VENDOR SUPPLY CHAIN MANUAL: LABELING



Last Updated: 01/20/2022 115

TABLE OF CONTENTS

Vendor Supply Chain Manual: Labeling	
Table of Contents	116
Purpose	117
HSN Recommended Label Suppliers	117
Item (Selling Unit) Labeling	
Overview and Definitions	118
Items: General Label Requirements	118
Items: Barcode Label Size and Acceptable Formats	119
Items: Barcode Specifications	120
Items: Barcode Consistency	121
Items: Label Placement	122
Carton Labeling	
Master Cartons: General Label Requirements	123
Master Cartons: Acceptable Label Sizes and Layouts	124
Master Cartons: Barcode Formats	125
Master Cartons: Serialized Shipping Container Code	
(SSCC-18) Barcode Format	126
Master Cartons: EXCEPTIONS – Partial Carton Quantity and	
Mixed SKU Master Cartons	127
Master Cartons: Mixed SKU Master Carton Requirements	127
Master Cartons: Label Placement and Additional Labeling for	
Import PO Showroom Samples	128
Pallet Labeling	
Pallet Labels and Examples	129
Expiry Product Requirements	
Overview	131
How to Determine If Your Product Requires Expiry Labeling	131
How and Where to Include Expiry Labeling	131
Selling Unit Labeling (Single Items and Multi-Component Kits)	132
Dangerous Goods (Hazmat) Marking/Labeling Requirements	
Overview, Acceptable Types of Dangerous Goods, Limited Quantity	134
Lithium Batteries and Liquid Orientation Marking	135
Additional Labeling Requirements	136
Dangerous Goods Label Placement	136

PURPOSE

PURPOSE

Labeling is all about identification, speed and accuracy. All touch points in HSN's Supply Chain need to be able to easily identify a product to determine its contents, its purpose and its intended destination as quickly as possible. It is critical to effectively flow product through HSN's Supply Chain processes all the way through delivery to the customer.

How This Section is Set Up

This section is designed to guide you through the requirements for labeling your individual product and the shipping container to ensure effective identification, distribution and delivery of every item. There are seven sections, each detailing the specific label and HSN's standards and what you can do to meet those effectively:

- Overview, Label Vendors and Labeling Questions: Brief overview of accurate labeling benefits, vendors and questions.
- Item (Selling Unit) Labeling: What each individual product packed within a master carton must display.
- Carton Labeling: What each master carton (single unit self-shipper/re-shipper or multi-unit cartons) must communicate.
- Pallet Labeling: What each palletized load must communicate.
- Expiry Product Labeling: How to let us know when a product will reach the end of its shelf life.
- Hazardous Materials (Hazmat) Labeling: Requirements for when a product is considered a Hazmat item. This includes Consumer Commodities, Limited Quantities, Lithium Batteries and Liquid Orientation Marking.
- Additional Labeling Requirements: Information on Shipping Configurations and Safety Data Sheets (SDS).

HSN Recommended Label Suppliers

HSN provides its Vendors with the ability to produce their own labels or choose their own label vendor. The most important factor is to ensure that the labels produced can consistently meet HSN's requirements for labeling.

HSN recommends Label IT and Verified Label & Print as providers of our required item and carton labels. They have extensive knowledge of HSN labeling requirements and guarantee that the labels they print will meet our quality and compliance guidelines. Through Label IT's StreamLine vendor portal, HSN vendors can place, track and manage their orders and SSCC #'s from any of their production facilities located in Hong Kong, Vietnam or North America. Verified Label and Print has an online ordering system that can help you place orders, by referencing your PO data directly from HSN at: https://verifiedlabel.net.

Label IT USA: Serves North, South & Central America, Europe, Pakistan, Turkey and United Arab Emirates.

URL: https://StreamLinelabels.com Label Interactive Technologies, Inc.

2325 N. Ulmerton Rd.

Suite 23

Clearwater, FL 33762 Tel: 727-546-4500 Email: info@labelitus.com

Label IT Hong Kong: Serves Hong Kong, China, Japan, the Philippines and India.

URL: https://StreamLinelabels.com

Label Interactive Technologies (Hong Kong Office)

Room 03, 8/F., Fo Tan Industrial Centre.

26-28 Au Pui Wan Street,

Fo Tan, Sha Tin. N.T. Hong Kong

Tel: 852-2690-5292

Email: info@labelithk.com

Label IT Vietnam: Serves Vietnam, Cambodia, Laos, Myanmar, Thailand, Bangladesh, Malaysia and Indonesia.

URL: https://StreamLinelabels.com

Please note that Label IT Hong Kong handles all direct communication to the Vietnam production facility. Please direct any questions for Vietnam to: Kitty Cheung kcheung@labelithk.com

Verified Label & Print, Inc.

7905 Hopi Place, Tampa, FL 33634, Phone: 1-800-764-6110 or 813-290-7721

URL: www.verifiedlabel.com

Email: customerservice@verifiedlabel.com

Please Note

The requirements outlined in this section only apply to items shipped directly to HSN Fulfillment Centers.

Drop Ship items are exempt from these requirements. Please see the Drop Ship Supply Chain Manual for relevant guidelines.

General Labeling Questions

Vendor Compliance | vendorcompliance2@hsn.net

ITEM (SELLING-UNIT) LABELING

Overview

The benefits of accurate, standardized item labeling illustrate the true power of information.

With correct item labeling:

- **Vendors** benefit from reduced stoppages and chargebacks.
- HSN can rapidly track merchandise, evaluate samples, and prevent costly delays and unnecessary exception processing.
- And most importantly, our **customer** can trust that she will receive the right product at the right time, with all of the information she needs to enjoy her purchase.

Definitions

<u>Item/Selling-Unit</u>: Refers to the individual product being purchased by HSN (can be a single component or a multi-piece set/kit). One unit of the HSN item number/SKU is considered a selling unit.

Item Label: Refers to the barcoded label affixed to the external packaging of the individual item/selling-unit.

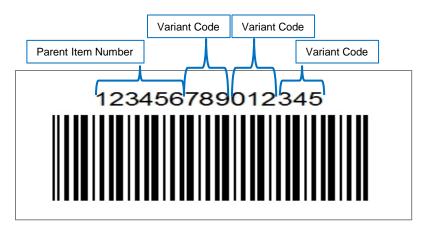
<u>Master Carton</u>: Refers to the carton that is shipped from the Vendor to the HSN Fulfillment Centers. A master carton may be an each (single selling unit) or contain multiple selling units of the same item.

<u>Master Carton Label</u>: Refers to the label affixed to the outside of each master carton. A master carton label provides information about the individual item(s) contained within the master carton (PO#, Item #, Qty, etc.).

Items: General Label Requirements

All items shipped to HSN must arrive to HSN pre-labeled in both human readable and barcode format with either:

- Your GS-1 assigned GTIN/UPC Barcode.
- The HSN assigned item number/SKU provided to you and found on your purchase order (PO).
 - The HSN item number/SKU consists of 6-15 digits, depending on the number of variant types for the product. The example below is for an item with 3 variant types and contains a total of 15 digits.



Color and Size information may be included on the human readable portion of the label, but are not required.

ALL individual selling units MUST be labeled with either an HSN item barcode label OR a UPC barcode label.

NOTE: The barcode MUST scan as <u>one continuous string</u> of barcoded numbers/alpha characters inclusive of the item and associated variants. The barcode CANNOT contain any spaces, dashes or extra characters.

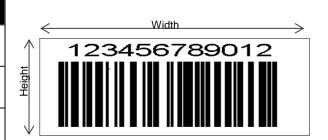
ITEM (SELLING-UNIT) LABELING (CONTINUED)

Items: Acceptable Barcode Label Sizes

In order to effectively and accurately scan labels in a high-speed production environment, item barcode labels must be sized appropriately.

- The **MINIMUM** size for an HSN item barcode label is dependent on the length of the SKU/UPC as shown in the table below use of the larger, 2.75" x 1" barcode label is recommended for all items.
- Vendors who have UPCs integrated onto their product packaging whereby the UPC code area is smaller than 1.75" x 1" due to the product size (e.g. UPC on a mascara selling-unit carton) are exempt from this size requirement provided that the UPC code scans properly).

SKU/UPC Type	Minimum Barcode Label Size (Width x Height)
6-digit HSN SKU number (non-variant item)	2.75" x 1"
9-digit HSN SKU number single variant (e.g., color) item	2.75" x 1"
12-digit HSN SKU number double variant (e.g., color & size) item	2.75" x 1"
15-digit HSN SKU number triple variant (e.g., color, size & width)	2.75" x 1"
UPC Code or EAN-13 Code	1.75" x 1"



Items: Acceptable Barcode Label Formats

HSN accepts products labeled with the HSN item number/SKU or the vendor's UPC code, provided the barcodes are in one of the below formats:

Item Barcode Type	Accepted Barcode Format		
HSN Item Number/SKU	UCC-128 Subset A (C-128A)		
Vendor UPC Code	UPC-A		
veridor OPC Code	EAN-13 (European Version of UPC-A)		



UCC-128 Subset A



UPC-A



EAN-13

ITEM (SELLING-UNIT) LABELING (CONTINUED)

Items: Barcode Specifications

Once you have determined which barcode format you will use to label your products, it is critical to ensure that the barcode is formatted to scan effectively.

UCC-128 Subset A Barcode

- Barcode quality must meet, at a minimum, ANSI grade C when checked with a barcode verifier.
- The HSN item number/SKU must match the information on your purchase order and be encoded with no dashes, spaces, or special characters.
- Barcodes must be a minimum of 2.75" in length and 1.00" in height. (Excluding Beauty and Jewelry) [Refer to Table on page 119]
- Barcodes must have a minimum of 15 mil (0.015") spacing between bars in the barcode.
- There must be a minimum quiet zone of ½" (0.25 inch) on both the left and right side of the barcode.
- The human readable characters in the HSN item number/SKU must be at least 1/8" (0.125 inch) in height and located either above or below the barcode.



UPC-A Barcode

- UPC must be 12-digits.
- Barcode quality must meet at minimum ANSI grade C when checked with a barcode verifier.
- Barcodes must be a minimum of 1.50" in length and 1.00" in height. (Excluding Beauty and Jewelry).
- Barcodes must have a minimum of 15 mil (0.015") spacing between bars in the barcode.
- There must be a minimum quiet zone of ¼" (0.25 inch) on both the left and right side of the barcode.
- The human readable characters in the UPC must be at least 1/8" (0.125 inch) in height and located below the barcode.

EAN-13 Barcode.

- · EAN-13 Code must be 13-digits.
- Barcode quality must meet at minimum ANSI grade C when checked with a barcode verifier.
- Barcodes must be a minimum of 1.50" in length and 1.00" in height. (Excluding Beauty and Jewelry).
- Barcodes must have a minimum of 15 mil (0.015") spacing between bars in the barcode.
- There must be a minimum quiet zone of ¼" (0.25 inch) on both the left and right side of the barcode.
- The human readable characters in the EAN must be at least 1/8" (0.125 inch) in height and located below the barcode.

ITEM (SELLING-UNIT) LABELING (CONTINUED)

Barcode Consistency

Once you have determined which barcode format you will use to label your products, it is critical to ensure that the barcode format (Type) for your item number is consistent between your Product Labels and Master Carton Labels.

When printing or ordering barcodes for shipments to HSN the following is required:

- 1. If using UPC barcodes, the item barcode on the master carton and the item barcode on the salable unit must both be UPC.
 - a) The cross-reference information between the UPC code and the HSN item must be sent to your buyer and input into HSN systems before the goods arrive at our Fulfilment Center.
- 2. If using C-128A barcodes (preferred format), the item barcode on the master carton and the item barcode on the salable unit must be C-128A.
- 3. All item barcodes on the Master Carton Label, both UPC and C-128A, <u>MUST</u> have the HSN Item Number in human-readable format printed above or below the barcode.

ITEM (SELLING UNIT) LABEL PLACEMENT

Items: Label Placement

The placement of item labels will vary based on the product category.

The item label is placed on the outermost packaging of the individual selling unit, not the individual item inside.

Hangtags are not permitted for item barcode labeling.

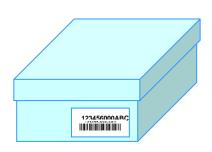
Item labels CANNOT cover product information such as expiration dating, ingredients, cautions, warnings, etc.

The following diagrams illustrate the proper placement of labels as determined for each category:



Apparel - folded soft goods

Lower right, front corner of polybag



Footwear

Lower right, front corner of box



Jewelry

Bottom of sleeve

If no sleeve required, bottom of box



Beauty

Lower right, corner of box

Do not obstruct ingredients or instructions



Beauty - without secondary box

Affixed to primary container

Do not obstruct ingredients or instructions



Home hard goods

lower right, front corner of box



Home soft goods

lower right, front corner

CARTON LABELING

Master Cartons: General Label Requirements

All cartons shipped to, and received into an HSN Fulfillment Center, must arrive with a pre-printed master carton label containing the required barcodes and human readable information:

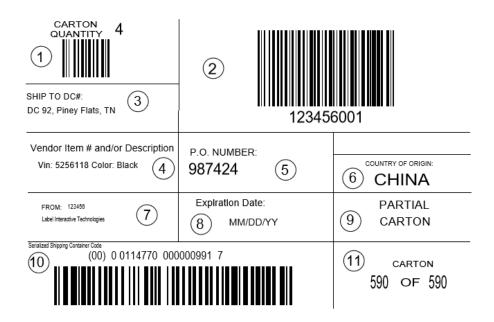
- Multi-unit cartons that contain more than one selling unit must have a master carton label.
- Individual self-shipper/re-shipper cartons, defined in the Packaging Section of this Manual, must have a master carton label.
- HSN-OWNED MARKS AND PHONE NUMBERS Vendors are not permitted to use the HSN logo, any HSN-owned marks, or any HSN phone numbers on any merchandise or product literature (including product and packaging labels), except in certain narrowly-defined circumstances. Any merchandise that uses the HSN logo, HSN-owned marks, or HSN phone numbers will be rejected, unless expressly approved, in writing, in advance by the HSN Legal Department and Merchandising Management.

The master carton label must contain the following elements:

- 1. Total number of selling units inside the carton (human readable and barcode formats).
- 2. HSN item number/SKU (human readable and barcode formats).
- 3. The Fulfillment Center DC # and City name (do NOT print "HSN" here).
- 4. Vendor Item/Style # and/or Description of item as indicated on PO.
- 5. The HSN PO number.
- 6. Country of Origin (COO), where the product was made.
- 7. Vendor name and ID number.
- 8. Expiration Date (if applicable). See <u>Expiry Product Requirements</u> (Page 131) to determine whether or not your product requires expiry labeling. If the product is not marked with an expiration/best by/use by date, **leave this box blank**.
- 9. If the carton is a partial carton (last carton packed for a SKU that contains fewer units than the master carton quantity), place the words "PARTIAL CARTON" in this field. If not, leave the box blank.
- 10. GS1-128 Serialized Shipping Container Code (SSCC-18). Refer to page 126 for clarification.
- 11. Carton count for a specific PO going to a specific HSN Fulfillment Center. For example: There are 100 cartons for a purchase order 80 cartons are going to Piney Flats and 20 cartons are going to Fontana. The Piney Flats cartons would be numbered "1 of 80", "2 of 80", "3 of 80", etc., and the Fontana cartons would be labeled "1 of 20", "2 of 20", "3 of 20", etc. This is for the total number of cartons on the PO to each DC, and not by item SKU.

NOTE: ALL barcodes MUST scan as one continuous string of barcoded numbers / alpha characters.

Barcodes CANNOT contain any spaces, dashes or extra characters.



Master Cartons: Acceptable Label Sizes and Layouts

In order to effectively and accurately scan labels in a high-speed production environment, master carton labels must be sized appropriately.

HSN allows 3 different sizes / layouts for item master carton labels. Below are the acceptable versions of the labels.

(NOTE: These examples are smaller than actual size.)

6" Wide x 4" High Layout (PREFERRED)



4" Wide x 6" High Layout (ALTERNATIVE 1)



(00) 0 0768824 000001398 8

8" Wide x 3" High Layout (ALTERNATIVE 2)

CARTON 4 P.O. NUMBER: 987424 Expiration Date: MM/DD/YY COUNTRY OF ORIGIN: CHINA Vendor Item # or Description SHIP TO DC#: Vin: 5256118 Color: Black DC 92, Piney Flats, TN PARTIAL CARTON FROM 123456 CARTON 590 OF 590 Label Interactive Technologies



alized Shipping Container Code (00) 0 0768824 000001394 0



NOTE: ALL barcodes MUST scan as one continuous string of barcoded numbers / alpha characters.

Barcodes CANNOT contain any spaces, dashes or extra characters.

Master Cartons: Barcode Formats

UCC-128 Subset A Barcode

- · Barcode quality must meet at minimum ANSI grade C when checked with a barcode verifier.
- Barcodes must have a minimum of 15 mil (0.015") spacing between bars in the barcode.
- There must be a minimum quiet zone of ¼" (0.25 inch) on both the left and right side of the barcode.
- The human readable characters must be at least 1/8" (0.125 inch) in height and located either above or below the barcode. The font for the HSN SKU Number must be larger than the font used in all other fields.

UPC-A or EAN-13 Barcode

- UPC-A must be 12-digits, EAN-13 must be 13 digits.
- Barcode quality must meet at minimum ANSI grade C when checked with a barcode verifier.
- Barcodes must have a minimum of 15 mil (0.015") spacing between bars in the barcode.
- There must be a minimum quiet zone of ¼" (0.25 inch) on both the left and right side of the barcode.
- The human readable characters in the UPC must be at least 1/8" (0.125 inch) in height and located below the barcode. The font for the UPC must be larger than the font used in all other fields.

Data Element	Required Barcode Format	Additional Format Requirements
HSN SKU Number (Do NOT print "HSN" on label.) HSN SKU NUMBER: 123456 123456 Carton Quantity CARTON QUANTITY 12	UCC-128 Subset A (if HSN #) UPC-A or EAN-13 (if UPC Code) UCC-128 Subset A	HSN item number/SKU (with variants) may be alpha-numeric. No special characters or spaces are permitted. Human readable font must be larger than that used in all other fields. Numeric only. No special characters or spaces are permitted.
Serialized Shipping Container Code Serialized Shipping Container Code (00) 0 0123456 000000001 8	GS1-128 SSCC-18	Numeric only. No special characters or spaces are permitted. Carton numbers CANNOT be repeated. NOTE: Additional formatting requirements for SSCC-18 barcodes can be found on the following page.

Master Cartons: Serialized Shipping Container Code (SSCC-18) Barcode Format



SSCC-18 Data Elements	Explanation
Application Identifier	The AI "00" indicates the SSCC-18 data structure will follow. NOTE: Do NOT encode the parentheses shown in the actual barcode.
Extension Digit	The Extension Digit has no defined logic and is used to increase the capacity of the Serial Reference.
GS1 Company Prefix	GS1 Company Prefixes are 7-10 digits. Serial Reference Numbers are 6-9 digits.
Serial Reference	The Serial Reference number is assigned by the holder of the GS1 Company Prefix to uniquely identify a shipping container (logistic unit). A Serial Reference CANNOT be reused for a minimum of 3 years at HSN. The combined length of the GS1 Company Prefix and Serial Reference is always 16 digits.
Check Digit	Check digit is calculated using the Modulo 10 algorithm. A check digit calculator may be found at the following GS1 US link: https://www.gs1us.org/tools/check-digit-calculator&utm_medium=301

Obtaining a GS1 Company Prefix

In order to generate a valid SSCC-18 on the carton label, your company must possess a valid GS1 Company Prefix.

The Company Prefix can be purchased through GS1; more information about securing this prefix can be found at: https://www.gs1us.org/upcs-barcodes-prefixes/get-started-guide/1-get-a-gs1-us-issued-company-prefix

The Company Prefix will be available within 1-2 days after purchase.

NOTE: If you do not intend to assign UPCs to your products, you have the option to select the lowest-cost Prefix (\$250 initial cost, plus \$50 annual renewal as of 06/26/17). This lowest-cost Prefix will allow you to create up to 1,000,000 unique Case ID's (SSCCs).

Master Cartons: EXCEPTION - Partial Carton Quantity

HSN requires that all master cartons of a specific SKU maintain the SAME quantity but, does allow flexibility when the PO quantity cannot be evenly divided by the chosen master carton quantity. "Partial" cartons are permitted ONLY when there are multiple cartons for a given SKU, and can only be used on ONE of those cartons.

Example:

- The quantity ordered for a specific SKU is 120, and your <u>chosen</u> master carton quantity is 25. This means that there will be
 4 full master cartons of 25, and 1 "Partial" master carton of 20.
- If the same SKU is re-ordered, but the quantity ordered is less than a full master carton quantity, the "Partial" master carton rule will not apply since there will only be one carton.
- If the same SKU is re-ordered for **more** than the chosen master carton quantity, the chosen master carton quantity **MUST** be maintained (except for the "Partial" carton).

Master Cartons: EXCEPTION - Mixed SKU Master Cartons

HSN requires that all master cartons contain a single SKU, but does allow flexibility to accommodate mixed SKU cartons under the following scenarios:

- A PO with less than 150 total units AND less than 6 units ordered for a specific SKU.
- POs with quantities ordered that result in the final carton for a SKU being less than the standard master carton quantity AND less than 6 units per SKU. SKUs containing 6 or more units must be placed in a full SKU "Partial" carton.

NOTE: The Mixed SKU Exception does not apply to jewelry.

Master Cartons: Mixed SKU Master Carton Requirements

To help HSN easily identify and manage master cartons with mixed SKUs and avoid chargebacks, the following requirements must be closely adhered to:

- Single SKUs must be grouped/banded-together within the master carton (ex: all size 8s together, all size 10s together, etc.).
- Mixed SKU master cartons cannot contain SKUs from different POs (see label below).
- Mixed SKU master cartons must be clearly labeled as "MIXED" with SKU and quantity detail of what the carton contains (see label below).
- Mixed SKU cartons must be appropriately packaged to ensure product contained in the carton is secured and void properly filled to prevent movement within the carton during transit and handling.

Below is an example of the proper label for a mixed SKU master carton (smaller than actual size):

SHIPPED FROM: Label IT 2325 Ulmerton Rd Suite 23 Clearwater, FL 33762	MIXED SKUS	P.O. Number: 123456	
SHIPPED TO: DC# 92 Piney Flats 857 Mountian View Dr Piney FLats, TN 37686	Carton 9 of 9	Carton Quantity 8	
ITEM # ITEM 123456789 1 1 987654321 2 234567891 1 876543210 1 564789 2 987654 1	QTY: TE	# ITEM QTY:	

Master Cartons: Label Placement

Carton labels must be placed consistently throughout a shipment and must meet the below placement requirements:

 Master carton labels MUST be placed on the smallest side panel of the carton.



- If the master carton is less than 4" high, please use the 3" High x 8" Wide master carton label layout.
- Master carton labels CANNOT be placed on a seam or corner of the carton or COVERED with tape of any kind.
- Master carton labels CANNOT cover product information (such as special handling instructions or descriptions) when the carton is also a self-shipper/re-shipper carton.

Master Cartons: Additional Labeling for Import PO Showroom Samples

In addition to the required master carton labeling, special labeling must also be placed on master cartons that contain Showroom Samples for Import POs (described in the <u>Product Samples</u> section of this Manual).

Please use the following format as a template:

- 6" x 4" label,
- · Red with bold black lettering,
- Placed above or next to the master carton label,
- If it doesn't fit on the same panel, attach it to an adjacent side,
- Include the PO # and any carton information.



PALLET LABELING

Pallet Labels

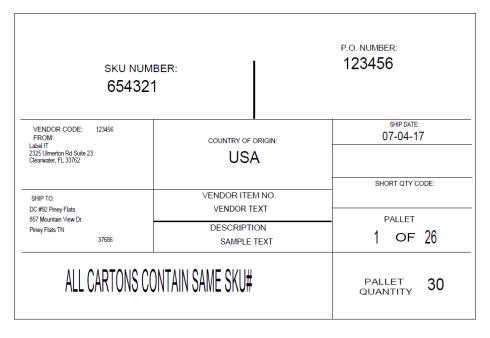
Pallet labels are required for certain pallet compositions. If your pallet requires a pallet label, affix the correct label (options detailed below) to the palletized load.

Pallet labels must contain the same information and employ the same UCC-128 Subset A barcode format used for master cartons.

If applicable, a label plainly stating "Mixed Pallet" must also be applied to the same side of the pallet as the Pallet Label.

Pallet Composition	Pallet Label Required?	Pallet Label Example
1 PO only 1 SKU only All product is in self-shippers (carton count of 1)	N	Example #1 (optional)
1 PO only 1 SKU only All product is in master cartons (multiple units in each carton)	N	Example #1 (optional)
1 PO only Multiple SKU All product is in self-shippers (carton count of 1)	Y	Example #2
1 PO only Multiple SKU All product is in master cartons (multiple units in each carton)	Y	Example #2
Multiple PO Multiple SKU All product is in self-shippers (carton count of 1)	Y	Example #3
Multiple PO Multiple SKU only All product is in master cartons (multiple units in each carton)	Y	Example #3

Pallet Label Example #1: Products Packaged in Self-Shipper/Re-Shipper Cartons (optional)



PALLET LABELING (CONTINUED)

Pallet Label Examples

Below are examples of pallet labels used for various pallet composition scenarios

Pallet Label Example #2: Single PO, Multiple SKU Pallets

SHIPPED FROM Label IT 2325 Ulmerto Clearwater, F	n Rd Sui	te 23				Р	.O. Number: 252424
SHIPPED TO DC#92 F 857 Mountain Piney Flats, T	Piney Fla View Dr		MIXE	ED SKUS		Ca	Pallet 5 of 5 rton Quantity 26
123456 654321 234567 765432 345678 876543	ΞM #	CART 1 2 1 4 4 3	ON QTY	456789 987654 123768	ITE	M #	CARTON QTY 4 4 3

Pallet Label Example #3: Multiple PO, Multiple SKU Pallets

MIXED PURCHASE ORDERS ON PALLET					
SHIPPED FROM: Label IT 2325 Ulmerton Dr Suite 23	SHIPPED TO: DC#92 Piney Flats		PALLET 1 of 1		
Clearwater, FL 33762	857 Mountain View Dr Piney Flats, TN 37686			Total Cartons 26	
PO 123456	PO 654321				
123456 654321 234567 765432 345678	Cartons 1 2 1 4 4 3	ITEM # Total Carto 456789 4 987654 4 123879 3		4 4	

EXPIRY PRODUCT REQUIREMENTS

Overview

Some of your products may be marked with expiration dates due to the established shelf life of the product. These products must comply with HSN's expiry labeling requirements. Ensuring that every such product has the most accurate and visible expiry labeling at every level of packaging protects our customer from any potential risks, assists HSN in tracking the shelf life of an item and helps you prevent loss of inventory. Such labeling may include; expiration dates, "best by" dates, "sell by" dates or "use by" dates.

How to Determine If Your Product Requires Expiry Labeling

Your product will require expiry labeling **only** if it meets one or more of the following criteria:

- If mandated by a regulatory agency (FDA, EPA, EU),
- If you are currently and voluntarily marking the product with a date (e.g., European cosmetic products),
- · If the product has a shelf life of less than 2 years before opening,
- If the product is a pet or human food, nutritional supplement, over-the-counter drug (Acne, SPF, etc.) or consumable medical device (cholesterol test strips), live plant or plant seed.

Expiration dates must be presented in a commonly recognized date format on the product container. Acceptable date formats are MM/YY, MM/YYYY, MM/DD/YY, and MM/DD/YYYY.

Figure 1 below is an example of an immediate product container marked with an expiration date that would require compliance with HSN's Expiry Product Labeling.



Figure 1

NOTE: Typical beauty products such as hair care, skin care and color cosmetics do <u>not</u> need to follow HSN's Expiry Product Labeling Requirements <u>unless</u> they meet one (or more) of the above listed criteria.

How and Where to Include Expiry Labeling

HSN requires that accurate and matching expiry date information span across all labeling of the product (product container, secondary package, selling unit carton, master carton). The following information lists several possible product scenarios and outlines the appropriate method of expiry labeling for each of those scenarios. Please note that the labeling requirements assume that one or more of the immediate product containers present in your item are marked as in Figure 1 above.

EXPIRY PRODUCT REQUIREMENTS (CONTINUED)

Selling Unit Labeling

A selling unit is defined as what the customer is purchasing from HSN. This selling unit could be a single item (tube of sunscreen) or a kit configuration (3pc skincare set). The labeling of a selling unit is typically where the UPC label or HSN item barcode label would be seen or affixed. Once you have determined that your item requires expiry labeling based upon the presence of expiry dating on the immediate product container, you must ensure that the selling unit has the same expiry labeling information clearly visible.

Single Items

When the selling unit of a single item has the expiry dating clearly marked during the manufacturing process, you are not required to add any additional labeling to the selling unit if the following criteria are met:

- 1. The date format used is one of the following: MM/YY, MM/YYYY, MM/DD/YYY, or MM/DD/YYYYY.
- 2. The date is clearly visible on the outer packaging of the selling unit.





When the selling unit of an item does not have the expiry date clearly visible, expiry labeling must be applied to the selling unit using either a separate label or as a human readable expiry date added to the HSN item barcode label.

Regardless of how expiry dating is marked on the selling units, HSN requires that the date format used when adding expiry labels to the product is MM/DD/YYYY or MM/DD/YYYYY.

NOTE: If the expiry date on the selling units does not list the exact day (DD) of expiration, you must assume it to be the 1st day (01) of the month (MM) when adding expiry labels.

When applying labeling to the selling unit, the label(s) CANNOT cover any pertinent, existing label information (product name, ingredients, contents, cautions, warnings, etc.).

When the selling units are packed into master cartons for shipment to HSN, the master cartons must also be labeled in accordance with the expiry labeling policy. Master carton expiry labeling is addressed in the <u>Carton Labeling</u> section of this document.

EXPIRY PRODUCT REQUIREMENTS (CONTINUED)

Multi-Component Kits

Kits present their own set of unique challenges with respect to proper expiry labeling. Kit configurations may contain multiple expiry components with differing expiry dates.

Each kit selling unit must be labeled with only one expiry date, and that date MUST be the EARLIEST expiry date of the components within the kit. When determining the appropriate expiry labeling for kit items, the following steps are to be followed:

- 1. Identify all components within the kit that have expiry dating on their immediate product containers.
- 2. Determine the component within the kit that has the **earliest** expiry date.
- 3. This is the expiry date that will be used to label the selling units and master cartons.



Expiry labeling must be applied to the kit selling unit using either a separate label or as a human readable expiry date added to the HSN item barcode label. Regardless of how expiry dating is marked on the kit selling units, HSN requires that the date format used when adding expiry labels to the product is MM/DD/YY or MM/DD/YYYY.

NOTE: If the expiry date on the selling units does not list the exact day (DD) of expiration, you must assume it to be the 1st day (01) of the month (MM) when adding expiry labels.

When the kit item selling units are packed into master cartons for shipment to HSN, the master cartons must also be labeled in accordance with HSN's Expiry Product Labeling Requirements. Master carton expiry labeling is addressed in the *Carton Labeling* section of this document.

DANGEROUS GOODS (HAZMAT) MARKING/LABELING REQUIREMENTS

Overview

All products meeting the definition of a Hazardous Material (Hazmat) must be properly classified, packaged, marked, labeled, and documented as outlined in Title 49 of the Code of Federal Regulations (49 CFR). It is the responsibility of the shipper/offeror (vendor) to fully understand and comply with these regulations.

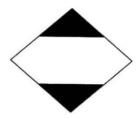
Acceptable Types of Hazmat

HSN is subject to US DOT (Department of Transportation) regulations and has limited the types of Hazmat that can be received and shipped from their facilities. Hazmat shipped to and fulfilled by HSN is **limited** to the following types:

- · Lithium Batteries
- Limited Quantity

Limited Quantity

All inbound Hazmat inventory meeting the definition of a Limited Quantity, must be marked according to 49 CFR, §172.315. Below is a Limited Quantity marking example:



For Reference Only – Not Actual Size

DANGEROUS GOODS (HAZMAT) MARKING/LABELING REQUIREMENTS

Lithium Batteries

Inbound Hazmat inventory meeting the definition of a lithium battery/cell, must be labeled/marked according to 49 CFR, §173.185. HSN will not offer for sale any product from our Fulfillment Centers that includes a lithium battery unless it is eligible to meet the less restrictive size limits, as noted in 49 CFR 173.185(c). Below are lithium battery/cell labeling/marking examples:





LITHIUM ION BATTERIES -FORBIDDEN FOR TRANSPORT

LITHIUM METAL BATTERIES -FORBIDDEN FOR TRANSPORT ABOARD PASSENGER AIRCRAFT ABOARD PASSENGER AIRCRAFT





LITHIUM BATTERIES -FORBIDDEN FOR TRANSPORT ABOARD AIRCRAFT AND VESSEL

For Reference Only - Not Actual Sizes

Liquid Orientation Marking

Inbound liquid Hazmat inventory must be marked according to 49 CFR, §172.312. Below is an orientation marking example:



For Reference Only - Not Actual Size

DANGEROUS GOODS (HAZMAT) MARKING/LABELING REQUIREMENTS

Additional Labeling Requirements

The shipping configuration of an item will determine where the required marking must be affixed. The key determination is the presence or absence of item master cartons. A vendor shipping product to HSN is REQUIRED to mark the outermost carton(s) of delivered item(s).

Shipping Configuration	Selling unit labeling required?	Master carton labeling required?
Individual corrugate self-shipper cartons WITHOUT master cartons	YES	NA
Individual corrugate self-shipper cartons WITH master cartons	YES	YES
Retail packaging WITH master cartons *Retail packaging includes chipboard / paperboard cartons, jiffy mailers, bubble bags, polybags, etc.	NO	YES

You are required to submit a complete and accurate SDS to HSN QA for every Hazmat item and a HSN Dangerous Goods Information Sheet for every lithium battery item. Requirements for a proper SDS document can be found at this link: https://www.osha.gov/Publications/OSHA3514.html. A blank Dangerous Goods Sheet can be found: https://view.hsn.net/WebDocuments/documents/HSN%20Dangerous%20Goods%20Information%20Sheet.xlsx

Dangerous Goods Label Placement

Packages 1.0 lbs. or greater must be in self-shippable cartons with minimum dimensions of 9" x 6" x H", where H allows for the appropriate DG marking on the SIDE panel without overlap.

The side panel is defined as a panel that is vertical when the carton is oriented with the largest face down.

This placement may require the carton size to be increased to accommodate the appropriate DG label.