, the secondary package can also serve as a display, such as a Cut-Case tray or Quarter Pallet. Examples are corrugated master cartons or PDQ display.
- III. **Tertiary Package** – This is the next level of consolidating packaging, and usually involves palletizing secondary packages (master cartons) for simplified handling. Typically a tertiary package will be a unitized load of boxes on a pallet, slip sheet, or in a crate. The tertiary packaging may include not only the pallet or crate, but also the use of stretch film, corner boards or banding used to contain the load.





#### IV. Display Packages

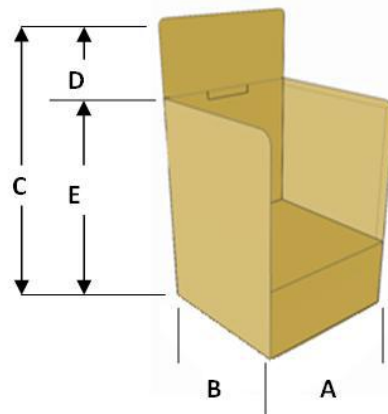
**PDQ Tray** – A “retail ready” display which uses a tray to display product, along with an Half Slotted Container (HSC) cover that provides protection during shipment. The HSC fits over the tray and the tray bottom is taped to the sides of the HSC. To open, the tape is cut and the tray slides out of the bottom of the HSC.



**Cut Case** – A cut case is basically a corrugated master carton that can be cut or torn open on top to allow the bottom portion of the box to serve as a display tray for the inner product.



**Quarter Pallet Display** – Also known as a QP (sometimes referred to a wingstack display). Typically a display that is no larger than 24” x 24” at its base and either sits on the floor (under 70lbs) or on a wood quarter pallet (over 70lbs). Typically this merchandiser is used for offshelf promotional purposes.





### 6.5.1.1 Primary Package Requirements

All primary packages should follow requirements below. Finished primary packages must be free of dirt, dents, scratches, scuffs, oil, burn marks, punctures, or other deformations or physical blemishes.

Packaging System	Packaging Requirement
<b>Primary Package</b>	Retailing Information
	Bilingual Requirement
	Barcode Standard
	Right Sizing Structure
	Packaging Loss Prevention

### Retailing Information

Below information must be printed on all primary packages as request:

#### Country of origin

SKU No – The Home Depot SKU number is required for each primary package of all private branded products. It is preferred but not required for national branded products.

Manufacturer, packager, distributor name and complete address - This is a government mandated requirement. The shipment will not be allowed to proceed without this information. This information must be viewable without opening the package.

- **USA** allows this information to be located anywhere on the exterior of the package but it must be in a “conspicuous place”. This includes the bottom of the package (cannot be on the inside flaps of a carton or inside the package).
- **Canada** allows for this information to be located anywhere on the exterior surface of the package except the bottom of the package and it must be in a “conspicuous place”.
- **Mexico** allows for this information to be located anywhere on the exterior of the package but it must be in a “conspicuous place”. This includes the bottom of the package (cannot be on the inside flaps of a carton or inside the package)

Warranty claim - All products making a warranty claim must include a reference to a contact source for the consumer to exercise their warranty rights. If The Home Depot is managing the warranty claim, then The Home Depot corporate address will satisfy the requirement.

Conformity assessment Mark - The retail product itself must bear all applicable conformity assessment marks as required by the governing agency, or all local, regional, or federal regulations. These conformity assessment marks must also be included on the packaging. Examples are the UL Logo (USA), ETL Logo, NEMA, CSA (Canada), and NOM (Mexico)



## Bilingual Requirement

For all primary/retail packaging sold in the USA, Canada and Mexico, all customer-facing information (examples below) must be translated into bilingual. Failure to comply will stop the shipment and corrective action will be needed to ensure bilingual compliance.

- Written verbiage (excluding brand logos or trademarked elements)
- Instruction Manuals or directions
- Warnings, cautions, etc.

**USA** – All primary/retail packaging sold in USA must be translated into English and Spanish. The English language should be presented first, followed by Spanish.

**Canada** - All primary/retail packaging sold in Canada must be translated into English and French. The English language should be presented first, followed by French. This is a Canadian government requirement.

- Per Canada Law “every inscription on a product, on its container or on its wrapping, or on a document or object supplied with it, including the directions for use and the warranty certificates”, must be drafted in English and French.
- Certain display packaging may be considered a “sign” instead of packaging materials (any part of the package that remains in the store and is not sold with the product), and therefore will require compliance to Canadian language regulations for signage. See the attached document for further details. Suppliers are encouraged to discuss this requirement with their Canadian merchandising contact for clarification.



## Translation Guidelines Rev Nov 2012.pdf

**Mexico** – All primary/retail packaging sold in Mexico must be translated into Spanish and English. The Spanish language should be presented first, followed by English.

Please refer to [Packaging Supplemental Guide](#) for detailed bilingual information.





## Barcode Standard

According to Global Standards ONE (GS1) requirements for product identification at the sales register; all products are required to have a unique and scannable barcode. All barcodes must have human readable characters that include a number system character and a check digit.

Barcode Issue Capability – In order to print UPC barcode symbols, supplier has to become a member of the GS1 US Partner Connections. Once becoming a GS1 member, the supplier will be assigned a company prefix identification number which allow to issue unique UPC barcodes. Please visit <http://www.gs1us.org/> for more information.



Accepted Point-of-Sale barcodes by The Home Depot:

Barcode Name	Point-of-Sale Barcode Example	Application
<b>UPC Version A</b>		<ul style="list-style-type: none"> <li>i. 12 Numeric</li> <li>i. GTIN-12 and Select Applications</li> </ul>
<b>UPC Version E</b>		<ul style="list-style-type: none"> <li>1) 12 Numeric, zeros suppress according to rules</li> <li>2) GTIN-12 with lead "0" and Select Applications</li> <li>3) UPC barcode must be printed directly on the product or packaging</li> </ul>
<b>EAN Version 8</b>		<ul style="list-style-type: none"> <li>1) 8 Numeric</li> <li>2) GTIN-8 and Select Applications</li> </ul>
<b>EAN Version 13</b>		<ul style="list-style-type: none"> <li>1) 13 Numeric</li> <li>2) GTIN-13 and Select Applications</li> </ul>

Multiple Carton Sets – in cases where there are multiple cartons in a set, (for example a set of 3 cartons being sold as one unit) cartons will be marked 1 of 3, 2 of 3, & 3 of 3 – only the carton marked 1 of 3 will have the UPC on the carton (cartons 2 of 3, & 3 of 3 will have no UPC)

Adhesive Label on Packaging – If supplier is unable to print UPC directly on the packaging, a permanent adhesive label must be applied. This label must have enough adhesive strength to stay on the packaging without being buckled or peeled off.

Slit Scored Adhesive Label on Product - Slit scored adhesive label must be applied if supplier needs to but is unable to print directly on the product. This type of UPC label will fall apart in sections if someone tries to remove it from the product or its packaging. Since this label is applied to finished surface, it should NOT leave any residue. And the adhesive should NOT have any interaction with product surface. If UPC label is the only identify label on the product, SKU no., country of origin and distributor information must be also printed on the label.

For all suppliers about barcoding requirements:

- All barcode information must be provided to your The Home Depot Merchandising assistant upon agreement to purchase product. A 60-day advance notice of all barcode number changes and additions is required
- Any changes to an existing product barcode (UPC and ITF-14) or its quantity must be communicated to a Merchandising Assistant prior to change.



- The Home Depot Logistic Barcode Requirements located on the team's HomeDepotLink via *Business Operations > Transportation & Logistics > Logistics Requirements*.
- For more detailed information regarding barcoding, refer to the following websites:  
<http://www.gs1us.org>.

## Right Sizing Structure

In order to protect products properly and optimize the cube utilization for shipment, primary packaging should be designed using right size. "Right Sizing" may be accomplished through elimination of void spaces in the current package, such as reducing the size of a clamshell, face seal blister, or trap blister. Please refer to [Packaging Supplemental Guide](#) for further details on "Right Sizing".

*Example* - As shown below, a section of the trapped blister card was removed and printing was slightly reduced. This reduced the overall size of the primary package.



## Packaging Loss Prevention

As determined by The Home Depot, products may require the use of Sensormatic tags on the package (products that require Sensormatic tags must have only one UPC on the package). The Sensormatic tags need to be placed inside the packaging within a 3-inch diameter of the UPC on the primary retail package. In situations where a primary retail package uses a hangtag or sticker for specific products deemed by The Home Depot to require such, the Sensormatic tag is to be incorporated into the product itself.

Please verify with The Home Depot Merchant for Sensormatic tag requirements:

- Required list by department for items - [Source Tagging Program Supplier Guidelines](#).
- Sensormatic tag requirement might be determined by your category Merchant.
- Additional details and information for the proper requirements for Sensormatic tags can be found at <http://www.sensormatic.com/>
- Certification is required for all packages containing Sensormatic tags.

Please see 6.5.1.4.3 Private Brands for additional private brand requirements.



### 6.5.1.2 Secondary Package Requirements

All secondary packages should follow requirements below.

Packaging System	Packaging Requirement
<b>Secondary Package</b>	Product & Shipping information
	Logistic Barcode Standard
	Right Sizing Structure
	Material Requirement
	Marks/Labels Requirement
	Master Carton Standard
	Display Packaging Standard

### Product & Shipping Information

All secondary packages must include product & shipping information (see table below) on four consecutive sides and all information is still required if the secondary packages are being consolidated on a pallet.

	Private Brand	National Brand
<b>Brown Box Secondary Package</b>	Department No. SKU No. Product Description Country of Origin Quantity Case Weight Purchase Order No.* Up Arrow Mark* <i>Logistic Barcode – 12of5</i> Bilingual Requirement*	Purchase Order No.* <i>Logistic Barcode – 12of5</i>
<b>Color Box Secondary Package*</b>	Department No. SKU No. Purchase Order No.*	Purchase Order No.* <i>Logistic Barcode – 12of5</i>

Purchase Order Number (P.O.) – can be printed on one side (panel) only or can be printed on all four sides (panels). Sticker application is acceptable for PO number.

Up Arrow Mark – must be printed on all four sides (panels) to indicate stacking direction.

Bilingual Requirement – bilingual is not required for USA but it is required for **Canada** in English and French; Spanish and English on master carton shipping label for **Mexico**.

Small package shipments – must include the PO number, the four-digit store number and the company name displayed on the shipping label.

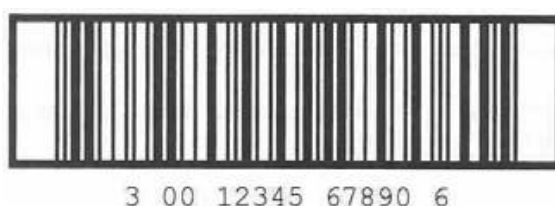




For color box secondary packages being handled through The Home Depot Distribution Centers, the preferred location for the product & shipping information is on the top or bottom of the package in the form of a label or direct print (for Packages > 25 lbs. must apply to top panel only unless otherwise instructed by Home Depot). Any label should not obstruct consumer graphics.

## Logistic Barcode Standard

In accordance with the Global Standards ONE (GS1) requirements <http://www.gs1us.org/>, the interleaved 2 of 5 (EAN/UCC-14) with human readable numbers (below i2 of 5 TINs) is required for all secondary packages for **USA** and **Canada** (not required for Mexico). The i2of5 barcode (ITF-14, EAN/UCC-14) must be located on adjacent sides of the package excluding the top and bottom sides. The i2of5 needs to follow the below requirements:



Standard Size	Minimum Size	Scanning Grade
6" x 1.63"	3" x 1"	C or better

*I2of5 vs. UPC* - An I2of5 barcode should **NOT** be used in cases where the secondary package is also the retail carton (UPC and i2of5 barcode cannot be on the same carton). I2of5 barcodes will not be printed on case packs of one (1).

*UPC vs. I2of5* - Individual product UPC should **NOT** appear on the master carton or be visible through the master carton.

Please refer to [The Home Depot Logistic Barcode Specifications](#) for complete logistic barcode requirements and placement.

Due to the constraints of the RDC Network, only **ONE** SKU per master carton is allowed. Any exceptions to this must be approved through The Home Depot Supply Chain team at [RDC\\_Support@homedepot.com](mailto:RDC_Support@homedepot.com).

## Right Sizing Structure

In order to protect products properly and optimize the cube utilization for shipment, secondary packaging should be designed using right size. "Right Sizing" may be accomplished through two aspects.

*Proper orientation of primary package inside the secondary packaging* – this would ensure maximum cube utilization of the pallet, trailer, or ocean container.



Proper orientation of the product in the secondary packaging – this would reduce the corrugated material used for the secondary packaging. For example, by increasing the height of the secondary package (mainly for the master carton) and reducing the length or width, the amount of material needed for production can be reduced.

Proper size of secondary packaging to fit approved pallet – this would avoid pallet overhang/underhang so as to ensure the packaging strength and containerization throughout THD supply chain.

Please refer to [Packaging Supplemental Guide](#) for further details on “Right Sizing”.

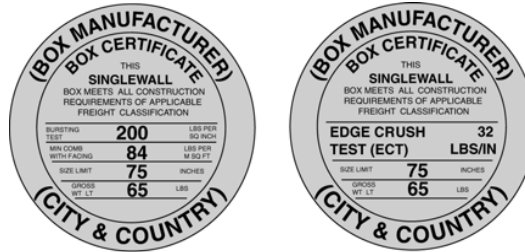
## Material Requirement

For all shipments to and within the USA and Canada, all The Home Depot secondary packaging must meet below structure and material requirements.

Item 222 & Rule 41 – All secondary packaging must meet equivalent material requirement stated in Item 222 and Rule 41 which is the industry standard from National Motor Freight Classification or as advised by The Home Depot Packaging Team. Please see [Packaging Supplemental Guide](#) for equivalent Edge Crush Testing (ECT) value.

<b>TABLE A</b>			
Maximum Weight of Box and Contents (lbs.)	Maximum Outside Dimensions, Length, Width and Depth Added (inches) (see Note 3)	Minimum Bursting Test, Singlewall, Doublewall or Solid Fibreboard (psi) (see Note 1, para. (a) or Minimum Puncture Test Triplewall Board) (inch oz. per inch of tear) (see Note 1, para. (b))	Minimum Combined Weight of Facings, Including Center Facing(s) of Doublewall and Triplewall Board or Minimum Combined Weight of Plies Solid Fibreboard, Excluding Adhesives (lbs. per 1,000 sq. ft.)
<b>SINGLEWALL CORRUGATED FIBREBOARD BOXES</b>			
20	40	125	52
35	50	150	66
50	60	175	75
65	75	200	84
80	85	250	111
95	95	275	138
120	105	350	180
<b>DOUBLEWALL CORRUGATED FIBREBOARD BOXES</b>			
80	85	200	92
100	95	275	110
120	105	350	126
140	110	400	180
160	115	500	222
180	120	600	270
<b>TRIPLEWALL CORRUGATED FIBREBOARD BOXES</b>			
240	110	700	168
260	115	900	222
280	120	1100	264
300	125	1300	360

Box Manufacturers Certificate (BMC) – All secondary packaging must be clearly marked on the bottom panel (typically) with the BMC. The certificate verifies that the packaging meets the material requirements stated in the BMC and Rule 41. Please see [Packaging Supplemental Guide](#) for further details.



## Marks/Labels Requirement

For some or all secondary packaging, several marks/labels need to be applied onto the surface to ensure packaging is handled under The Home Depot requirements throughout the supply chain. Please see [Packaging Supplemental Guide](#) for handling marks/labels print templates.

Name	Application	Label/Mark
Fragile	Should ONLY be used with Packaging Engineering approval (light bulbs are already approved).	<b>FRAGILE</b>
Two person lift	Heavy products (over 70 lbs.)	<b>CAUTION</b> Two person lift
Stacking height limitation	All packages are assumed to be capable of stacking 16'. Special restrictions use this label. Special restrictions require Supply Chain and Packaging Engineering approval. <a href="mailto:Packaging_Support@homedepot.com">Packaging_Support@homedepot.com</a>	8
Stacking Orientation	All stackable packages	↑↑
<i>Do Not Use Clamp Truck for Handling*</i>	Shall be placed on all sides of the products that can NOT be clamped at all.	 Clamp
<i>Clamp Here*</i>	This mark is driver facing. It must be applied opposite to the sides that can be clamped, so that the driver is aware the adjoining panels can be clamped.	→ [ ] ←



Do Not Clamp Here*	This mark is driver facing. It must be applied opposite to the sides that cannot be clamped, so that the driver is aware the adjoining panels cannot be clamped.	
No Box Cutters	All packages cannot be cut by knife. Apply all four sides of the box.	
Sharp Objects	All packages contain sharp objects inside. Must apply all four sides of the box.	
Center of Balance	All packages over 75 lbs. and the center of balance is offsite.	

\*All CLAMP related marks/labels:

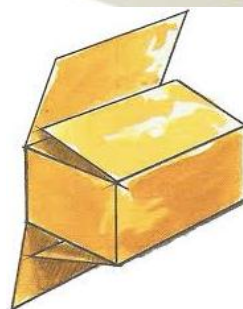
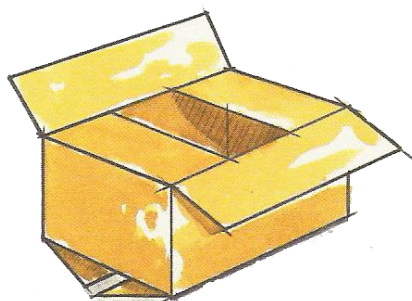
- Must be 4"x4" to 6"x6" **minimum** (depending on packaging size) to ensure handling personnel can see from a distance.
- Must be approved by THD packaging engineering team by sending request for evaluation and detailed information on the product and package (include, pictures inner packaging & outer packaging, weights, SKU) to [packaging\\_support@homedepot.com](mailto:packaging_support@homedepot.com).

Please see 6.5.3.2 Packaging Transit Testing to determine if any clamp mark is required for your products.

#### 6.5.1.2.1 Master Carton

**Besides all the above requirements for secondary packaging**, all master cartons for The Home Depot must comply below requirements for design, material, structure and marks.

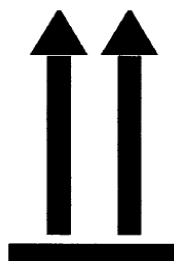
**Box Style**— RSC (Regular Slotted Container, below left) box is preferred for master cartons. Based on product and case quantity, some master cartons might be FOL (Full Overlap Slotted Container, below right). Please see [Packaging Supplemental Guide](#) for master carton template.



**Box Material** – C flute corrugated is preferred for single wall boxes and B/C flute corrugated is preferred for double wall boxes.

**Hand Holes** – Hand holes are needed for heavy products (over 70 lbs.) that require two person lift. Sometimes the hand holes with plastic inserts are required for certain product such as Christmas trees. Please see 6.5.1.4 Special Requirement for more details.

**Corrugation Direction** – The direction of corrugation must be the same as “arrow up” for master cartons.



#### 6.5.1.2.2 Display Package

**Besides all the above requirements for secondary packaging**, all display packaging for The Home Depot must comply below requirements for the size, design, material, structure, graphics and labeling.

##### PDQ Tray

PDQ trays can be served as shelf display tray or a component of QP display. All PDQ trays must behave fully functional by complying material and structure requirements.

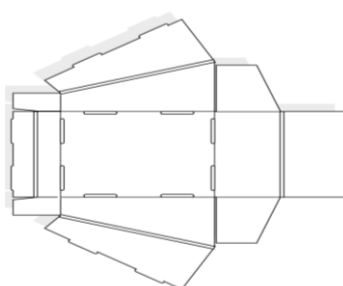
**PDQ Tray Functions** – PDQ trays must be able to support the weight of the product (no deformation, sagging or bursting allowed); support the products to stand in the intended position within the tray (no fall or tip over allowed); withstand the rigors from transportation, storage, handling, customer wear and tear for the life-cycle of the tray.

**PDQ Tray Material** – PDQ trays are required to be B-Flute corrugated (or as specified). Multi-wall board may be required when durability is needed for heavier product.



**PDQ Tray Structure** – PDQ trays must meet **minimum 200 psi** for burst strength. Burst strength need to be increased for heavier product to add durability and help reduce tray deformation.

**Recommended Styles** – Four-sided Rolled Edge PDQ tray is preferred for THD display. This tray style is a die cut angled display tray with rolled over edges on all panels.



## Cut Case

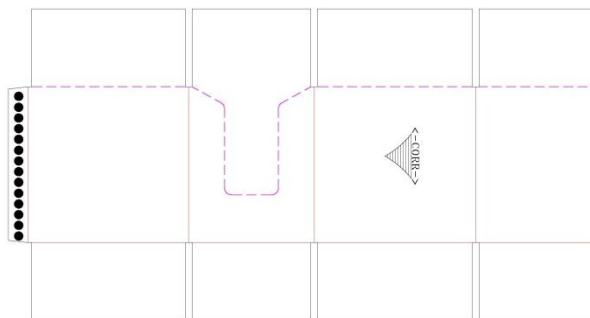
All cut cases are served as shelf display tray and must behave fully functional by complying material and structure requirements.

**Cut Case Functions** – Cut case must be able to support the weight of the product (no deformation, sagging or bursting allowed); support the products to stand in the intended position within the tray (no fall or tip over allowed); withstand the rigors from transportation, storage, handling, customer wear and tear for the life-cycle of the tray. This display will provide minimal structural support and is **NOT** recommended for use with large or heavy merchandise.

**Cut Case Material** – Cut cases are required to be B-Flute corrugated (or as specified). Multi-wall board may be required when durability is needed for certain products.

**Cut Case Structure** – All cut cases must meet **minimum 200 psi** for burst strength. Burst strength need to be increased for certain product to add durability and help reduce display deformation.

**Recommended Styles** – Pull Tab Cut Case is preferred for THD display. This display is cut from cartons for use as a display ready case. Please refer to the [Perforated Packaging Guidelines](#) for detailed requirements.







## Quarter Pallet Display (QP Display)

There are two types of QP display including Standard QP Display and Nested QP Display.

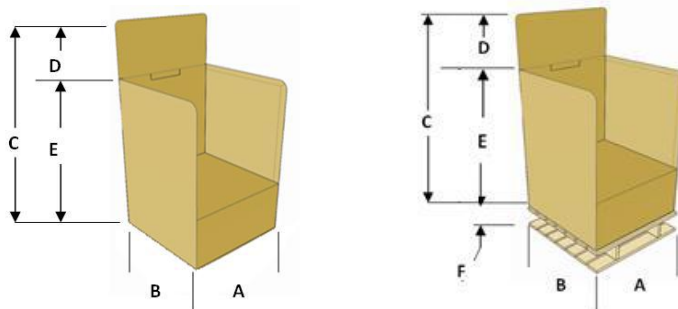
Standard QP Displays – If the void space is **30% or less**, standard QP should be used for display. These displays are shipped setup (only header card needs to be inserted at the Home Depot Store).

Nested QP Displays – If the void space is **greater than 30%**, nested QP should be used for display. These displays are shipped broken down to allow for optimum containerization and are setup at the Home Depot store by the Home Depot MET team. For all nested QP display, a one-page Assembles Instruction is required for store setup.

Pallet is required for both standard QP and nested QP display for heavier products.

	No Pallet Required	Pallet Required
<b>Standard QP Display</b>	<= 70 lbs.	>70 lbs.
<b>Nested QP Display</b>	<= 150 lbs.	>150 lbs.

For ALL QP display, The Home Depot has the specific dimension requirements.



Width* (A)	Depth (B)	Height w Header Card* (C)	Header Card Height (D)	Height w/o Header Card* (E)	Pallet Height (F)
15" to 24"	22"	52"	12"	40"	4.75" (4.50" + 1/4" tolerance on minus side)

Palletized QP Display – Pallet is required to be removed for store display except heavy products which cannot be handled without pallet at store. In such cases, the height of QP display (including header card and pallet) should be 52". Please confirm with the Merchant for the store display.

The Quarter Pallet used for display must meet the following minimum standard for size, material and structure.

Quarter Pallet Dimensions – Pallets must be 20" x 20" to 24" x 24".



**Quarter Pallet Material** – Pallets must be of all wood construction. All wood species are acceptable, except those in classes 7 and 14 in the Uniform Standard. Wood must be sound (no decay) and square edged. No cracks, protruding splinters, nail heads or points.

**Quarter Pallet Structure** – Pallet assembly, fastener quality and fastening schedule must comply with the Uniform Standard.

For special event and full-pallet display, please check with the merchant for approval and additional display requirements.

Please refer to [Display Packaging Requirement](#) for detailed requirements for all display packaging components.

### 6.5.1.3 Tertiary Package Requirements

All tertiary packages should follow requirements below.

Packaging System	Packaging Requirement
<b>Tertiary Package</b>	Product & Shipping Information
	Logistic Label Standard
	Right Sizing Structure
	Solid Wood Packaging Mark
	Pallet Requirement
	Pallet Exception Request Process
	Crate & Returnable Requirement

#### Product & Shipping Information

All tertiary packages must include product & shipping information and this information must be labeled on the “long side” with a sticker indicating the following information.

- SKU No. (s)
- Department No.
- Product Description (for ceramic tile and natural stone, must include shade and tile size)
- Country of Origin
- Case Quantity
- Purchase Order No.
- **Bilingual Requirement** – is not required for USA but it is required for **Canada** in English & French, and for **Mexico** in Spanish & English.

#### Logistic Label Standard

For all **IMPORT** products, Pallet/Unit Load Label is required for logistics purpose.



**SKU: 1234 567 890**  
**Dept Number: 24**  
**Purchase Order Number: 999999999**  
**Description: XXXX**  
**Country of Origin: XXXX**  
**Case Quantity: 6**

Minimum Label Size	Minimum Font Size	Maximum Font Size
5.5" x 8.5"	12 pt.	24 pt.

For all **DOMESTIC** products, GS1-128 label is required for logistics purpose. Additional information and examples can also be found at <http://www.gs1-128.info/>.

Label Format				
Zone A	Zone B		From	To
Zone C			Purchase Order Number(s)	
Zone D	Zone E		Store #	DC or TF#
Zone F			UCC-128	

GS1-128		
Zone	Zone Description	Requirement
Zone A	Ship From Information	Required
	Ship From Name	Required
	Ship From Address	Required
Zone B	Ship to Information	Required
	Ship to Store, DC or TF	Required
	Ship From Address	Required
Zone C	Purchase Order Information	Required
	Purchase Order Number(s) on pallet/unit	Required
Zone D	Ship to Location #	Required
	Store #	Required
Zone E	DC or TF Location #	Required
	DC or TF #	If shipping to DC or TF
Zone F	Barcode ID	Required
	UCC-128	Required

<b>From:</b> <b>American Mfg.</b> <b>101 Super Hwy</b> <b>Brooklyn, NY</b> <b>11201-2843</b>	<b>To:</b> <b>Home Depot</b> <b>1819 Federal Way</b> <b>Benton, NJ</b> <b>10712-1914</b>
PO: 70034120	
6177	5179
(00) 0 00 10831 000003324 5 	



Standard Label Size	Label Standard	Label Printing
4" x 6"	Pressure Sensitive	Black Ink

**Label Placement on Pallet** – The GB1-128 label should be placed midway up the pallet load on the outside of the shrink-wrap; for pallet loads less than three feet in height, place the label on top of the pallet. The label should face the rear of the trailer.

**Label Placement on Boxes** – The GB1-128 label should be placed on the long side of the box, not top or bottom. Organize multiple labels fence style (perpendicular to the top and bottom of the box), and unobstructed by packing tape, shrink-wrap or any other label.

## Right Sizing Structure

In order to protect products properly and optimize the cube utilization for shipment, tertiary packaging should be designed using right size. “Right Sizing” may be accomplished through two aspects.

**Proper Package Orientation on Pallet**– This would ensure maximum cube utilization of the pallet.

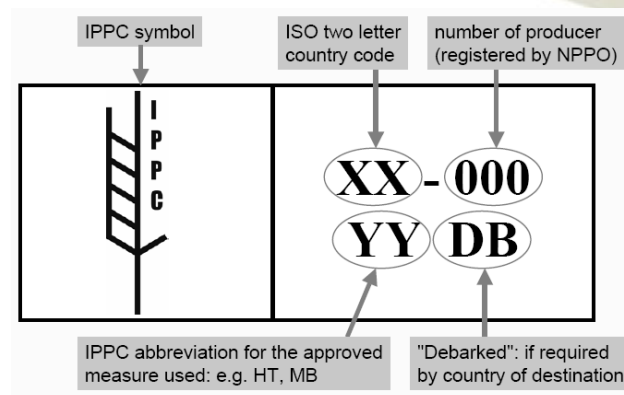
**Proper Corrugation Direction on Pallet**– this would ensure packaging strength for protection. The packaged product must be oriented on the pallet with the “Up Arrows” in the correct direction and the direction of the corrugation must be in the same orientation as the direction the package will be stacked.

Please refer to [Packaging Supplemental Guide](#) for further details on “Right Sizing”.

## Solid Wood Packaging Mark

All Solid Wood Packaging Materials (SWPM) designed for export must be treated in accordance with 7 CFR 319.40, ISPM15 and/or the government regulations of the country of import. Domestic shipments do not require treatment, but it is recommended that all domestic SWPM should be marked with “Do Not Export”.

**IPPC (ISPM 15) Stamp**– IPPC (ISPM 15) Stamp is required as treatment marking for SWPM. The stamp must be applied immediately after the treatment and at the same location as that of the treatment. The Home Depot will not allow for the SWPM to be moved to another location for marking (chopping) after treatment has been applied.



It is supplier/factory's sole responsibility to insure they are in compliance with the most updated government procedures, restrictions, and/or regulations governing SWPM and its treatment, not limited to what listed in this document.

Supplier/factory takes all responsibility for any noncompliance and the resulting penalties, associated cost, and all cost incurred by Home Depot. Non-compliance could result in:

- Stopped shipment and IRNs will be held until corrected
- 100% factory audits and inspections of all SWPM
- Destruction/disposal of shipment due to infestation
- Punitive fines of three times the cost of the good due to infestation
- Shipment return to origin country due to infestation

Please refer to [Packaging Supplemental Guide](#) for detailed requirements of solid wood packaging treatment and marking.

### 6.5.1.3.1 Pallet Requirements

All pallets used for The Home Depot should be designed with flush, partial 4-way and non-reversible. Pallet assembly, fastener quality, and fastening schedule must comply with the Uniform Standard. All criteria are consistent with GMA "Grade A" pallets.

- Pallets must be of all **SOLID** wood construction and all wood species are acceptable for use, except those in classes 7 and 14 in the Uniform Standard for Wood Pallets, as published by the National Wooden Pallet and Container Association (the Uniform Standard, [http://www.palletcentral.com/images/files/nwpcan\\_uniform\\_standard\\_for\\_wood\\_pallets\\_2012.pdf](http://www.palletcentral.com/images/files/nwpcan_uniform_standard_for_wood_pallets_2012.pdf)).
- The wood must be sound (no decay) and square edged.
- Knots must not be larger than 1/3 the width of the board.
- No serious cracks, protruding splinters, protruding nail heads or points are allowed.

Use of plywood, manufactured wood, paper or corrugated pallets is **PROHIBITED** for all The Home Depot products. For additional questions regarding the use of these pallets please contact The Home Depot Package Engineering Department at [packaging\\_support@homedepot.com](mailto:packaging_support@homedepot.com).



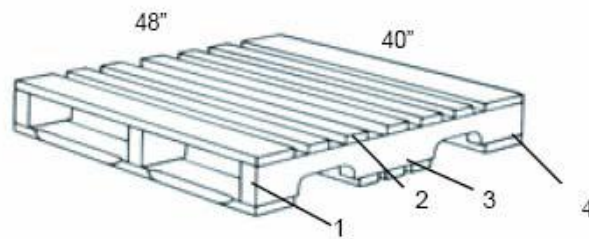
All pallets used for The Home Depot should follow below structure requirements.

	Maximum Weight incl. Product	Standard Pallet Size	Pallet Tolerance*	Minimum No. of Bottom Boards per pallet*	Notching Space
<b>Regular Duty Pallet</b>	2500 lbs.	40" x 32" 48" x 40"	40" x 32", +¼" and -½" 48" x 40", +¼" and -½"	4 per 40" x 32" pallet 5 per 48" x 40" pallet	40" x 32", 5.5" from each end 48" x 40", 6" from each end
<b>Heavy Duty Pallet*</b>	3500 lbs.	72" x 40" 96" x 40"	72" x 40", +¼" and -½" 96" x 40", +¼" and -½"	6 per 72" x 40" pallet 8 per 96" x 40" pallet	72" x 40", 27"-30" on center 96" x 40", 27"-30" on center

**Pallet Tolerance** – Pallets that do not meet within the specified tolerances are required for an exception request. This ensures The Home Depot Safety Team is aware of any non-compliant sized pallets.

**Top & Bottom Boards** – No missing or broken top or bottom boards for any pallet.

**Heavy Duty Pallet** – Heavy Duty Pallets are required for the certain heavy products including Roofing (shingles, rolled roofing), Sealers/coatings (driveway, roof), Concrete bagged goods, Ceramic and stone tile, Brick, block, pavers, edging and stone (including bagged stone), Countertop.



	Minimum Thickness of Top and Bottom Deck Boards (2&3)	Minimum Width of Bottom Lead Deck Boards (4)	Maximum Spacing between Top Deck Boards (2)	Minimum Width of Bottom Deck Boards (3)	Minimum Stringer Size* (1)
<b>Regular Duty Pallet</b>	5/8"	5.50"	3.25"	3.50"	Width 1.50" Height 3.50" (+ or - 1/8")
<b>Heavy Duty Pallet</b>			1.50"	5.50"	

**Stringers** – At a minimum, 3 stringers are required. Additional stringers may be needed depending on pallet dimensions. Stringers must have a maximum spacing of 18". All stringers must be solid, unbroken and notched in two places, 9" long, with 2" vertical opening (including thickness of bottom boards) and ½" curved radius corners. No repaired stringers or companion stringers.

**Deck Board** – All deck boards must be attached with a minimum of two 11-12 gauge, 2-1/4 inch helically or annually threaded nails, staggered, per connection.





## Pallet Exception Request Process

The Home Depot is dedicated to providing a safe environment for our customers and our employees at all our stores as well as distribution facilities. As part of our effort to continuously improve safety conditions, we have redesigned our pallet requirements. We are asking our suppliers to review their current shipping platforms and convert to the standard pallet requirements for your products. If, however, you are unable to use our standard platform, please review our exception process and submit the necessary documents.

Suppliers must formally request any variations from these standards, and receive written authorization from The Home Depot Supplier Performance Council. **The Home Depot must approve all exceptions to the Shipping Platform Standards.**

To be considered for use of an alternative platform, the supplier is required to perform the following:

*Shipping Platform Exception Form* – the form must be completed by supplier at <https://www.formrouter.net/forms01@THDAM/ShippingStandards/default.asp>. Once you submit the form, it is automatically uploaded into our system. You will receive an email from The Home Depot confirming receipt of your request within 24 hours of submission.

*Load Capacity Documentation* – All exception requests must include documentation that the requested platform meets the minimum 2800 lb. load capacity. This measurement is based on each pallet's safe maximum load weight when stacked 3 unit loads high and is measured on PDS analysis. Although you may not actually stack your pallets 3 unit loads high, we still need to see what the safe physical weight capability is. One of the following analyses must be used:

- *Pallet analysis* – The Pallet Design System (PDS) <http://www.palletcentral.com/>. For information on the PDS, visit the National Wooden Pallet & Container Association site, <http://nwppca.com/PDS/PalletDesignSystem.htm>.
- *ASTM D-1185* – “Standard Test Methods for Pallets and Related Structures Employed in Material Handling and Shipping”. ASTM test must be performed by a certified lab. Required tests include:
  - a) Spacers
    - Pallet Compression Test of Deck
  - b) Bending Test of Pallet Decks
  - c) Free Fall Drop Test
  - d) Incline Impact on Pallet Deck Edges
  - e) Vibration Test on Loaded Pallets

*Documentation Submission* – Please submit the appropriate test method documentation to the attention of Global Supplier Performance – Shipping Platform Standards via: [safety\\_support@homedepot.com](mailto:safety_support@homedepot.com).

For **Quarter Pallets Display**, all QP displays weighing more than 70 lbs. must be palletized. For evaluation of exclusion to this requirement, an exception must be filed with The Home Depot Packaging Department [packaging\\_support@homedepot.com](mailto:packaging_support@homedepot.com).

Any pallet granted an exception (Standard or Quarter pallet) must be stenciled top deck in large print (1 inch minimum) “DO NOT REUSE” black or red ink or paint only.



Submission of a request for exception does **NOT** imply that an exception is granted. Suppliers are still responsible for compliance to the defined standards while a decision is pending. Once a decision is made, you will receive written confirmation as to whether or not your request was approved. Please maintain a copy of this response so that it can be made available upon request. If you have any questions, please contact us at [safety\\_support@homedepot.com](mailto:safety_support@homedepot.com).

#### 6.5.1.3.2 Crate & Returnable

All crates and returnable containers must be designed and constructed for multiple points of handling, through various types of equipment.

- Crates and returnable containers may be handled with fork trucks, pallet jacks or clamp trucks throughout The Home Depot supply chain.
- The Home Depot supply chain may cause your package to come in contact with other dissimilar packages and stacking or storage with these good may be necessary.
- Crates and returnable containers must be designed to accommodate various types of equipment and resist damage.
- Crates and returnable containers should be tested using both a series of laboratory simulations (such as ASTM D-4169 or ASTM D-1185) as well as real world test shipments prior to implementing with The Home Depot.

Crates and returnable containers must be approved by The Home Depot (*Supply Chain, Safety and Package Engineering*) before use in the supply chain. Contact your merchant or supply chain contact for further details on the approval process.

#### 6.5.1.4 Special Requirements

**Besides all requirements described in previous section**, packaging need to follow special requirements below for hazardous materials, certain Dept. /product category and private brand.

##### 6.5.1.4.1 Hazmat Requirements

For any materials being shipped into a store or distribution facility of The Home Depot that are considered hazardous materials, please refer to the specific requirements for approval found in the 1.7 Selling Restrictions section of this guide. In addition to the other approval and safety requirements outlined in this guide, suppliers are responsible to ensure the following packaging criteria are fulfilled when any hazardous substance/material is shipped to a facility of The Home Depot:

- All packaging must be compliant with Federal, state and local requirements. Packaging for hazardous materials must conform to the required DOT (49CFR) or UL standards.



- All packaging must be labeled in accordance with all regulatory guidelines as well as in a manner to afford safe handling and merchandising in The Home Depot stores.
- All packaging must be tested to the minimum distribution testing standards of The Home Depot. Typically this requires ISTA Series 1 or Series 2 testing. See the testing section of this guide to determine the appropriate test protocol for your packaging type. A copy of this test report from a certified ISTA lab may be requested by The Home Depot.

#### **6.5.1.4.2 Dept./Product Category**

Besides ALL packaging requirements described in the whole section, certain products also need to follow special requirements below.

##### **D28 Outdoor Garden Requirements**

The Home Depot Suppliers should follow the recommended best practices for the proper and safe packaging for D28O – Outdoor Garden. Please see [D28 Outdoor Garden Best Practices](#).

##### **Ceramic Tile & Natural Stone Packaging**

Unique pallet and packaging systems are necessary for ceramic tile and natural stone. Ceramic tile that is shipped on conventional pallets must meet all THD required shipping platform standards. Natural stone and other products shipped in crates or packaging systems other than pallets must comply with standards published in the [Tile Guide, Packaging and Testing Guide](#).

##### **Lumber & Plywood Packaging**

Each piece of lumber must be individually labeled with a UPC label or tag. Each piece of plywood must have the UPC located on one of the four corners using a heavy duty heat resistant adhesive. Adhesive for the labels should not leave any residual marks on the lumber.

- Each label or tag must contain the product description as well as barcode information.
- Recognized exceptions are Plywood Siding; Pressure Treated Plywood or Cabinet Grade Plywood.

##### **D59 Door and Window Packaging**

Please contact The Home Depot safety team [safety\\_support@homedepot.com](mailto:safety_support@homedepot.com) for detailed packaging requirements for doors and windows.

##### **D26 Faucet Packaging**

All faucet packages for The Home Depot must include a lead free identifier dot. Please see [Packaging Supplemental Guide](#) for detailed information.





## D27E Light Bulb Packaging Best Practices

The Home Depot Suppliers should follow the recommended best practices for the proper and safe packaging for light bulbs for The Home Depot Corporation. Please see [Bulb Packaging Best Practices](#).

## Live Goods Packaging

Pay by Scan (PBS) – All consignment suppliers for live goods are required to place “PBS” onto all consignment UPC barcode labels for easier product identification. “PBS” must be in BOLD black lettering with a font size of 10-12, and centered directly above and below or to the left and right of the UPC barcode. The “PBS” cannot interfere with the scan ability of the barcode. Below is the example of PBS label.



## Plastic Bag Packaging

According to states regulations and United States Consumer Product Safety Commission (CPSC), The Home Depot requires that poly/plastic bags with an opening size of 5” or more (regardless of the bag thickness) **MUST** have a suffocation warning. The warning statement must be bilingual for all products – English and Spanish for **USA**; English and French for **Canada**; Spanish and English for **Mexico**.

Such warning statement should be imprinted in a prominent place on the plastic bag, directly printed or appear on a label securely attached to the bag in a prominent place. The warning should also be printed in legible type which is contrasted by typography, lay-out or color from other printed matter on the bag, if any.

- The label or printing shall appear on both sides of a bag.
- In the case of bags whose total length and width is more than 40 inches, the label should be repeated at 20-inch intervals.
- Air holes are recommended but not required. When contents of the bag allow, the bag is to be perforated with holes (recommended ¼ inch diameter holes) to further reduce the risk of suffocation.

Please refer to CPSC <http://www.cpsc.gov/> and <http://www.plasticsindustry.org/files/industry/Plastic%20Bag%20Warning%20Label%20Requirements%202012-12-04%20pdf.pdf> for more details.

## Liquid Packaging Requirements





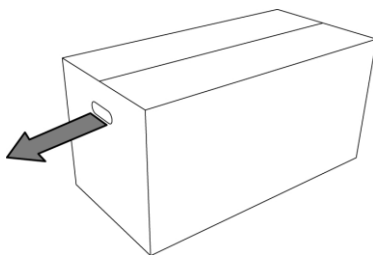
Any products that are sold in a liquid format and also travel through The Home Depot distribution network must take special precautions to avoid potential spills and leakage. It's of utmost importance that liquid packages are properly marked for all aspects of transportation and handling (HAZMAT, Handling Marks, etc.). If a liquid package requires venting for safety purposes, the package must be approved by THD Supply Chain and Packaging Engineering and must be marked to identify this risk.

Please keep in mind The Home Depot supply chain may cause your package to come in contact with other dissimilar packages and stacking or storage with these good may be necessary. Liquid filled containers should be tested using both a series of laboratory simulations (such as ASTM D-4169 or ISTA Series 1, 2 or 3) as well as real world test shipments prior to implementing with The Home Depot.

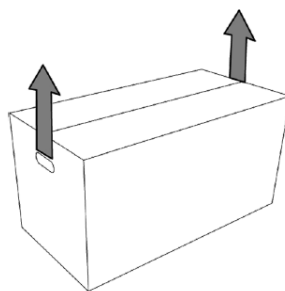
### Hand Hole Requirements

For general merchandising, packages over 75 lbs. are strongly recommended to have hand holes for the purpose of easy handling. Examples include toilets, water heaters, Christmas trees and etc.

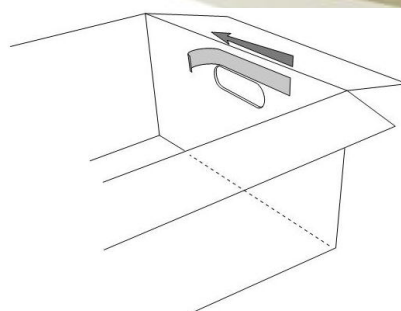
**Horizontal Reinforce** – All hand holes must be adequately reinforced to ensure no tearing or damage when carton is pulled horizontally from shelf or along floor.



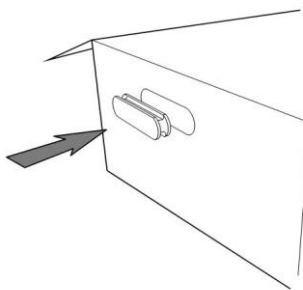
**Vertical Reinforce** – All hand holes must be adequately reinforced to ensure no tearing or damage when carton is vertically picked up from shelf or cart, conveyed to checkout and consumer vehicle.



**Tape & Tape Strip** – Tape can be buried inside corrugated board to reinforce the hand holes strength (left picture). Tape strip can be also applied inside corrugated box to avoid tearing damage (right picture).



**Plastic Insert** – Plastic inserts can be applied to reinforce the hand holes strength and avoid tearing damage.



For The Home Depot private branded product, please contact your assigned Product Development Merchant (PDM) or [packaging\\_support@homedepot.com](mailto:packaging_support@homedepot.com) for detailed requirements.

#### 6.5.1.4.3 Private Brands

Besides ALL packaging requirements described in the Packaging Engineering Section of this document, private branded products also need to follow special requirements below.

**Importer of Record** – For products sold in USA, Canada and Mexico, The Home Depot name and address must to be posted on private branded, Home Depot Licensed Brand, or other selected brand products (must first be approved by Home Depot).

- Distributed By:  
Distribuido Por:  
The Home Depot  
2455 Paces Ferry Rd.,  
Atlanta, GA 30339  
<http://www.homedepot.com>

**USA** applied address:

- Distributed By :  
Distribue Par :  
The Home Depot  
2455 Paces Ferry Rd., NW  
Atlanta, GA 30339  
<http://www.homedepot.ca>

**Canada** applied address:







The information for Canada must be minimum 1.6 mm font size for the smallest letter and cannot be placed on the bottom of the package.

- **Mexico** applied address:  
Importador/Importer:  
Servicios Home Depot, S. de R.L. de C.V.  
Ricardo Margain 605  
Santa Engracia, San Pedro Garza García,  
Nuevo Leon, C.P. 66267  
Mexico Tel. 01 800 46633  
<http://www.homedepot.mx>

Copyright Information – For all private products in **USA, Canada** and **Mexico**, the copyright information will no longer be required to be printed on the package. This copyright information should be removed from all current packaging and not included for new packaging for The Home Depot private products.

SKU Number – All private branded packages must include The Home Depot 10-digit SKU number.

Packaging & Printing Requirements – Packaging requirement documents are available for private branded products. Please check with your Product Development Merchant (PDM) or [packaging\\_support@homedepot.com](mailto:packaging_support@homedepot.com) for detailed information.

Critical To Quality (CTQ) – CTQ testing is required for all private branded packaging. Please check with your assigned service provider for testing requirement and sample submission.

## 6.5.2 Packaging Process

To ensure all products go through supply chain smoothly and arrive at stores in excellent condition, all packaging systems designed for The Home Depot should be compliance with packaging process requirements for printing & labeling, carton closure, unitization, stretch wrapping & banding and container loading process.

### 6.5.2.1 Printing Requirements

Generally, paperboard packaging will require one of two kinds of printing, Flexography (Flexo) and Offset Lithography (Litho).

**Flexography (Flexo)** is a type of rotary letterpress printing using flexible plates and fast-drying, water-based inks.

Application – Master cartons are usually printed using a single color (black) flexographic print to provide basic transportation markings.

Print Cover – All of the printed areas should be uniform in color intensity and free from voids.

Sharpness – All edges of the printed piece should be clean, crisp, with no distortion and no filling in of the lettering.

Print Register – This is to assure the alignment of printing to the substrate. The “tolerance” for flexo print register variation is +1/8".





**Offset Lithography (Litho)** is a printing process using a plate that has been chemically treated so that the image to be printed is receptive to ink, while blank areas repel ink.



**Application** – This process is used primarily for fine reproduction, including labels and fiberboard boxes. Retail packaging is typically printed with multicolor offset or lithography printing, to achieve a higher quality finish and utilize more refined graphics.

**Inks & Paper** – All inks and paper must meet or exceed the requirements set forth in the Toxins in Packaging Clearinghouse Requirement. See the section on 6.5.4 Packaging Environmental Attributes for details.

**Ink Rub Test** – Printed surface must pass at 300 strokes with no less than a 4 lbs. weight. No scratches allowed.

**Coatings** – The Home Depot prefer color boxes printed with aqueous varnish topcoat to protect the printed surface. However, in some applications which see rough handling, a more durable UV Gloss varnish may be needed. PP laminations should not be used.

### 6.5.2.2 Carton Closure

All corrugated shipping containers must be securely closed using certain closure methods including tape, glue, staple or band.

Closure Method	Product Weight	Application
<b><i>Tape*</i></b>	All	Flap closure
<b><i>Glue*</i></b>	<50 lbs.	Manufacturers joint & flap closure
	>50 lbs.	Manufacturers joint
<b><i>Staple</i></b>	>50 lbs.	Bottom flap closure & manufacturers joint
<b><i>Band</i></b>	ONLY permitted with exceptions	

*\*Tape and Glue are preferred closure methods for The Home Depot packaging.*



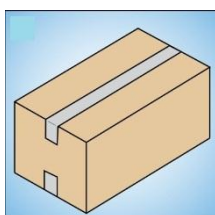
## Taping Requirements

According to ASTM D1974 and closure method 2B7, corrugated boxes must be closed with standard 2" wide (51 mm) or 3" wide (76 mm) tape. All tapes that are using for The Home Depot products must follow below requirements.

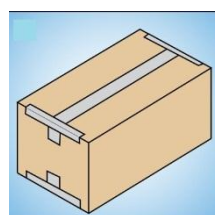
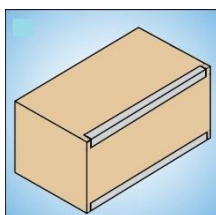
Class 2 – All tapes must be Class 2 clear tape. No color tape allowed for The Home Depot products.

Type III – All tapes must be Type III water-resistant polypropylene tape.

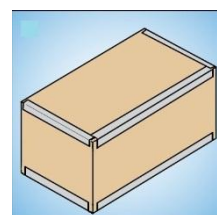
Tape Width	Package Weight	Or	Package Width
2" (51 mm)	<25 lbs. (11.3 kg)	Or	<24" (61 cm)
3" (76 mm)	>25 lbs. (11.3 kg)	Or	>24" (61 cm)



Light Duty



Heavy Duty



Smooth & Consistent – For cartons that are taped, tape must be applied in a smooth and consistent manner, without wrinkles or bubbles. If the carton is primary packaging, bubbles and wrinkles should not be visible to the consumer when viewing the carton from a distance of 2.0 meters.

Logistics Barcode – The tape must not obscure the logistics barcode (UPC or i2of5) in any way. Taping that obscures with the barcode may result in chargebacks.

Free of Dirt – Applied tape shall be colorless and free of dirt and debris.

Tape Length – Tape must be applied evenly along the entire length of top and bottom flap seams. Distance from flap seam to edge of tape shall not vary by more than 10mm over the entire length of seam. Ends of carton flaps shall be aligned to within 2.5mm. Flap seams shall be even and closed to within 2.0mm.

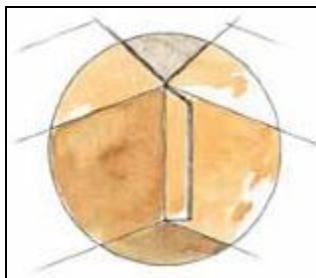
Single Strips – Only single strips of tape shall be to each required location. Multiple strips of tape are only permissible on cartons that have been re-sealed after inspection.

For primary packaging taping closure, please follow requirements in [Home Depot Tape Requirement](#).

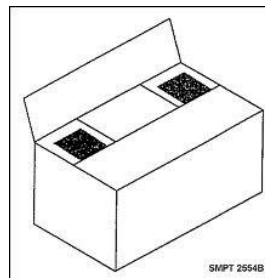
## Glue Requirements



Glue can be used in the securement of manufacturers joint and carton closure.



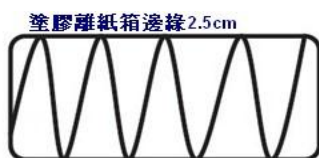
*Glued Manufacturers Joint*



*Glued Carton Closure*

For all carton closure,

- segments along the inner side of minor flaps. Below is the recommended (left) and unacceptable (right) glue pattern.



- Depending on performance requirements, multi pattern glue beads should be used with a length of 2" or more.
- Glue bead should be flattened and provide significant fiber tear when opened. This will vary depending on the substrate being glued.
- Varnishes and other surface energy reducing coatings should be avoided in glue areas to maximize bond strength.

## Staple Requirements

Staple can be ONLY used for cartons heavier than 50 lbs. in certain area, including the bottom flaps closure and/or along the manufacturer's joint.

- Staples must never be used at any point on the package that will require the customer to gain access at that point.
- Selected staples must be galvanized or coated to prevent rusting/corrosion that would affect the appearance and/or structure of the carton.
- Or allowed exceptions by the Home Depot Packaging Team

## Banding Requirements

Banding can NOT be used as closure method unless specified by The Home Depot. See below applications where banding can be used:



**Ceramic Tile Packaging** – Banding (or gluing) two packages together when positioned on pallets to provide a more stable load.

**Faucet Packaging** – Banding is needed where shrink or loss is an issue.

**Display Packaging** – The HSC covering the displays must be banded and no tape should be used. Banding is used to fasten the HSC over the display packaging so damage does not result to the display appearance as caused by the removal of the tape.

**Banding Material** – Banding material needs to be Green ½ inch Embossed Polyester.

Please contact [packaging\\_support@homedepot.com](mailto:packaging_support@homedepot.com) for more information or questions regarding closure method.

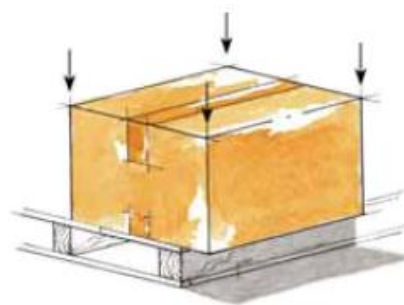
### 6.5.2.3 Unitization

In order to maximum cube utility and save freight cost with excellent packaging functions, supplier should follow below unitization requirements.

#### Pallet Overhang/Undersize

The Home Depot recommends a -1 inch (each side) maximum undersize to optimize the pallet size and containerization. The pallet for fragile product that is susceptible to damage must be made slightly oversized to protect the product (Example: grills, tile, laminated flooring, product with glass, tile or natural stone, etc.)

The Home Depot allows a +1 inch (each side) maximum overhang with the product vertical orientation according to its intended stack configuration. The strength of the carton is at the outer edges and corners. The overhang will compromise this and could result in damage to the package and/or product. **Overhang will reduce stacking strength by 20 – 40%.**



*Overhang reduces stacking strength.*

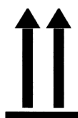


## Packaging Stack for Pallets

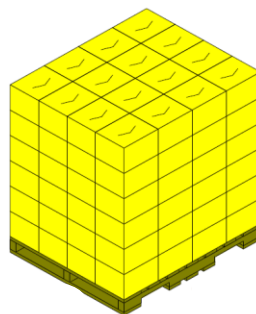
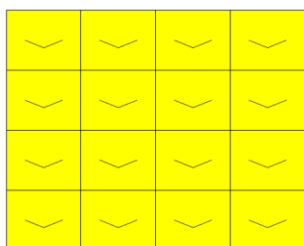
Product shipped on a pallet throughout The Home Depot supply chain, must be stacked less than 48" (including pallet height) to enable placement in racks. This requirement is not applicable for shipment into our RDC locations.

Product shipped directly to stores (Store Direct Shipments) will have a stack height of less than 84 inches (including pallet height) and be capable of passing ASTM D1083-91 Stability Test requirements at a minimum.

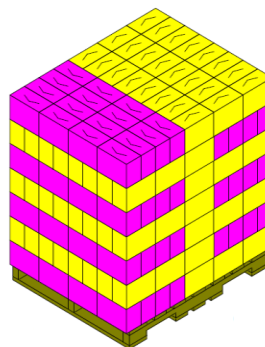
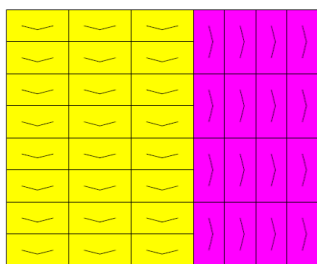
There are three pallet patterns. **All packages need to be stacked to follow up arrows or corrugated flute direction.**



Column Stacking– Column Stacking provides the best stacking strength and utilizes for large stable products over 12" L/H/W. Supplier needs to ensure vertical corner to corner alignment because misalignment of columns will result in **15% reduction** in compression strength.

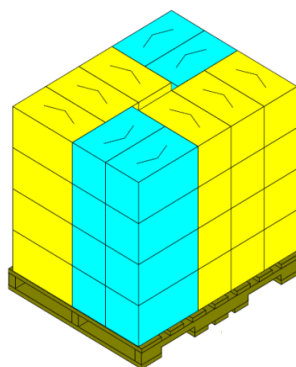
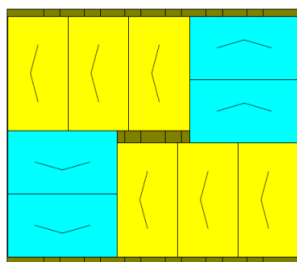


Interlock Stacking– Interlocked patterns provide the most stability however reduce stacking strength. Small boxes (H > L or W) that need maximum stability can be interlocked. But interlocking reduces strength **up to 60%**.



Pinwheel Pattern– Pinwheel or Tri-block patterns provide additional stability and utilize for mid-sized products that need additional stability. Supplier also needs to ensure vertical corner to corner alignment to avoid misalignment and strength reduction.





## Unitization Weight Requirements

Certain packages are required to be palletized for machine lift throughout The Home Depot supply chain.

Packaging System	Package Weight	Unitization
<i>Standard Display</i>	>70 lbs.	Quarter Pallet
<i>Nested Display</i>	>150 lbs.	Quarter Pallet
<i>All Other Packaging</i>	>150 lbs.	Standard & Heavy Duty Pallet

Please see 6.5.1.3.1 Pallet Requirement for detailed pallet information and pallet exception process.

### 6.5.2.4 Stretch Wrapping & Banding

To ensure adequate load containment during the shipping and handling process, all palletized/unitized products must be stretch wrapped and/or banded to the pallet. In the selection of a securement method the supplier must insure that the method selected best contains the product and protects the public's and product's safety. Heavier product must be banded and may require both stretch wrapping and banding depending upon configuration.

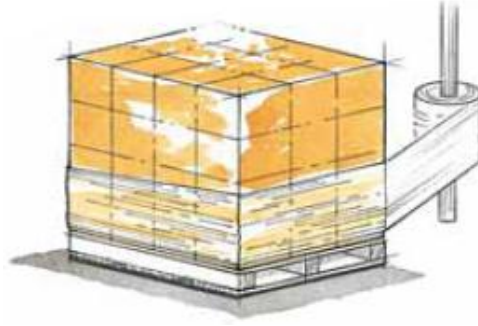
#### Stretch Wrapping Standard

Stretch wrap can completely enclose and contain the pallet load so the boxes do not move from their vertical columns. It also provides a moisture barrier and protects against abrasions and dirt. Below are the minimum standards for stretch wrap when shipping palletized products to The Home Depot.

- Stretch wrap must be 75 gauge or higher. If product is merchandised/stored in D28 – Outside Garden or other outside environment, UVI protected film is required.



- polyethylene film made of DuPont "Surlyn" brand wrap or equivalent. Stretch wrap must be low density or equivalent.
- 50% overlap. Stretch wrap must be applied with a
- down over the pallet and cover all 4 corners of the pallet. Stretch wrap must be applied mid-way



- wraps at bottom of the pallet and the top of the load. Stretch wrap must be applied with 3 full
- stretch wrapping, which will result in box crushing (see below picture as an example). Supplier must avoid high tension when



## Banding Standard

Banding may be used as an alternative or in addition to stretch wrap. Below are the minimum standards for banding when shipping palletized products to The Home Depot.

**Banding Material** – ½ inch Polychem green embossed polyester or better strapping is recommended. No metal strapping is allowed for all Home Depot products due to safety concerns.

**Minimum Band** – A minimum of 2 bands must be used to secure product to the pallet. At least 3 bands are required if product is 16 feet or longer.

**Edge Protector** – Edge protectors must be used at all places where the banding would contact the product or the primary (retail) package to guard against damage.



**Banding Selection** – Banding selection and use must comply with the most recent standards published by the American Society for Testing and Materials (ASTM):

- 1) for Strapping, Flat Steel and Seals ASTM D 3953 – Standard Specification
- 2) for Strapping, Nonmetallic (and Joining Methods) ASTM D 3950 – Standard Specification
- 3) Selection and Use of Flat Strapping Materials ASTM D 4675 – Standard Guide for

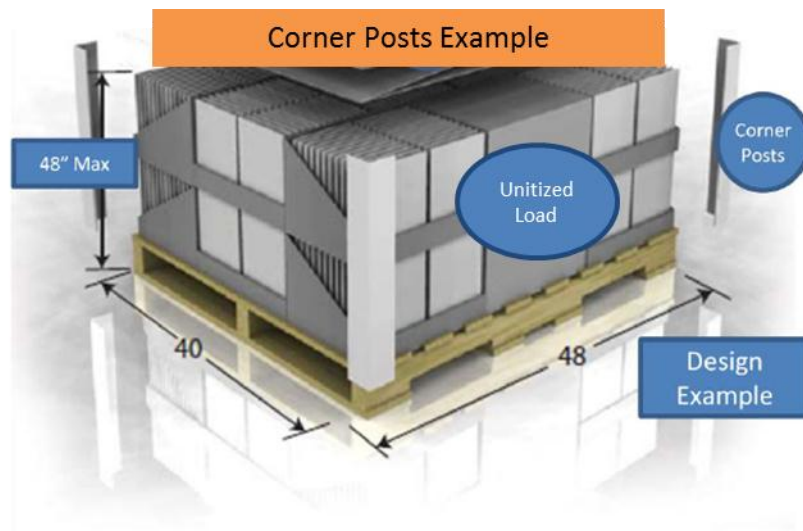
**Lumber & Engineered Building Material** – Banding for lumber and engineered building materials must meet applicable Association of American Railroad (AAR) requirements for that product and bear the AAR stamp.

**Tiles, Laminated & Vinyl Flooring** – All tiles, laminated flooring and vinyl flooring must be banded along with stretch wrapping (stretch wrap alone will not contain these heavy loads). Banding must be completed two bands front to rear and two bands side to side minimum.

**Heavy Product** – All heavy items must be banded on all 4 sides to prevent movement or slippage in all directions.

**Crated Product** – All crated items must be banded if these items are not secured through blocking and bracing or other means within the crate. Redistribution of weight within the crate can result in safety issue when lifting, and/or movement of the crates.

**NOTE:** For heavy product or certain configurations, corner posts should be placed as needed or requested by The Home Depot before stretch wrapping and/or banding process. Corner posts can prevent damage to the corners of unitized loads and increase vertical stability during distribution.





### 6.5.2.5 Container Loading Process

In order to ensure that all products arrive at The Home Depot store in excellent condition, supplier must follow requirements for container loading process, including container weight limitations, container condition check, packaging condition check and loading process standard.

#### Container Weight Limitations

It is supplier's responsibility to ensure total cargo weight is within the weight limitation of each type of container. Supplier should check the loading plan and cargo package dimension before loading. If the total measurement or total gross weight is above the container's size or weight limit, supplier should change container size or change the loading plan and notify the Origin Cargo Manager (OCM) of any deviations from the original booking.

Container Type	CBM Limitation	Gross Weight Limitation* (KGS)		
		USA	CANADA	MEXICO
20' DRY	28	19,500*	21,300	20,400
40' DRY	56	19,500*	21,300	20,400
40' HREF	56	19,000	20,800	20,400
40' HC	68	19,500	21,300	20,400
45' HC	75	19,500	21,300	N/A

\*20' and 40' dry container for USA – gross weight limitation is 21,300 KGS for tile **ONLY**.

*\*Unless otherwise advised by The Home Depot as an approved overweight program*

#### Container Condition

Supplier must check the overall condition of the container and ensure that it is in good condition before loading process. This check should be performed by the driver picking up the empty container to avoid having to return an unsatisfactory container to the depot. Supplier must ensure the container meets ALL below requirements before loading process to avoid container rejection. Otherwise, a new container has to be requested from the carrier.

Holes Damage – All containers should not have any holes damage.

Dirt – All cargo containers for shipment to The Home Depot are to be free and clear of dirt which can lead to infestation. Dirt Clusters on or in the container should not exceed 1 inch diameter.

Odor & Ventilation – Container should be free of strong odors which may affect the loaded product or individuals entering the container. Containers should be properly ventilated to avoid any issues with moisture or fumes prior to use.



**Moisture** – High humidity is not allowed in the container, which can reduce the box stacking strength up to 90%. High moisture content can lead to mold and mildew growth in distribution. Mold and mildew can result in safety concerns and product quality degradation and unsaleable goods. Containers with wood floors should be inspected with a hydrometer to assure moisture levels below 20%.

**Desiccant use** – The supplier is responsible for providing any needed container desiccant to any shipments that may be affected by moisture in transit. Properly secured and sealed desiccant containers must be used.

**Infestation** – All containers for shipment to The Home Depot must be insect-free. Foreign insects are not permitted on containers due to infestation and ecology problems. Product will be rejected by customs and shipments will be returned to the port of origin if the container is found infested.

**Fumigation** – No fumigation is allowed in the container. Home Depot Supplier is responsible to insure full compliance with latest standard. For more information regarding fumigation treatments and compliance requirements, please reference:

- Aphis/USDA  
[http://www.aphis.usda.gov/newsroom/hot\\_issues/wood\\_packing.shtml](http://www.aphis.usda.gov/newsroom/hot_issues/wood_packing.shtml) (Please reference links to Import & Export requirements.)
- IPPC ISPM15  
[https://www.ippc.int/servlet/BinaryDownloaderServlet/133703\\_ISPM15\\_2002\\_with\\_Ann.pdf?filename=1152091663986\\_ISPM\\_15\\_2002\\_with\\_Annex1\\_2006\\_E.pdf&refID=133703](https://www.ippc.int/servlet/BinaryDownloaderServlet/133703_ISPM15_2002_with_Ann.pdf?filename=1152091663986_ISPM_15_2002_with_Annex1_2006_E.pdf&refID=133703)  
[https://www.ippc.int/index.php?id=1110798&tx\\_news\\_pi1\[showUid\]=1106124&frompage=1110618&type=news&L=0#item](https://www.ippc.int/index.php?id=1110798&tx_news_pi1[showUid]=1106124&frompage=1110618&type=news&L=0#item)

## Packaging Condition

Supplier must check the overall condition of all packages and ensure that they are in good condition before loading process.

**Wood Packaging** – All wood packaging material (including pallets) should have moisture content at or below 20% at time of container loading. Mold/fungus formation will occur on the wood at higher moisture content levels. Shipments may be returned, fined or impounded by Customs Bureau if found to contain mold or fungus. The Home Depot Supplier will be responsible for all associated cost, delays and corrective action. Moisture and condensation of wood planking should be checked before loading process.

**Damaged Packaging** – All packaging should be checked for damage by supplier before loading process. Any damaged packaging must not be loaded into the container. Scuffed, punctured, dented or crushed boxes should be replaced. All packages should include the appropriate shipping marks, and the marks must be legible and clear at the time of container loading.

## Loading Process

Supplier must follow ALL requirements below for packaging handling and loading process.

**Packaging Handling** – Special attention needs to be paid by supplier when handling the packaging during loading process. Handling should not cause any packaging damages. Supplier is responsible for the handling and any damage cost occurred during loading process.



**Up Arrow** – All packages should be loaded with the right orientation – “Up Arrow”. It is supplier’s responsibility to comply with packaging orientation arrows.



**Head to Tail** – When more than one SKU is loaded in a container, all products should be loaded in order from the head to the tail of the container to ensure packages for each SKU are not mixed during loading which will enable smoother unloading operations at destination. Supplier should load one package of each SKU at the tail of container to assist in customs inspections.

**Freight** – Freight is a critical component to package integrity in distribution. All packages must be tightly stacked into the cargo container or trucks to minimize space for load shifting. Any vacant space in the container is to be filled with an air bag and inflated to the correct pressure as not to crush or damage adjacent product. Rope tie-downs and bracing to the floor and wall of the container is an acceptable alternative.



**Column Stacking** – All packages for one SKU should be column stacked so that all corners of each package are in alignment (misaligned boxes cause compression failures as showed in below picture); all SKUs for a PO must be loaded together in one grouping. This is the best way for packages to absorb the weight from the package on top of it.





**Small Packaging Box** – Supplier should avoid loading smaller packages at the tail of the container whenever possible. This will prevent packages from spilling out of container upon arrival.

**Overweight POs** – POs that are high density (1 CBM > 500 kg) needs to be floor-loaded and to be clearly indicated in the container loading plan. High density cargo container needs to be loaded across the floor evenly. In case the volume is not high enough to be floor-loaded from nose to tail, the heavy cargo should be loaded in the middle of the container to achieve weight balance within two-axes.

**Light Loaded Container** – Supplier should perform proper blocking and bracing of cargo container after loading is complete to avoid damage due to cargo shifting during transport.

**Cargo Container Handling** – Supplier should properly handle the cargo container. Prohibited actions include: throwing the cargo, standing on the cargo, or leaving the cargo unattended during the loading process. Supplier should make every effort to ensure even weight distribution of cargo (especially on the bottom layer) to avoid potential axle overweight and/or shift of cargo in transit. Light Cargo container must be loaded on top of heavy ones during ship loading process.

Loading audit and security sign-off is also required for container loading process. Please see 6.3 International Logistics for more details.

For more information or any questions, please contact your assigned OCM for further assistance.

### 6.5.3 Distribution Requirement

The Home Depot Supply Chain has become more complex and efficient over the past several years. In many cases this has changed handling procedures and increased touch points as product flows to our stores. It is important for THD suppliers to be aware of the different types of handling that might take place with their packaging throughout the supply chain and to the customer. It is imperative that The Home Depot's packaging standards are followed to reduce damages and allow product to arrive at our stores in excellent condition.

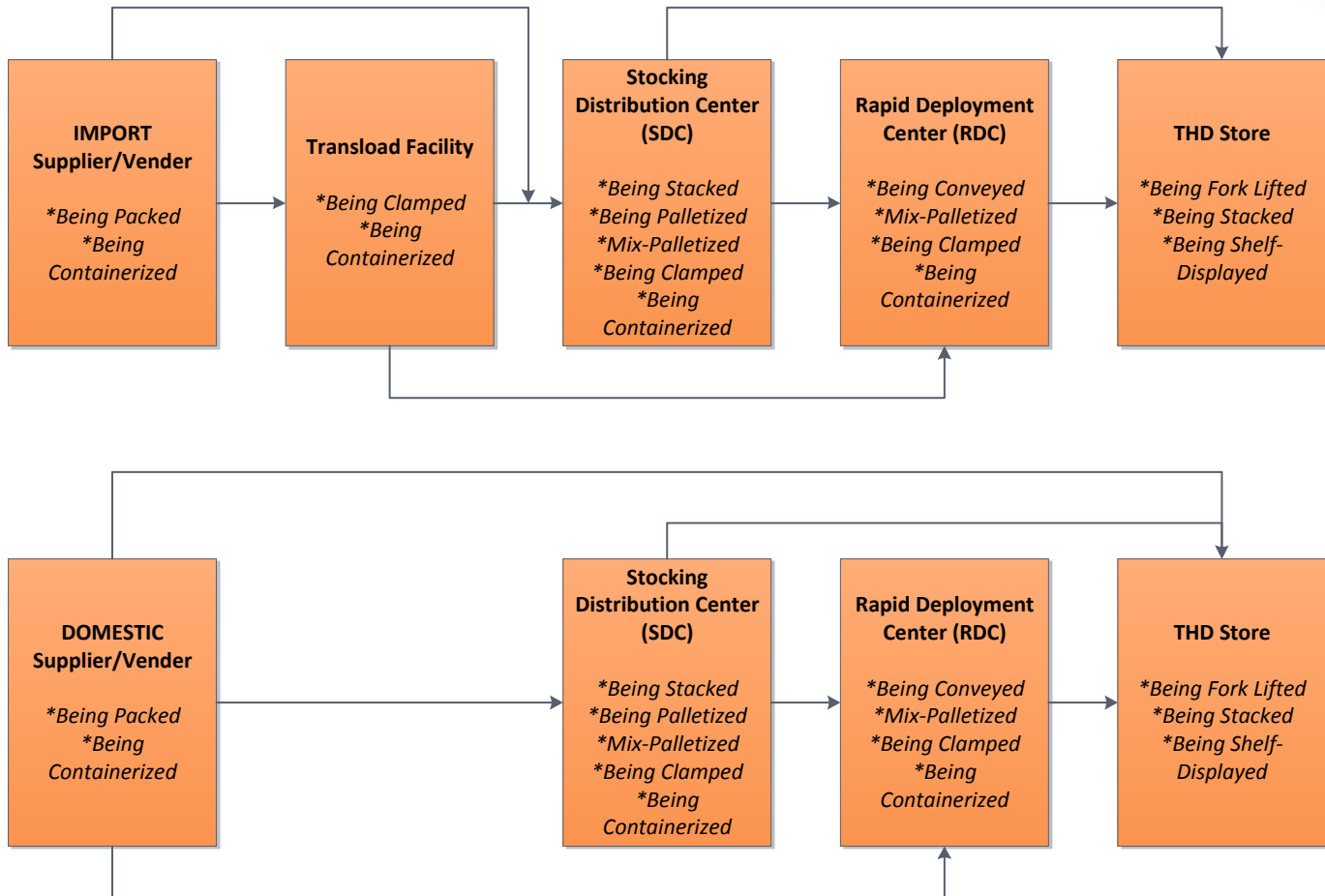
#### 6.5.3.1 THD Supply Chain

The Home Depot has three types of facilities handling products as primary distribution channels. Each facility has own unique handling methods and access points as the flowchart shows. For direct fulfillment products, please see THD Direct Fulfillment for detailed requirements.



## For Store-only Products

Exclude online, YOW and any other direct fulfillment products.



### Transload Facility

Import goods are unloaded from inbound containers by clamp truck, allocated to SDCs and RDCs, then reloaded onto 53 foot trailers or rail for delivery to SDCs and RDCs. This facility is for IMPORT ONLY.

### Stocking Distribution Center (SDC)

100% of the import and domestic goods in SDCs are stocked for distribution to RDCs and Stores. Certain products are clamped during handling or containerization. Some products are mix-palletized for store delivery.

### Rapid Deployment Center (RDC)





Product (import & domestic) is received directly from vendors and other distribution facilities. Product flow through the RDC is both mechanized and manual depending on product characteristics. No product is stocked or held at these locations. Below are different disposition types or handling processes with the RDC depending primarily on freight type. Please see [RDC Supplier Requirements Guide](#) for detailed requirements.

Conveyable Products – Products received in sealed package or shrink wrapped to a package meeting weight and dimensional criteria:

- Dimensions: 6"x4"x2" to 42"x28"x30"
- Weight: 1 lb. to 75 lbs.

Non-Conveyable Products – Products that does not meet conveyable requirements.

Over Size (OVR) Products – Large oversized products do not fit within the bounds of a 40"x48" pallet; single dimension is over 48"; and/or weight greater than 100 lbs. One unit per pallet must be clampable. An example of oversized products is appliances.

Cross Dock/ TF (RDCX) – Orders built to store level at the vendor and flowed through the RDC to store without any change. These may or may not be in pallet quantities.

### 6.5.3.2 Packaging Transit Testing

In order to reduce damage and ensure products to arrive at THD stores in excellent condition, all products (import & domestic) designed for shipment through The Home Depot distribution facilities must be capable of passing the packaging transit testing as required below.

#### **DEFAULT TESTING REQUIREMENT**

**ISTA Series 1 + Compression Test + Burst Strength Test + Clamp Test**

**AS A MINIMUM.**

ISTA Series 1 – The packaging system (including display packaging) for all products must pass ISTA Series 1 testing as minimum. *ISTA Series 2* is required for all Furniture/Patio Furniture containing glass, mirror, tile, stone, ceramic, composite materials. No product or package damage or puncture allowed.

Box Compression Test (BCT) – per ISTA Series 2. The test must use a minimum 192 inch stack height and Compensating factor of 3.

Corrugated Burst Strength Test (BST) – per TAPPI T810 om-11 for secondary packaging. Acceptance criteria based on Rule 41 requirements, See section 6.5.1.2 Secondary Packaging Requirements of this document.

Clamp Test – Shall be performed per ISTA 3J with no damage to the product or deflection that damages the package to the point where stacking is compromised. Clamp test is required for below criteria:

- All packaging over 75 lbs. without pallet
- All products containing glass, mirror, tile, stone, ceramic, composite materials



- All Grills
- All Toilets/ Pedestal Lavatory Sink
- (PED-LAVs)
- All Refrigerators/Freezers/Beverage
- Coolers

**NOTE:** All packages over 150 lbs. must be approved by Home Depot Packaging Engineering Team to ship without pallet.

**Specialty Channel Products** – All products for specialty channel including YOW, homedepot.com and catalog, must pass **ISTA Series 2** as a minimum and all other default testing requirements. ISTA Series 3 is required for all Furniture/Patio Furniture containing glass, mirror, tile, stone, ceramic, composite materials. Please reference the requirements specific to The Home Depot.com/YOW/Direct Fulfillment for further information.

If there is a new factory or factory relocations, all above requirements will be retested unless it is THD approved packaging provider/supplier.

All associated testing costs are the sole responsibility of The Home Depot Supplier regardless of if the testing was standard or the result of a change requested by The Home Depot. Any discrepancies in cost allocation must be worked out with assigned THD Merchant or PDM (Product Development Merchant) prior to the test procedure and test charge allocation.

If testing is not instructed/requested by the Home Depot (as for Domestic Shipments), the supplier is responsible to complete testing with an ISTA certified lab and be able to provide results upon request from Home Depot (Testing must be completed and documented before production of packaging and shipment of product). For additional information on testing and locations for certified labs please see <http://www.ista.org> and <http://www.astm.org>.

## 6.5.4 Packaging Environmental Attributes

All packaging systems must follow the below environmental regulations and legal requirements.

Packaging System	Packaging Requirement
<b>Whole Packaging System</b>	General Environmental Attributes
	California Air Resources Board (CARB)
	CONEG – Toxics in Packaging
	California's Rigid Plastic Packaging Container (RPPC)
	USA Uniform Law Labels

### General Environmental Attributes

The Home Depot suppliers must follow all environmental regulations related to packaging.

**Free of Heavy Metals** – All packaging must use component materials that are free of heavy metals (e.g., lead, cadmium, mercury, and chromium) as defined in the CONEG Act. <http://www.coneg.org> and as defined by Toxics in Packaging <http://www.toxicsinpackaging.org>.



**Environmental Claim & Recycle Symbol**– All packages containing environmental claims or recycle symbols will comply with applicable government regulations as designated through the FTC and EPA: <http://www.ftc.gov/bcp/gnrule/guides980427.htm>.

**Wood Packaging**– All wood packaging materials (including crates, pallets, dunnage) will have the appropriate pallet markings to indicate completion of a treatment method to prevent infestation in accordance with 7 CFR 319.40 and ISPM-15 as published by the US Department of Agriculture and ISPM-15.

**No Ozone Depleting Substances**– The Home Depot Suppliers are discouraged from using Ozone Depleting Substances (ODSs).

- 1) Halogenated chlorofluorocarbons (CFCs) and hydrogenated chlorofluorocarbons (HCFCs) should not be used in the manufacture process for materials used in the packaging of products being sold at or for The Home Depot.
- 2) The supplier should minimize the use of Methyl Bromide for the treatment of wood pallets for infestation. The alternative heat treatment process is recommended.

**Right Sizing**– All packaging from The Home Depot Suppliers should be “Right Sized” to ensure the least amount of material is used in the design and development of the package. Please see 6.5.1 Packaging Requirements for “right sizing” details (for primary, secondary & tertiary packaging).

For additional information regarding the Home Depot Eco Options, please see the website [http://www.homedepot.com/webapp/wcs/stores/servlet/ContentView?pn=SF\\_MS\\_Eco\\_Options&langId=-1&storeId=10051&catalogId=10053](http://www.homedepot.com/webapp/wcs/stores/servlet/ContentView?pn=SF_MS_Eco_Options&langId=-1&storeId=10051&catalogId=10053).

## California Air Resources Board (CARB)

These requirements are for formaldehyde restrictions for products made from “engineered” wood (Plywood, MDF, etc.). Packaging or packaging materials made from “engineered wood” are exempt from compliance of this requirement but must be labeled on packaging for the product. Please see Product Engineering for detailed requirements.

## CONEG – Toxics in Packaging

Certification of compliance is required for CONEG. Supplier must *complete the following document* to certify compliance and return to assigned service provider. All plastic bag packaging will be tested for toxics by service provider.



CONEGComplianceLetter.doc

For additional information and most up-to-date requirements, please see <http://www.toxicsinpackaging.org/>.

## California's Rigid Plastic Packaging Container (RPPC)





State of California and Cal Recycle requires both brands owner and supplier/manufacture to comply with Rigid Plastic Packaging Container (RPPC) law and regulations. Brands owner and supplier may be requested for certification process including Registration, Precertification and Compliance certification.

For additional information and most up-to-date requirements, please see

<http://www.calrecycle.ca.gov/Plastics/rppc/>.

## USA Uniform Law Label

Certain product categories sold in US, including bedding, furniture and etc., are required to have Law Label according to United States governments. The purpose of Law Label is to inform the consumer of the hidden contents or “filling materials” of certain products. Detailed requirements can be found on

[http://abflo.info/usa\\_labels/index.htm](http://abflo.info/usa_labels/index.htm).

**ATTENTION:** All packaging must conform to all Country, Federal, State requirements as well as those mandated by The Home Depot. Supplier is solely responsible for all regulation and legal compliance. Besides CARB, CONEG, RPPC, Law Label described above, any other Federal/State mandated requirement for packaging (includes all labeling and warning statement requirements) must be complied. Supplier must consult with Federal or State agencies to insure the most updated rules and regulations are applied and followed.

## 6.5.5 Other Information

### Stopped Shipment

If a supplier fails to comply with all requirements in the section of Packaging Engineering or if packaged product could pose a safety, regulatory or other risks, this will result in stopped shipments and corrective action will be required. Please see [SRG Packaging FAQs](#) for details or consult The Home Depot Packaging Team with any questions or concerns at [packaging\\_support@homedepot.com](mailto:packaging_support@homedepot.com).

### Product Engineering

Product tests, inspections, and evaluations will be conducted, where deemed appropriate by The Home Depot, to ensure product meets or exceeds all applicable requirements. These evaluations can be conducted on an announced or unannounced basis and can be conducted in the factory on incoming components, work in process, or finished goods; or by pulling product out of the supply chain or The Home Depot stores for evaluation.

Relevant requirements can include:

- Safety standards
- Industry standards
- Regulatory requirements
- Performance and other claims made by the supplier
- Specific The Home Depot requirements

Suppliers are required to comply with the instructions received by The Home Depot or its designated service provider, to include:

- Submission of required sample (e.g., pre-purchase, production, returned goods, or samples involved in legal claims)





- listing files and product claim forms) Submission of required forms (e.g., safety
- specifications, production records, product quality data) Submission of product related data (e.g.,
- pre-payment of test fees before lab initiation) Payment of fees (process may require

To the maximum extent practical, product-specific expectations will be shared with the supplier by The Home Depot or the approved service provider prior to conducting the evaluation (e.g., test, inspection, document review, etc). The objective is to reach agreement on defect classifications and acceptable tolerances prior to conducting the review, especially for unregulated products or product attributes.

New suppliers, new factories, and new products will be treated differently than those with historical records available to The Home Depot. Consistently positive quality results will lead to a reduced number of tests and inspections by The Home Depot, whereas negative quality results will be cause for increased levels of measurement efforts.

## Engineering Change Notice (ECN)

Any change made to the structural, design, graphics, verbiage, and/or material composition of a package (and/or product) requires an ECN to be filed for prior approval. No changes may be made and IR will not be updated without an ECN submission and approval.

This is required for import products and The Home Depot private branded products and does not apply to domestic national brands.

ECN Submission Procedure:

- <http://www.formrouter.net/engineeringchange@THD/default2.asp> ECN Home Page:
- <http://www.formrouter.net/engineeringchange@THD/faq.asp> FAQ's - Frequently Asked Questions (For questions regarding the ECN submission and form)
- <http://www.formrouter.net/engineeringchange@THD/EngineeringChangeNoticeFormNew.pdf> ECN Form: Select when ready to complete the form:

## Supplemental Documents

To further assist service providers and suppliers to understand THD packaging requirements, the below documents are provided as supplemental guidelines.

[Packaging Supplemental Guide](#) – This is the guide developed by THD Packaging Engineering Team to provide detailed examples, definitions, and supporting information for all Package Engineering guidelines mentioned in SRG. Please carefully review the document.

[SRG Packaging FAQs](#) – This file contains the most common questions about Packaging Engineering in SRG. These questions will be updated regularly to ensure the most significant questions affecting The Home Depot service providers and suppliers are addressed.

If you have a question or a question you believe should be added to this list, please send your inquiry to: [packaging\\_support@homedepot.com](mailto:packaging_support@homedepot.com).





## 6.6 Special Orders

Contact your merchant directly with any questions on special orders.

### 6.6.1 Direct Delivery to the Customer

Orders often require delivery of merchandise directly to customers. The Home Depot expects the supplier to efficiently distribute The Home Depot compliant merchandise. The Home Depot Merchant coordinates freight terms for special orders. The supplier can facilitate payment by including on relevant documents the following information: Customer's name and address, The Home Depot store number and address, Purchase Order Number, Keyrec Number.

### 6.6.2 Ordering and Shipping Process

The cost of special orders must be confirmed at the time the order is placed to avoid any chargebacks. If a cost discrepancy occurs, or if a purchase order has no cost, suppliers must contact the store expeditor by end of the business day following date of receipt of the special order to obtain a corrected hard copy of the purchase order, prior to shipping or invoicing. All special orders must be clearly labeled "Special Order" with the customer's name for easy identification.

All special orders must have a Special Order Label affixed to every carton. Suppliers may purchase special order labels from IMS by logging in to MyApron and placing the order through the Ariba ePOP system or contacting IMS Customer Service line directly at 1-888-566-4663.

If suppliers choose to create special order labels and not use IMS, the labels must meet the following requirements:

- Be at least 3" X 5"
- Be a high visible YELLOW color
- Contain the customer's name, purchase order number, The Home Depot department number, date of receipt, retail value, and carton numbering (1 of 2, 2 of 2, etc).

All Special Order purchase orders must be clearly identified on the bill of lading and packing slip. Special Orders must be clearly labeled on the BOL; and must have the customer's name and address; and the cartons must be clearly marked with the PO numbers at least one inch tall. To ensure accuracy, it is imperative that suppliers communicate to The Home Depot the necessary ordering information (such as color, inside/outside measurements, right hand/left hand) before filling a Special Order within their company. Please provide specific requirements for each of the product categories on the back of the Special Order Supplier Buying Agreement Corporate Form provided by the Special Order Merchant. For large construction jobs, requiring a special order quote and multiple shipments to a jobsite at different times, it is imperative to obtain a separate purchase order for each delivery date. This procedure will ensure that all shipments of product are paid correctly and timely. Otherwise, only the first delivered shipment will be paid correctly, with subsequent deliveries needing manual intervention and resulting in possible delays in payment.

For delays in delivery of Special Orders, suppliers must contact the Special Order Expediter at the store so the customer can be notified.

### 6.6.3 Proof of Delivery Service

Suppliers can employ a small package delivery service for transport of special orders. For tracing purposes, it is recommended the supplier use a Delivery Confirmation Service (DCS) program. Small parcel companies provide this service for a nominal fee. This program provides a means for tracing goods back to the person who signed for the shipment. Once enrolled in the program, the carrier provides a DCS card for each shipment. The DCS card serves as the supplier's proof of delivery.



#### **6.6.4 Special Order Backorder Policy**

Backorders for Special Order merchandise will be accepted with the consent of an authorized representative of The Home Depot. If circumstances require that a purchase order be cancelled and a new purchase order issued, all supplier documentation must refer to the new purchase order number. Failure to do so may result in a delay in payment.

#### **6.6.5 Special Order Materials**

Special order signage, price lists, catalogs, and consumer literature must meet The Home Depot's Special Order Signing & Material Standards. The Home Depot Merchant and DFM are involved in the approval process for these materials and are responsible for distributing to stores all price lists or other materials that include pricing. The Special Order Visual Merchandiser approves in-store fixtures, displays and placement of special order programs. Dissemination of special order materials to store(s) is exclusively processed through The Home Depot's distribution network. The Home Depot associates will refuse delivery and return any materials sent to the network prior to Merchant approval. All new or updated special order sets must follow The Home Depot reset process or installation will not occur and/or if installed are subject to removal at the supplier's expense.

#### **6.6.6 Special Order eCatalog**

The current in-store special order process requires a large amount of free form entry. This can result in incorrect model numbers, descriptions, retails, and/or costs. Additionally, most special order programs have a generic SKU which represents several items. This makes it very difficult to analyze item level sales and make the correct assortment decisions.

To address these issues, The Home Depot is continuing to work with special order vendors on its ongoing eCatalog initiative. As part of this onboarding process begun in 2011, eligible non-configurable special order items that are available via SOMs/paper catalogs will have their item level attributes collected in Item Data Management and their store availability, UOM, retail, and cost collected in the Catalog Management Module.

Vendors should contact the eCatalog Team through their Home Depot Merchant.

#### **6.6.7 Special Order Training**

Although The Home Depot store associates are continually trained in implementation of special order programs, suppliers may find it necessary to provide specialized training. For guidance on providing this additional instruction, contact the Merchant or DFM. There may be instances where suppliers need to train The Home Depot associates to handle special orders properly. All The Home Depot associates are trained on a continuous basis on suppliers' Special Order programs in all The Home Depot stores. Training topics include: Interpretation of Special Order catalogs, calculation of appropriate retails/costs from Special Order catalogs.



## 7 Finance & Accounting

### 7.1 Invoicing Requirements

The Home Depot requires all merchandise suppliers to submit invoices electronically. Paper invoices are subject to a processing fee of \$50.00 USD. Electronic invoices can be submitted via EDI, or through the browser-based Sterling Web Forms.

The Home Depot expects all suppliers to be fully engaged and compliant with the requirements of the Business to Business (B2B) electronic exchange program within 90 days of becoming a supplier to The Home Depot. Suppliers are required to visit the team's HomeDepotLink page **Business Operations > Electronic Data Interchange (EDI) > US Merchandise Suppliers** for full details.

Please contact B2B for assistance with EDI or Sterling Web setup via email: [B2B\\_testing@homedepot.com](mailto:B2B_testing@homedepot.com) or at 770-433-8211 Ext 10036.

If you are a supplier submitting paper invoices, please see the invoice example below, and following guidelines listed to ensure inclusion of required information. This will prevent rejection of your paper invoice, while you are in transition to an electronic solution.

#### Domestic Payment and Commercial Invoice Example

The invoice example below shows the preferred format and required information for invoicing. Your compliance with these standards will assist in prompt and accurate payment of invoices.

<b>Remit to:</b> <b>My Company Name</b>		<b>INVOICE NUMBER</b> 245873							
<b>PURCHASER:</b> Home Depot of Canada Inc. Home Depot Puerto Rico, Inc. Home Depot U.S.A., Inc.	<b>A/P Vendor # 123456</b> 247 Ocean Drive West Palm Beach, FL 33407	<b>INVOICE DATE</b> 12/22/2002							
<b>BILL TO:</b> Home Depot, A/P Supplier Number 123456 P.O. Box 105454 Atlanta, GA 30348-5454 USA	<b>SHIP TO:</b> Home Depot # XXXXX 490 McKinley St. Corona, Ga. 91719	For Suppliers Shipping to Canada Stores							
<b>DEPT</b>	<b>PO DATE</b>		<b>PO NUMBER</b>	<b>SHIP DATE</b>	<b>SHIP VIA</b>	<b>FREIGHT BILL NUMBER</b>	<b>FREIGHT TERMS</b>		
25	12/20/2002	01141202	12/22/2002	ABF	123456789	Prepaid			
<b>FOB POINT</b> Destination		<b>PAYMENT TERMS</b> 2% 60 Days		<b>GST REGISTRATION</b> R123456789					
(Payment terms/cash discount is separate from trade discount)									
<b>VENDOR PART NBR</b>	<b>HOME DEPOT SKU NBR</b>	<b>SHORT PRODUCT DESCRIPTION</b>	<b>UPC CODE</b>	<b>COUNTRY OF ORIGIN</b>	<b>QTY ORD</b>	<b>QTY SHIP</b>	<b>NBR OF CTNS</b>	<b>UNIT COST</b>	<b>EXTENDED COST</b>
92400	693-280	Electric Drill	0123456789112	U.S.	10	10	2	\$20.00	\$200.00
268435	828-131	Electric Screwdriver	1234567890123	U.S.	6	6	2	\$15.00	\$90.00
277150	694-872	Router	2345678912340	U.S.	5	5	1	\$90.00	\$450.00
<b>Shipped From:</b> My Company Name 247 Ocean Drive West Palm Beach, FL 33407				<b>TOTAL QUANTITY SHIPPED</b> <b>TOTAL CARTONS</b>		21 5			
				<b>MERCHANDISE TOTAL</b>		\$740.00			
				<b>TRADE DISCOUNT (10%)</b>		(\$74.00)			
				<b>GST</b>		46.62			
				<b>TOTAL INVOICE AMOUNT</b>		\$712.62			
<b>PAYABLE IN U.S. FUNDS</b>						For Suppliers Shipping to Canada Stores			

As an interim solution, paper invoices may be mailed to:

Mailing from United States:

The Home Depot

P.O. Box 105718

Atlanta, GA 30348-5718





In order to pay suppliers promptly, The Home Depot requires that all paper Invoices must contain:

- Be in English (including all attachments)
- Must not be a Pro-Forma invoice
- List the Accounts Payable Supplier Number in the Bill to address area
- List unique Invoice Number and Date
- Purchase Order Number
- Department Number
- Carrier Name and PRO # or Small Package Tracking #
- The “ship to” address must include The Home Depot Store Number
- Payment and shipment terms (DOMESTIC ONLY)
- Ship date
- The proper address and location number where the goods are to be shipped
- State the purchase price of each item in the currency of settlement
- Discounts totaled and shown as a separate line item below the merchandise subtotal
- All extraneous charges and credits (i.e. freight charges, taxes, fees, discounts, etc.) must be listed as separate line items in the appropriate EDI segment. The merchandise amount plus or minus extraneous charges and credits should be summed to an invoice net amount. (Refer to EDI 810 mapping specs)
- For paper invoices, all discounts should be summed as one line item, below the merchandise subtotal
- Discounts may not be deducted at the line level from the actual SKU cost
- State The Home Depot SKU number, corresponding supplier item or part number, and a complete and accurate description of the goods
- State the same unit of measure per SKU as shown on the purchase order
- State UPC accurately
- State values accurately, including correct negotiated unit costs, extended costs, exact quantities shipped, and any assists provided to The Home Depot at free or reduced cost

The goal of The Home Depot is to pay all invoices on time and without manual intervention. The invoice processing system is driven by:

- Purchase order number (valid 8 digit number)
- Facility or Store number (valid 4 digit number)
- Payables Vendor number (NOT Merchandise Vendor number)
- Dollar amount
- Invoice number (10 digit limit)
- Invoice Date
- Valid shipment tracking information: SCAC carrier code, and BOL number, Pro number, or Small Package Tracking number

If any of this information is incorrect or missing from the invoice, the AP system will not match and pay the invoice automatically. Further research will be required that might cause a delay in payment, creation of a chargeback or request for proof of delivery.

### 7.1.1 Best Practices

- **Ship Complete** – Backorder shipments are only allowed for new store or special orders. Supplier inventory levels should not delay P.O. shipment. If an insufficient inventory situation exists, process the order with the available quantity on hand and reflect the actual quantity shipped on the ASN. Splitting purchase order numbers across multiple shipments is not acceptable for Direct To Store/Customer shipments (shipments into an RDC facility may require multiple trucks). For any replenishment order not shipped with the original purchase order, suppliers must secure a new purchase order. A new purchase order is also required for additional product necessary to fulfill a customer order or where a replacement order is required.





- **Do Not Ship Substitutions** – Substitutions and unapproved products should not be shipped as they will not be paid. Prior Written Merchant approval is necessary for all substitute products shipped to The Home Depot. The Home Depot will not pay for shipment of substituted or unapproved products. Supplier is responsible for any expenses incurred by The Home Depot that result from the receipt, handling, and return of such product. The supplier must secure approval before enacting changes to previously approved product.
- **Complete Bill of Lading** - If multiple purchase orders are combined on a bill of lading, list each purchase order number and respective carton count. The Home Depot and its core carriers require an EDI VICS (Voluntary Inter-industry Commerce Standards) standard BOL. Refer to the [Routing and Shipping guide](#). The following information must be duplicated on the Advance Ship Notice (ASN).

**Generally a Bill of Lading has or contains the following:**

- Unique, non-repeating numeric identifier
  - Relevant purchase orders numbers
  - Applicable store and distribution facility numbers
  - Shipment origin and destination address
  - Number of handling units tendered to the carrier
  - Commodity description with weight
  - Freight terms
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- **Pallet Labeling** - If shipping pallets, ensure the pallets are marked with the appropriate purchase order number and number of cartons, on each pallet, for each purchase order.
  - **Packing Lists & Carton Labeling** - use packaging lists, sub-packing lists when appropriate, and clearly label all cartons.
  - **Tracking Numbers** - Include carrier information on the invoice: Carrier name (SCAC) and tracking number, or BOL or PRO number MUST be listed on the invoice.
  - **Air Freight and Expedited Freight** – Air freight and expedited must be approved before shipping. For appropriate approver, refer to the [Routing and Shipping Guide](#).
  - **Purchase Order Number Validation** – For Direct to Store Orders the Purchase Order number will always start with the last two digits of the store number (e.g. store# 0105, PO# 05012345). For Stocking DC POs the Purchase Order number will always start with the last two digits of the DC number. For RDC POs the first two digits of the purchase orders represents the Buying Office Number (BYO).
  - **One Invoice per PO** - You must submit one invoice per Purchase Order, per shipment, per store. Shipments into RDC facilities require one invoice per truck, per ASN (must mirror the invoice), which may result in multiple invoices per PO.
  - **Purchase Orders Accuracy** – Purchase orders should be reviewed for accuracy in costing, prior to shipment. Successful fulfillment of a purchase order constitutes acceptance of the cost on the purchase order. Lack of verification of cost changes could result in pricing chargebacks.
  - **SKU Master Data Validation** - Upon any agreed upon cost changes, or at a minimum, every quarter, suppliers should contact The Home Depot Merchant or Merchant Assistant assigned to your company to confirm cost changes have been made for each of your MVendor numbers. Suppliers should request a 530 or 531 SKU report to verify that any cost changes have been updated in The Home Depot system. This action will synchronize cost, SKU, part number and pack size for your company and The Home Depot, thereby eliminating the instance of cost discrepancies, which require research and follow up.
  - **Special Order** - The cost of special orders must be confirmed at the time the order is placed to avoid any chargebacks. If a cost discrepancy occurs, or if a purchase order has no cost, suppliers must contact the store expeditor by end of the business day following date of receipt of the special order to obtain a corrected hard copy of the purchase order, prior to shipping or invoicing.
  - **Shipping Errors** - It is The Home Depot's policy to not pay for supplier shipping errors resulting in duplicate shipments, shipments of quantities greater than ordered, and mis-shipments.





- **Invoice Chargebacks** - The Home Depot may make a deduction against a paid invoice. Reasons for the deductions are discrepancies between invoice and The Home Depot PO, as it relates to price, terms, or conditions, as agreed upon in writing by the Merchant or in the Supplier Buying Agreement, or Terms and Conditions. Discrepancies between invoiced quantities and The Home Depot received quantities may also result in a chargeback. Procedures for account reconciliation are to be followed for any disputed chargebacks.
  - A notification of chargeback deduction will be sent electronically via the EDI 812 (if supplier has been invited to participate in the EDI Chargeback and RTV Program), or the chargeback notification can be located on the Merchandise Payables Self Service Portal (MP-SSP).
  - If you are EDI capable for invoices and your notifications are not available on the SSP, then you must contact the B2B/EDI team to complete the testing process. No paper documents will be provided.
  - If a supplier has EDI capabilities for the invoice (810), you are required to also receive the EDI 812 for chargebacks. Contact [B2B\\_testing@homedepot.com](mailto:B2B_testing@homedepot.com) to initiate testing and implementation.

## 7.1.2 Payment Terms

Payment Terms as negotiated on the Corporate Form of the Supplier Buying Agreement will define when the Letter of Credit (LC), Open Account (OA), EFT or check will be released for payment. Example: negotiated payable days + bill of lading date = payment due date.

### 7.1.2.1 Pallet Charges

If a supplier charges for pallets, the price and details must be negotiated with the appropriate Merchandising contact. If pallet charges have been negotiated, they must be listed on the invoice as a separate summary line item. The Home Depot stores return pallets back to suppliers at the time of the next shipment and create an RTV for the pallet credit. Do not net the pallet credits against the pallet charges.

### 7.1.2.2 New Store Order Policy and Terms

The Home Depot defines a New Store Order as any order placed to support a new store. The discount is applied based on the agreed upon terms and conditions in the Supplier Buying Agreement.

The Home Depot asks all suppliers for new store discounts that are applied “over and above” the allowances, payment terms, discounts, and terms agreed upon for existing stores and markets.

The total New Store Order discount percent is added to all other discounts and is applied to the total amount ordered regardless of completeness of shipment.

If the New Store Order does not arrive before the grand opening of the new store, the discount will be applied when the order arrives at the store.

If a supplier does not have the ability to participate in the store's grand opening, the discount will be taken on the stocking/first order into the store up to six months from the store's opening date.

Orders routed through the Transit Facilities, RDCs or other distribution facilities, and shipped to the new store to support the store's opening are due the discount. New Store Orders must be shipped complete and must arrive on the date stated on the purchase order. Contact the Merchant before the scheduled date of shipment if you are unable to meet these requirements.

## 7.2 Receiving/Payment Based on Tender Type

It is The Home Depot's policy to receive merchandise as stated on the bill of lading/delivery receipt (pieces, cartons, racks, bundles, or pallets). The bill of lading must detail multiple tender types. If The Home Depot is tendered cartons and signs the carrier's delivery receipt as the stated number of cartons received, any piece shortages will be charged back to the supplier as concealed. If The Home Depot is



tendered pallets and signs the carrier's delivery receipt as the stated number of pallets received, any piece or carton shortages will be charged back to the supplier as concealed. Boxes shipped via small parcel delivery are treated as carton tendered.

## 7.3 Invoice Reconciliation/Dispute Process

### 7.3.1 Account Reconciliation

The following three steps are required supplier actions for proper account reconciliation to occur between The Home Depot and supplier: Identification, Root Cause Analysis, and Resolution. After reconciling items have been identified, the Merchandise Payables Self Service (Portal (MP-SSP) provides suppliers a secure and flexible way to submit disputes. You also have the ability to view invoice payment details, charge back listings, open items (approved invoices), and communicate regarding your dispute package status.

Merchandise Payables Supplier Self Service Portal (MP-SSP) – Formerly known as The Dispute Portal, the MP-SSP provides Suppliers a secure and flexible way to view invoice payment details, charge back listings, and package status. Suppliers must register and login to the Merchandise Payables Supplier Self Service Portal (MP-SSP) at <https://my.directcommerce.com/Login.jsp?customer=homedepot>. Refer to the section below for the Registration Process.

New Suppliers, who have not yet received a remittance advice, should go to the log in page and click on the NEW SUPPLIER link. Complete the form and your message will be sent to the AP team who will contact you and provide assistance.

Before you submit a dispute, it is important that you first post payment remittance timely, obtain Open Items (approved invoices, not yet disbursed) from the MP-SSP Portal, reconcile open AR, research and apply credits, and view details of paid invoices on the SSP. If you determine that a dispute is necessary at this point, you can submit the dispute for invoice chargeback or unpaid invoice with Shipment Tracking information or Proof of Delivery (POD). Once submitted, you can then monitor the package status within the portal, and send dialog messages to communicate with the associate assigned to your dispute.

Note: Submitting an open invoice with tracking numbers indicates that your EDI 810 invoice may be missing valid tracking numbers. Compliance with invoice requirements section 7.1 will reduce the number of open invoice disputes.

#### Registration for the Merchandise Supplier Dispute Resolution Portal:

Click on the URL <https://my.directcommerce.com/Login.jsp?customer=homedepot> to register or log into your account.

Follow the instructions below to **register** for the Merchandise Dispute Resolution Portal:

The Credit Manager of your company must register for the new Dispute Resolution Portal and administer the access for additional team members. Two (2) AR team members MUST maintain administrator rights to successfully manage account access for your company.

1. Bookmark this URL so you can come back to it in the future.
2. Click on the link under the words "Not Registered?" Follow the screens to register your account.
3. Enter your PVendor number, located on a remittance advice, on the registration screen.
4. Use a paid remittance advice that is dated within the past twelve months. Select an invoice line item on the remittance advice. Enter the invoice number, EXACTLY as it appears on the remittance advice, including any leading zeros or alpha characters.

**Note:** DO NOT ATTEMPT TO REGISTER WITH AN UNPAID INVOICE. If you have not yet received a payment for an invoice/remittance advice, choose the **New Supplier Link** from the login page and complete the form. You will be contacted by the AP team who will provide assistance.





5. Enter the invoice date from the remittance advice (not from an invoice copy).
6. Enter the Purchase Order number.
7. Enter your email and user information as directed in the registration screens.

After you have successfully registered, you will receive a confirmation email with your user name, temporary password and a Quick Start Guide.

Review all Help Documentation, available on the Home Page of the MP-SSP to ensure that you are fully knowledgeable of all features of the portal.

NOTE: If you are a new supplier or if you have not received a payment or a remittance advice, click on the link below “NEW SUPPLIER?” Complete the information on the following screens for additional assistance. You will receive an email reply from the AP team.

### Features of the MP-SSP:

- View and download your list of paid invoices.
- View and download a list of all approved invoices scheduled to pay with future due dates.
- Submit a Dispute for any past due (by 7-14 days) open invoices or chargebacks.
- Provide Carrier Tracking number for listed Core Carriers, in lieu of POD.
- Monitor the status of submitted disputed packages.
- Send dialog messages to the associate assigned to your package.
- View the complete history of all dialog and activity for a submitted item.
- View and download a document for assistance to identify deductions on a remittance advice
- Contact Us Feature – Allows you to address any additional questions/concerns not covered in any other area of the portal.

**Contact Us** – The online assistance feature, “Contact Us,” located on the MP SSP is the **REQUIRED** method of communication with The Home Depot Accounts Payable team. Log into the Portal and from the Activity Center, click on the Contact Us link.

Review ALL of the FAQ’s to determine if your question can be resolved by reviewing previously asked questions and answers. Documents such as “How to Identify Deductions” and “Deductions Contacts list” are also available for download.

Choose the radio button that best suits your issue and compose your message. By clicking “send,” and submitting your message, your concern is sent directly to the AP team for review and response within 24-48 hours. Utilize the Dialog feature within each package for inquiries related to specific disputes. Allow 24-48 hours for a response. Follow up with a message via Contact Us, as needed.

You can also contact other departments from within the MP-SSP, such as B2B, Coop/Rebate, and Supplier Account Maintenance (for changes to master data, bank routing or buyouts/mergers).

#### 7.3.1.1 Reconciliation: Critical First Steps - Listed in Order of Importance

- Post payment remittance timely-It is not efficient to follow up on invoices too proactively. Allow at least 7-14 days from your invoice due date for an invoice to appear on a remittance. Lead times could impact due dates.
- Download Open Items (cash requirements report) from the MP-SSP. This report will provide visibility to invoices successfully processed and scheduled for payment on a future due date. Assist in reconciling due date discrepancies.
- Reconcile your open AR-Ensure that you have reduced your open AR by reconciling paid, parked and scheduled invoices.
- Research and apply credits - Take the time to perform your own research on issues and apply appropriate credit to clear discrepancies.



- View details of paid invoices on the MP-SSP. Additional research can be performed by logging into the portal and using Advanced Search (contains many options to filter and define a search) to locate invoices.

#### **7.3.1.1.1 Timely Identification of Reconciling Items**

It is The Home Depot's policy to resolve all open invoices and discrepancies within twelve months for FOB destinations shipments and seven months for FOB origin shipments. In the event that an invoice is not paid or is paid for an amount different than the amount billed, suppliers must notify The Home Depot in a timely manner, by submitting the dispute on the MP-SSP. The timeline for submitting reconciling items is based on shipping, invoice or deduction date, whichever is later. Payment requests must be submitted via the Merchandise Payables Self Service Portal (MP-SSP) within the required timeline and with appropriate documentation.

Timely identification of reconciling items is required and strictly enforced to ensure optimal efficiency and effectiveness in the account reconciliation process.

**Merchandising Reports Available to Domestic Suppliers** Various reports are available and can be used for accuracy verification and to submit changes to SKU information. They can be obtained by contacting your Merchant.

#### **7.3.1.1.2 Root Cause Analysis**

As reconciling items are identified, it is important that suppliers use all available information to identify the root cause of the issue. Timely identification of the root cause is required to ensure optimal efficiency and effectiveness in the ongoing payment process and the supplier's receivable process. If your company is finding itself frequently contacting The Home Depot to dispute payment issues, please spend time to track trends and identify root causes. The Home Depot Merchandise Payables department is happy to partner with companies to help rectify reoccurring issues. However, the process is more efficient when time spent addressing root causes has been made prior to any conference calls or in-person meetings have been requested.

Review all SBA Change Forms, updates to Bear Policies, and verbal agreements for deductions with your Sales Department. Verify accuracy of EDI mapping for all fields. These are all possible reasons for a deduction discrepancy.

**Assistance with Deductions** Log into the MP-SSP. From the Home page, click on: "Contact Us" > "How to Identify Deductions" (under FAQ section). This link will reveal a list of appropriate contact emails for deductions that are on remittance advice. The deductions listed are not invoice related deductions and will not be itemized on your EDI 812. Some examples are: Coop/Rebate, Compliance, or PLR deductions. Coop and Rebate statements can be accessed via the Supplier Financial Toolbox link on the US Coop and Rebate Statements page in Item Data Management.

#### **Resolution**

Once the reconciling item(s) has been identified and root cause analysis performed, steps towards resolving the issue must be taken. Repayments for issues identified as supplier error will not be addressed until the root cause has been corrected.

If you determine that a dispute is necessary at this point, you can submit the dispute for invoice chargeback or unpaid invoice with Tracking information or Proof of Delivery (POD). Once submitted, you can then monitor the package status within the portal, by using the dialog message feature. Submit reconciling items via the Merchandise Payables Self Service Portal (MP-SSP).

Issues impacting large numbers of invoices MAY NOT be submitted individually on the MP-SSP. Provide ONE example of the issue and the Accounts Payable team will provide the supplier with instructions to handle, on a case by case basis. Use the dialog feature to clearly state the issue and the research steps you have taken.

Appropriate supporting documentation may be requested for past due invoices, pricing discrepancies, additional billings, shortages, trade discount discrepancies.



#### 7.3.1.1.3 Timeline for Submitting Reconciling Items to Accounts Payable

The Home Depot will address only reconciling items that are submitted with the 12 month timeframe. MP-SSP disputes are processed in the order in which they are received (first in/first out).

Please allow 10 to 14 working days for disputed items to be resolved. Suppliers can follow the progress of their dispute packages on the Merchandise Payables Supplier Self Service Portal. Any deviation from the reconciliation procedures will result in delays in processing time and/or denial of payment. If the documentation provided is inconclusive to support payment, The Home Depot may deny payment and/or request additional supporting documentation which may need to be submitted.

### 7.3.2 Types of Discrepancies and Required Documentation for Each:

#### 7.3.2.1 Full Open Invoices with Proof of Delivery

Tracking information must be provided on your EDI invoice. If you are posting invoices in the SSP, and providing tracking information, review your EDI invoice to ensure you are transmitting all required segments.

- For shipments via a core carrier, only the valid tracking number is required. Choose the carrier from the drop down box and provide BOL, Pro Number, or Small Package Tracking Number.
- For carriers not listed in the drop down box, Prepaid or Vendor Truck: Signed proof-of-delivery (POD) (Bill Of Lading and/or Delivery Receipt, depending on FOB Origin or Destination terms) is required.

#### 7.3.2.2 Shortage Discrepancies

Shortage chargebacks can be found on the Merchandise Payables Self Service Portal (SSP) and a valid The Home Depot tracking number is required for research purposes.

- For core carriers, only the valid tracking number is required. Choose the carrier from the drop down box and provide BOL, Pro Number, or Small Package Tracking Number.
- For carriers not listed in the drop down box, Prepaid or Vendor Truck : Signed and Valid Proof of Delivery (must show a discrepancy between tendered quantities and paid quantities for repayment consideration).

**Note:** If the FOB point is destination, it is the supplier's responsibility to file the claim with the carrier. The Home Depot files claims on origin shipments only.

Supplemental documentation supporting pieces tendered such as packing list, bill of lading, pick ticket, etc., showing the carton count and repacks, may be requested.

**Note:** Reconciling items must not be submitted for shortages considered concealed as defined in 7.2 Receiving/Payment Based on Tender Type.

#### 7.3.2.3 Special Order Pricing Discrepancies

- Purchase Order reflecting invoice cost may be requested  
To eliminate special order pricing chargebacks, resolve cost discrepancies with the store, prior to fulfilling the PO. Request a revised copy of the corrected PO be faxed to you.

#### 7.3.2.4 Stock Merchandise Pricing Discrepancies

You must review all cost discrepancies with your merchant prior to submitting a pricing dispute. Request a 531 SKU detail report from the merchant to confirm pack size and cost.

Once a quarter, or when a cost change has been executed, contact your Home Depot Merchant or Merchant Assistant to obtain the "531 SKU Detail" report for each of your Merchandise Vendor Numbers. This action will synchronize cost, SKU, part number, UPC, and pack size for your company and The Home Depot, thereby eliminating the instance of cost discrepancies, requiring research and follow-up.

Review the report with your Sales Department to ensure all details, such as pack size and cost, are accurate. Communicate any discrepancies to your The Home Depot Merchant or Merchant Assistant.





Data accuracy is a key component to timely and accurate payments.

Since cost discrepancies usually affect large numbers of invoices, follow the guidelines below:

- Provide ONE example of the issue and the Accounts Payable team will provide the supplier with instructions to handle, on a case by case basis.
- Use the dialog feature to clearly state the issue and the research steps you have taken.
- A spreadsheet may be requested.
- Your Home Depot Merchant will be engaged for any corrective action and acknowledgement.

#### 7.3.2.5 Discounts

Review all SBA change forms and confirm terms with your The Home Depot Merchant or Merchant Assistant, prior to submitting a discrepancy package.

Since discount discrepancies usually affect large numbers of invoices, follow the guidelines below:

- Provide ONE example of the issue and the Accounts Payable team will provide the supplier with instructions to handle, on a case by case basis.
- Use the dialog feature to clearly state the issue and the research steps you have taken.
- A spreadsheet may be requested.

#### 7.3.2.6 Freight

There are very few reasons for Freight Chargebacks. Review the Routing and Shipping guide for instructions to ship expedited freight. Freight discrepancies cannot be submitted in the SSP. Please submit these claims via the Freight E-Recon process. To dispute freight charge backs against suppliers (not carriers), suppliers must complete the AP Freight E-recon template located on the Finance HomeDepotLink page via **Business Operations > Finance & Accounting > US Merchandising Domestic Accts Payable**. All disputes are handled in the order that they are received, and completed templates will be returned with disposition of the dispute.

#### 7.3.2.7 Copy Requests

A notification of chargeback deduction will be sent electronically via the EDI 812 (if supplier has been invited to participate in the EDI Chargeback and RTV Program) or the chargeback notification can be located on the Merchandise Payables Self Service Portal (MP-SSP).

If you are EDI capable for invoices and your notifications are not available on the SSP, then you must contact the B2B/EDI team to complete the testing process. No paper documents will be provided.

Partner with your own EDI team for any missing documents.

#### 7.3.2.8 RTV Discrepancies

See **7.6 RTV Reconciliation and Dispute Process**.

#### 7.3.2.9 RTV Proof of Return

See **7.6 RTV Reconciliation and Dispute Process**.

#### 7.3.2.10 Audit Policy and Monthly Statements

**Audit Policy** – The Home Depot reserves the right to review all payable and receivable transactions for accuracy. The Home Depot reserves the right to deduct any overpayments or under-deductions from payments to suppliers. While it is The Home Depot's intent to complete such reviews in a timely manner, The Home Depot reserves the right to address historical issues that The Home Depot deems material.

**Monthly Statements** - The Home Depot requires that a monthly statement be sent to include details as follows:

- Send to: [StatementAcctReviews@HomeDepot.com](mailto:StatementAcctReviews@HomeDepot.com) or,







The Home Depot  
ATTN: Statement Audit - B10  
2455 Paces Ferry Rd  
Atlanta, GA 30339

- Send an electronic or paper report with all open items including: Invoices, Debits, Credits, Over payments, Unapplied Cash, etc.
- Include **all divisions** of The Home Depot with which you do business including: The Home Depot, HomeDepot.com, The Home Depot Canada, Home Decorators Collection or The Home Depot Home Services.

### 7.3.3 Freight Claims

All values should be in U.S. Dollars. Claims for shortage and damage are handled as follows:

Free on Board (FOB) destination claims are filed by the supplier. Information for claim filing is sent with the chargeback at the time of payment.

Free on Board (FOB) origin claims are filed by The Home Depot. FOB Origin full open invoices and partial shipment chargeback repay requests must be submitted within seven (7) months of shipment to provide The Home Depot adequate time to file a carrier claim. Requests not submitted timely will not be addressed.

## 7.4 RTV Best Practices

- Follow signed RTV Agreement terms.
- Disclose valid Return Goods Authorization (RGA) sequence identifiers for RTVs.
- Read system alerts on the Merchandise Payables Supplier Self Service Portal (MP-SSP).
- Avoid upload of duplicate RTV disputed files (they will reject).

## 7.5 Returned Goods

See section 6.4 Reverse Logistics, RTVs and Buybacks for details on the RLC and CRTV program

### 7.5.1 CRTV Freight Deductions

CRTVFEE deductions indicate a discrepancy between the current freight allowance percentage and the freight allowance percentage listed on your Bear RTV Addendum. To eliminate future CRTVFEE deductions, please ask your Sales team to partner with the Home Depot merchant to update your Bear RTV Addendum with the current Freight Allowance Percentage. Obtain a copy of the Bear RTV Addendum from your Sales Team for your records. Updates to the SBA impact product cataloged in store following the date an SBA update is activated, no retroactive adjustments will be made based on an SBA update.

### 7.5.2 Restock Fees

It is The Home Depot's policy not to pay restocking charges for store or customer errors unless negotiated with the Global Product Merchant. Restocking fees are never applicable to mis-shipments or defective product. Any applicable restocking charges will be applied in the Account Payables system based on the negotiated agreement. Associates at the stores do not have the ability to negotiate or enter restocking charges into system.

If the supplier does not accept returns of non-defective merchandise, stores will take a markdown or try to sell the merchandise on the sales floor. There is no Destroy in Field for Credit policy option on Non-Defective Merchandise.

By accepting a Purchase Order, supplier acknowledges that some product defects cannot be detected until the product is installed by a customer or by one of The Home Depot's authorized Installers. Therefore, to satisfy the customer, it may be necessary for suppliers to pay our Installers an extra charge and/or re-installation fee when such product defects become known.



### 7.5.3 Pallets

If a supplier charges for pallets, the price and details must be negotiated with the appropriate Merchandising contact. If pallet charges have been negotiated, they must be listed on the invoice as a separate summary line item. The Home Depot stores return pallets back to suppliers at the time of the next shipment and create an RTV for the pallet credit. Do not net the pallet credits against the pallet charges.

## 7.6 RTV Reconciliation and Dispute Process

### 7.6.1 Supplier Dispute Reconciliation

RTV chargebacks are disputed electronically using the Merchandise Payables Supplier Self Service Portal (MP-SSP). The Merchandise Payables Supplier Self Service Portal is designed to be an efficient self-service tool for suppliers. The self service features will eliminate the need to contact the Help Desk (Finance Contact Center).

Click on the URL <https://my.directcommerce.com/Login.jsp?customer=homedepot> to register or log into your account. See **7.3.1 Account Reconciliation**.

- RTV reconciliation is limited to one dispute type only.
- RTV disputes under \$25 cannot be submitted for Dispute.
- RTV disputes with the reason of Invalid RGA cannot be submitted for product processed through the Reverse Logistics Centers.
- Verify that all data is accurate. Invalid data will result in your electronic data being denied and not applicable for re-submission.
- Upload a CSV file that contains specified information from the EDI 812 electronic transmission data defined in the electronic format or enter the data manually.
- PO and SKU information are required for Special Orders dispute types. PO information is not available on Stock goods and will NOT be transmitted.
- All disputes must contain a RTV dispute reason type. A list referencing dispute types is listed below:

RTV Dispute Type	Type Code
Buyback	BB
Duplicate RTV	DUP
Invalid RGA	INV
Never Shipped/Cancellation	NSC
Pricing	PRI
Proof of Return	POR
Restock Fees	RSF
Shortage	SHT
Substitution	SUB
Wrong Address	WRA
Wrong Policy	WRP
Wrong Supplier	WRS

- The supplier package reference number is a system generated number that will be assigned to each RTV dispute package.
- A notification sent to suppliers via email when the RTV dispute package is uploaded and submitted.
- The supplier will receive a notification via email when the RTV dispute package is closed or put in pending vendor status (requires a response to a request for additional information).
- If additional information is requested, a maximum of 14 days is allowed for supplier response, after which the package will be denied and closed.
- All disputes are worked in the order that they are received.
- Account reconciliation is subject to a 7 month or 12 month resolution timeline.



### 7.6.2 Notification of RTV Deductions

Should The Home Depot process an RTV chargeback to your company, the chargeback information will appear on your EDI 812 electronic transmission data. A supplier who is not registered to receive RTV chargeback's via EDI 812 electronic transmission should register by contacting the B2B department at [B2b\\_testing@homedepot.com](mailto:B2b_testing@homedepot.com) to initiate testing. Electronic copies of RTV deductions are posted once per week and are available for download from the Merchandise Payables Self Service Portal, for suppliers who are not candidates to participate in the EDI 812 program.

## 7.7 Out for Repair

### 7.7.1 Payment Information

This information is intended to provide information regarding the invoice payment process to assist the repair service providers with required information needed for timely and accurate payment of invoices.

The payables vendor number, purchase order number, store number, and dollar amount from the invoice must match to a system generated keyrec number, initiated by the store associate at the time the repaired merchandise is returned to the store. If any of the information does not match, the system will not systemically process and pay the invoice/keyrec successfully. Further research will be required and will cause payment delays or non-payment. It is the supplier's responsibility to obtain all required information from the store associate, thus always obtain the keyrec and purchase order number from the store associate.

It is company policy that all service providers are setup on the Quickpay payment process for all invoices. The QuickPay payment process is a procedure that eliminates mailing paper invoices.