

**Domestic**

**Vendor Compliance Manual**

**2021**

# Introduction

Advantus values the cooperative relationships it has with each of its vendor partners. In the fast-paced environment in which Advantus competes, certain expectations and requirements help Advantus work together with its vendor partners for each party’s mutual benefit. Regulation, production, and customer requirements influence the expectations and requirements in this manual to ensure quality products. Vendors are critical to success in delivering great products and delighting customers. This Vendor Compliance Manual explains these expectations and requirements.

All Vendors must comply with the terms, requests, and conditions set forth in this manual. In addition, please complete the following forms included in this vendor manual and email in PDF form to vendor.compliance@Advantus.com.

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| --- |
| **Current Vendors complete the following:** |
| Page 3 | * Vendor Acceptance of Terms & Conditions
 | Signed by an owner or authorized executive of the vendor |

### Vendor Acceptance of Terms & Conditions

**2021**

Please review the manual in detail before signing. An owner or authorized executive of the vendor must sign the Vendor Acceptance of Terms and Conditions. Email completed form in PDF format to vendor.compliance@Advantus.com.

By signing the below, Vendor acknowledges an understanding and agrees to the terms and conditions set forth in this manual. These terms and conditions include, but are not limited to, Advantus’ requirements related to product quality and shipping, Advantus’ Guiding Principles, Vendor security obligations, Advantus’ financial relationship with Vendor, and chargeback information if Vendor fails to adhere to these terms and conditions.

**Advantus may update the Vendor Compliance Manual at any time. Advantus will provide electronic notice of material changes or updates. By accepting a purchase order from Advantus, Vendor is bound by the terms of the Vendor Compliance Manual, including all updates.**

Vendor Company Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Owner/Executive Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Owner/Executive Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date of acceptance: Month\_\_\_\_\_\_Day\_\_\_\_\_\_\_Year\_\_\_\_\_\_\_

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# Purchase Order Terms & Conditions

The terms and conditions set forth in this document are part of any purchase order issued by ADVANTUS CORP. (“Advantus”), issued to you, the “Vendor”:

* **Acceptance.**  All deliveries of goods and/or services shall be delivered, rendered, and accepted solely upon the price, terms, conditions, and conformance to specifications set forth in this document. The purchase order incorporates any prior specifications, samples, or descriptions of the goods, and all express and implied warranties, and becomes the entire and exclusive agreement between Advantus and Vendor when acknowledged by Vendor in writing or, if earlier, when Vendor commences performance. No additional terms or conditions prepared by Vendor either orally or in writing shall be binding upon Advantus, and Vendor acknowledges that any such additional terms are hereby rejected unless expressly agreed to by Advantus in writing.
* **Price.** The price to be paid for the goods ordered or services to be performed shall be as set forth in the purchase order or the prevailing market price if lower, or, in the case of late or non-conforming delivery, at the absolute discretion of Advantus, unless otherwise agreed to in writing by Advantus. Advantus may set off any amount owing at any time from Vendor to Advantus against any amount payable at any time by Advantus to the Vendor.
* **Time is of the essence.** Time is of the essence in the performance of each and every obligation under this contract.
* **Quality.** The goods delivered and/or the services rendered must be free from any deficiency or defect. All goods ordered must comply with Advantus’ specifications and, to the extent not inconsistent therewith, the Vendor’s specifications as the same shall exist on the date of this order. This specification is manifest in the approved first article sample provided by the Vendor. Advantus must approve any changes to the specification in writing.
* **Quantity.** The quantity of goods indicated on the purchase order must not be exceeded without written approval of Advantus.
* **Delivery.** Vendor shall ship and deliver goods and render services on the date specified in the “Required Ship Date” on the purchase order unless Advantus gives prior written approval of any date change; late delivery will be subject to a chargeback.
* **Packaging and Labeling.** Vendor shall package and label goods and cartons in accordance with Advantus Packaging Specifications. Improper packaging and/or labeling may result in a chargeback. All material shall be labeled in accordance with federal, state, and local laws as they apply to labor, health, safety, environmental, country of origin, hazardous substances, food safety, and other requirements provided by Advantus, including but not limited to CPSIA, ASTM, TRA, LHAMA, Prop 65, CONEG and phthalate tests. If you are unsure of the requirements for your product, contact Advantus for additional clarification.
* **Shipping.** All material must be shipped within the timeframe specified by Advantus or as set forth on the PO. All domestic purchases are placed on an FOB destination basis. **Vendor shall bear the responsibility for any loss, damage, or rework charges incurred because of mishandling by the carrier.**
* **Merchandise.** All material/merchandise purchased by Advantus shall be free of manufacturing defects for the life of the product as specified by the original manufacturer and/or Advantus and comply with specifications, examples, or instructions provided by Advantus to Vendor. The Vendor shall guarantee Advantus the right to sell material/merchandise purchased from said Vendor and that the production or resale of the material/merchandise does not infringe any copyright, patent, trademark, or rights of any third party. The Vendor shall assume full responsibility for any infringement liability and agrees to defend such suits, actions, or claims at its own expense as directed by Advantus. Vendor shall also guarantee the material/merchandise is fit and safe for consumer use and complies with all applicable industry standards, federal and state laws including but not limited to labor, health, safety, environmental, country of origin, toxic and hazardous substances, food safety, and other requirements including but not limited to CPSIA, ASTM, TRA, LHAMA, Prop 65, CONEG and phthalate tests. The Vendor must provide Advantus with written notice to any noncompliance with such laws and shall defend, hold harmless, and indemnify Advantus against any and all claims, suits, actions, penalties, fines, and expenses arising out of any noncompliance with any applicable laws or this manual or alleged injury to person or property.
* **Title to, Use of, And Responsibility for Property.** All designs, tools, patterns, drawings, specifications, and other information, materials or equipment furnished or paid for by Advantus for use in the manufacture of any item or items ordered shall, at all times, remain Advantus’ property, and Vendor shall not use any such property in the production, manufacture, or design of any other articles or materials or for the production or manufacture of larger quantities than those specified on the purchase order, without the prior written consent of Advantus in each instance. Advantus shall furnish or purchase for Vendor’s use only such material, parts, tooling, and other such items as are expressly set forth by supplemental written agreement. Vendor shall retain any material, parts, tooling, or other such items in excess of the quantities agreed to be furnished by Advantus and required to complete any purchase order at its sole expense. Upon completion of the work required by purchase order, Vendor shall deliver any such item and any production to Advantus, or if Advantus demands delivery of the same prior to completion of such work, Vendor shall deliver such item and production to Advantus in accordance with the terms of Advantus’ demand.
* **Insurance.** Domestic (U.S.) vendors shall maintain commercial product liability insurance policies to include product liability coverage naming Advantus Corp. as additional insured, with a minimum of $1,000,000 per occurrence, with additional details as outlined on page 10. A current certificate of insurance must be sent annually to Advantus.
* **Recalls.** In the event either Vendor’s material/merchandise is subject to recall at the Vendor’s or governing body’s discretion, all costs associated with the recall incurred by Advantus shall be borne by the Vendor.
* **Confidentiality.** All correspondence between Vendor and Advantus and/or its agents, including but not limited to purchase orders, artwork, letters, e-mail, quotations, and Advantus customers shall be considered confidential and Vendor agrees to hold all such information in the strictest confidence and not disclose to any 3rd party unless required by law.

# Purchase Order Receipt & Acknowledgement

1. **Valid PO.** A purchase order (PO) originating from an authorized Advantus purchasing agent shall constitute an offer to purchase material or services, as specified in the PO, to the Vendor. A valid Advantus PO shall include, at a minimum:
	1. 5-digit system generated number
	2. Advantus’ purchasing agents name
	3. Vendor name and address
	4. Consignee (ship to) name and address
	5. Ship method
	6. Advantus item number(s) and description of item(s)
	7. Quantity ordered
	8. Price
	9. Payment terms

Price, quantity, and/or ship date discrepancies must be resolved prior to acceptance of PO by Vendor. All invoices, packing lists, bills of lading, and any other documents must reference the Advantus purchase order number.

1. **PO Acknowledgement.** Receipt of PO must be acknowledged by Vendor to Advantus in writing, confirming all items, prices, terms, quantities, ship date, ship to location, and ship method. Additionally, Vendor must include its name, as well as the different packaging levels and carton markings on the acknowledgement. Advantus expressly reserves the right to cancel any PO prior to acceptance by Vendor and/or after acceptance if compliance to terms set forth in this document and the Advantus Vendor Compliance Manual are not followed. Acknowledgements should be received no more than 48 hours after receipt of the PO. Purchase order acknowledgements must be sent via email, with the email attachment to include purchase order, pro-forma invoice, or acknowledgement to the Advantus purchasing agent who sent the order to Vendor.

# Liability Insurance (Domestic Vendors Only)

### Certificate of Insurance Requirements

As a condition of doing business with Advantus Corp., its subsidiaries and affiliated companies, Vendors are required to provide a Certificate of Insurance naming Advantus as an additional insured. This form must be on file. This protects Advantus Corp., its subsidiaries, and affiliated companies against any claim for bodily injury, death or property damage that arise from product design, packaging and/or manufacturing. The Certificate must be renewed on an annual basis.

### Certificate of Insurance Instructions

Please have your insurance agent obtain and forward a “Certificate of Insurance” to the following:

Advantus Corp.

12276 San Jose Blvd., Bldg. 618

Jacksonville, FL 32223

Attn: Vendor Compliance

Alternatively, email a PDF copy to the following address: vendor.compliance@Advantus.com

Certificates must include:

* Product Liability Coverage
* Additional Insured Vendors Coverage (endorsement) naming, as additional insured, Advantus Corp., its subsidiaries and affiliated companies, and their respective successors, assigns, officers, directors, employees and agents. Please attach form CG 20150704 or equivalent.
* Minimum Limits of Liability
	+ Commercial General Liability – Occurrence Form
		- $1,000,000 each occurrence
		- $2,000,000 General Aggregate
		- $2,000,000 Products & Completed Operations Aggregate
* At least 30 days’ prior written notice of cancellation or material change in the policy by certified mail to the above address.
* Note: Eliminate any wording in the cancellation clause such as, “endeavor to” and “but failure to mail such notice shall impose no obligation or liability of any kind upon the company”.

**Advantus Corp. will withhold payment until an acceptable Certificate of Insurance is on file.**

# Product Quality

### UPCs

UPCs on product packaging must scan at a “C” level or higher.

### Regulatory Compliance

All Advantus products must comply with applicable product compliance regulations. Products that fall under federal and/or state regulation must be tested and confirmed that they comply with said regulation BEFORE shipping to Advantus. Specifically, subject to more stringent customer or product-specific testing or regulatory requirements, this means that all products must, at a minimum, meet the following requirements:

* Adult products
	+ Less than 300 ppm lead in substrate
	+ Less than 90 ppm lead in coating
	+ Flammability (16 CFR 1500.44)
	+ Hazardous Liquid, (CHPA R.S.c.H-3 Sch. I Pt. 1 Item 8)
	+ Mechanical Hazards (16 CFR 1500)
	+ Combustibility (US FHSA Section 2(q), 16 CFR 1500.3(c)(6)(iii)
	+ Proposition 65 requirements, especially for lead and phthalates
	+ No more than 0.1% of the following phthalates:
		- DEHP (Di-2-ethylhexyl phthalate)
		- DBP (Dibutyl phthalate)
		- BBP (Benzyl butyl phthalate)
		- DINP (Di-isononyl phthalate)
		- DIDP (Di-isodecyl phthalate)
		- DnOP (Di-n-octyl phthalate)
* Children’s products (intended for children 12 and younger) must meet both the above and the below requirements:
	+ TOY SAFETY, (ASTM F963-11)
	+ Lot tracking codes on product/packaging
	+ CPSIA
	+ Less than 40 ppm lead in substrate
	+ Less than 40 ppm lead in coating
	+ Proposition 65 requirements, especially for lead and phthalates; including –
		- Less than 75-ppm cadmium for all Halloween items.
* Plastic bags
* For plastic bags with a thickness of less than one mil (1/1000 inch) having an opening size of five inches or more, the following warning statement will meet the requirements of all state and local laws:
	+ - **“Warning: To avoid danger of suffocation, keep this plastic bag away from babies and children. Do not use this bag in cribs, beds, carriages, or playpens. This bag is not a toy.”**
* The warning must appear on both sides of the bag and be repeated at 20-inch intervals for bags whose length and width are more than 40 inches.
* The type should be clear, distinct, and conspicuous in color, layout, contrast, etc.
* The printing technique must result in a label that will not smear.
* The warning must be on the bag or on a label securely attached to the bag.

|  |  |
| --- | --- |
| **Total Length and Width of Bag Combined** | **Minimum Type Size** |
| Less than 25 inches | 10 point |
| 25 to 39 inches | 14 point |
| 40 to 59 inches | 18 point |
| 60 inches or more | 24 point |

Note: Bags used for shipping purposes only, never to reach the consumer, are not subject to the above requirements. If in doubt, please contact the Advantus purchasing agent or product manager to confirm applicable product standards.

### Overall Product Quality Control and Quality Assurance

In order to ensure products meet Advantus and Advantus’ customer quality requirements, vendor partners must have quality assurance or quality control coverage for all shifts worked.

Unless otherwise specified in writing from an Advantus product manager, products must pass a 3’ (91.44 cm) drop test on tile without significant breakage. If this is a concern with your product, please contact your Advantus product manager for clarification or potential waiving of this requirement.

### Undue Influence

It is unacceptable for Advantus employees or vendors to exercise undue influence over third party product testing laboratories in inducing a laboratory and/or its individual employee(s) to hide, withhold, misrepresent, falsify, or withhold test results. Parties who aggressively initiate a transaction, insulate a relationship from outside supervision, or discourage a weaker party from seeking independent advice may be attempting to exercise undue influence. Exercise of undue influence is characterized often by excessive insistence, superiority of physical power, mind, or will, or pressure applied due to authority, position, or relationship in relation to the strength of the person submitting to it. Advantus will not tolerate such behavior and immediate termination of business may result. Reports of potential undue influence should be directed to Advantus and will be investigated. Additionally, confidential reports of undue influence may be made directly to the U.S. Consumer Product Safety Commission. Confidential reports of undue influence may be made to the Consumer Product Safety Commission Hotline at 1-800-638-2772.

### Periodic Testing Plan, Product Re-Testing

Advantus’ policy requires vendor partners producing products that fall under federal and state product compliance regulations to test products regularly to ensure compliance. Children’s products will be reviewed and tested at the time of introduction and annually with a third-party laboratory to confirm compliance with federal requirements, and more frequently if there are irregularities in received products or consumer complaints and warranty claims. Re-testing charges due to vendor compliance failure will be charged back to the vendor partner.

If a children's product undergoes a material change in product design or manufacturing process, including the sourcing of component parts, which a vendor partner exercising due care knows, or should know, could affect the product's ability to comply with the applicable children's product safety rules, the vendor partner must submit a sufficient number of samples of the materially changed children's product for testing by a third party laboratory and those test results must be given to Advantus.

If any of the following changes are made to the product, the product must be re-tested and results sent to the Advantus product manager for record keeping:

* Product design, including all component parts, their composition, and their assembly
* Manufacturing process
* Sourcing of component parts, including part composition and/or supplier

### Corrective Action Plans (CAPs) and Remedial Action Plans (RAPs)

If a vendor partner is found out of compliance with the standards outlined in this manual and/or required by its customers, the vendor is expected to provide a Corrective Action Plan (CAP) or Remedial Action Plan (RAP). Advantus will review this plan for approval before implementing, and the execution thereof will be confirmed back to Advantus.

### Initial Production vs. Approved Samples and Specifications

Advantus vendor partners must provide a pre-production sample to the product manager to confirm conformance to product specifications, and must provide, at the product manager’s request, production samples to confirm conformance to an approved pre-production sample.

### Incoming Raw Materials and Component Testing, Documentation

Vendors are expected to test and confirm that incoming raw materials, components, and sub-assemblies conform to all applicable safety and regulatory requirements and that all non-conforming materials are properly segregated, identified, and excluded at all stages of the production process. Furthermore, vendor partners must follow a documented process to ensure that if non-conforming materials or products are re-worked, such materials or products are re-inspected and retested to confirm compliance with all specifications and requirements.

### Documentation Control Procedure & Record Retention

Advantus vendor partners must control the documentation required by their quality management system and a suitable document control procedure must be implemented to define the controls needed to approve, review, update, identify changes, identify revision status and provide access. The document control procedure must clearly define the scope, purpose, method and responsibilities required to implement these parameters.

Records related to production history, material changes, supplier changes, and product testing must be retained for at least 5 years.

### Conflict Mineral Sourcing

Advantus supports sustainable product sourcing, including prohibiting the use of conflict minerals that originated in the Democratic Republic of Congo (DRC) or an adjoining country in its products or the production thereof.

Advantus vendor partners are required to confirm that tin, tantalum, tungsten and gold is either a) not included in any products (excluding packaging) or components (including in metal components, trim, hardware and/or plating) provided to Advantus or its customers or that any tin, tantalum, tungsten and gold in any products (excluding packaging) or components (including in metal components, trim, hardware and/or plating) provided to Advantus or its customers does not come directly or indirectly from the Democratic Republic of Congo (DRC).

Further, vendor partners are required to request and receive verifiable information from throughout their supply chain to support this certification. This information includes documentation such as bills of material and material disclosures for these products and/or their components.

Lastly, vendor partners must immediately notify Advantus of changes made to the production process or components used in Advantus or its customers’ products that would change the accuracy of this certification. Accordingly, records related to production history, material changes, and supplier changes must be retained for at least 5 years.

# Cartons

### Carton Contents

1. **One SKU.** It is very important that each carton contains only one stock number. Do not mix different items in a single carton unless specifically requested and approved by an Advantus Product & Sourcing Specialist in writing.
2. **Correct Quantities.** The quantity contained in the inner pack (if applicable) and master/shipping carton must match what is on the carton label. Do not overship or ship partial cartons unless specifically requested and approved by an Advantus Product & Sourcing Specialist in writing.

### Carton Quality

1. **New Cartons Only.** Merchandise must be packed in a new, not re-used, sturdy carton to maintain integrity and quality of contents. No markings other than those of the vendor and/or box maker should be on the carton.
2. **ISTA Standards.** Shipping container/carton packaging must meet International Safe Transit Association (ISTA) standards. The Advantus Product & Sourcing Specialist must approve exceptions in writing.
3. **Taping.** Cartons must be taped using polystyrene tape that is at least 2” wide. No strapping permitted.
4. **Stapling.** Stapling cartons is not acceptable without pre-approval from a product & sourcing specialist.
5. **Recyclable.** In an effort to reduce waste and protect natural resources, Advantus has a recycling program. All vendor partners should use packaging that is recyclable whenever possible.

### Carton Consistency

1. **Consistency between Orders.** Dimensions and weight of each inner/master carton shall be consistent between orders. The initial order and each subsequent order should have the same size carton for each item. Failure to comply will result in a chargeback penalty.
2. **No Changes without Advantus Consent**. Carton dimensions may not be changed without written approval from Advantus. Failure to comply will result in a chargeback penalty.

### Carton Packing

1. **Full Cartons.** Cartons must be filled to capacity, and the top free/void space (the space between the uppermost unit and the carton interior) must not exceed 0.5 inch (1.27cm). **Failure to comply with this requirement will result in chargebacks as Advantus customers fine Advantus for shipping excess air.**

### Carton Measurements

1. **Carton Measurement Estimates.** Estimated carton measurements (dimensions and weight) must be provided at the time of quotation to Advantus.
2. **Final Carton Measurements.** Confirmed final carton measurements must be provided 1 week before shipment.
3. **Measurement in Inches/Pounds.**  Carton measurements must be made in inches and weight in pounds. They must be made from the actual carton to be used.
4. **Measurement Accuracy.**  Measurements must be within +/-0.25-inch accuracy for length, width, and height dimensions, and 0.1 lbs. for weight.
	1. **Master Cartons.**  Measurements must be made using the following method: Length is the longest dimension,Width is the second longest dimension, and Height is the shortest dimension.



* 1. **Inner Cartons.** *Inner cartons/polybags follow the same measurement method; measure the inner carton/polybag in the orientation it sits inside the master carton, as shown (For polybags, please do not include the empty/loose polybag in the dimensions, just measure snug to the product inside.):*



### Master Cartons & Import Cartons

A corrugated carton must always be used for packing master and import cartons. In many instances, the master carton will be largest unit of measure. However, on smaller items where the master carton size is less than 1 cubic foot, Advantus may require that master cartons be packed into a larger import carton. Master cartons should be no larger than 3 cubic feet.

### Carton Markings

1. **Fragile Markings.** Fragile markings must be approved in advance by the Advantus Product & Sourcing Specialist, and must be on all carton levels (import, master, inner). An item should be considered fragile if it is likely to break or to sustain damage from impact, crushing, or dropping when subjected to the typical handling of the supply chain.
2. **Unidirectional Arrows.** Cartons that can only be stacked one way must use unidirectional arrows (single-headed arrows) indicating which way to stack the cartons.

### Carton Labels

1. **Label Contents.** Each carton/package to include selling unit, inner carton, and master carton shall be labeled with the specified Advantus UPC label on two adjacent corners as shown above unless master is the outermost carton. The outermost carton shall be labeled with a specified Advantus UPC label on all four sides, each on adjacent corners, as shown above. The carton label shall include the barcode, item number, description, and quantity. The label shall also include the Advantus warehouse address and the country of origin. For products that are covered by CIPSIA and/or are produced under one of Advantus’ customers’ brands (private label), carton labels may also need to include a lot code. Please review with the Advantus product and sourcing specialist or buyer.
2. **Label Size.** Carton UPC labels shall be a minimum of 3 inches x 5 inches for large cartons (>12 inches x 12 inches x 12 inches) and proportionate for smaller packages/cartons (inner carton labels can be 2 inches x 4 inches). The barcode symbology for carton labels is CODE128. The barcode symbology for sellable units is UPC-A. The barcode symbology for carton labels shall be no less than 13mm or .5” high. Reference Master Carton and Inner Carton label examples on the following pages.

1. **Scannability.** All UPC labels shall be void of defects. All barcodes must scan at ANSI grade “C” or higher. New suppliers to Advantus must submit a sample carton barcode to the product and sourcing specialist or buyer to confirm scannability.

|  |  |
| --- | --- |
| Master Carton (500 Level)3 inch x 5 inch label |  |
| Inner Carton (100 Level UPC)2 inch x 4 inch label |  |

# Shipping

### Packing Slip (Domestic Vendors Only)

A packing slip, which includes Vendor name, purchase order, part numbers and descriptions, quantities, and consignee address, shall be attached to the lead carton or pallet in a conspicuous location. Never place packing slips inside a carton. **Delays in sending paperwork in a timely manner may result in a chargeback to the vendor partner.** **Incorrect Advantus item numbers, wrong item counts, wrong carton counts, incorrect or missing Advantus PO numbers, incorrect pricing, or any other clerical error will also be subject to fines.** These general guidelines for all vendors apply:

1. **Coordination.** All inbound shipments to Advantus facilities with the exception of shipments via FOB destination (freight paid to Advantus) or Freight Collect shall be coordinated through Advantus.
2. **Correct Delivery Address.** Vendor must ensure freight is sent to the correct address as indicated on each PO. Advantus will reroute any shipment to the wrong address at the Vendor’s expense.

FTL (Full Truck Load) and LTL (Less Than Truckload) and parcel shipments shall be coordinated with the buyer listed on the purchase order.

# Invoicing

1. **Invoice Format.** All invoices must include:
	1. Vendor Name
	2. Advantus PO Number
	3. Advantus Item # for each item
	4. Description
	5. Quantity of each item
	6. Number of cartons
	7. Unit Price
	8. Extended Price
	9. Total amount
	10. Remit to address
	11. Ship to address. **NOTE: The Ship to address must always be ADVANTUS on its own line, with no additional text, even if going to another location**. Example: a shipment going to ABC Warehouse would still have ADVANTUS on the first line and c/o ABC Warehouse on the second line. This is critical for our data management and shipment tracking requirements.
	12. All domestic Vendors must provide banking information as Advantus pays by ACH only.

Forwarder’s Cargo Receipts (FCRs) shall be sent by express carrier on **Vendor’s account to**:

Advantus

Attn: Accounting

12276 San Jose Blvd, Bldg. 618

Jacksonville, FL 32223 USA

Tel: +1.904.482.0091

1. **Domestic Invoices.** Domestic Vendor Invoices should be sent via email to ap@advantus.com. *When necessary*, paper invoices can be sent to:

Advantus

Attn: Accounts Payable

12276 San Jose Blvd, Bldg. 618

Jacksonville, FL 32223

**Delays in sending paperwork in a timely manner may result in a chargeback to the vendor partner.** **Incorrect Advantus item numbers, wrong item counts, wrong carton counts, incorrect or missing Advantus PO numbers, incorrect pricing, or any other clerical error will also be subject to fines.**

# Changing Bank Information

In order to change the Vendor Banking Information, the Vendor must submit a request to the Product Management Supervisor and Purchasing Supervisor. The Purchasing and Product Management departments will discuss and confirm the banking information requested to be changed. Submit requests to tanderson@advantus.com and mmcduff@advantus.com.

If the Advantus employee knows the Vendor, Advantus will contact the Vendor.

# Chargebacks

Failure to comply with instructions set forth in this document may result in chargebacks to the noncompliant Vendor. Advantus is not in business to make profits from chargebacks; rather, Advantus will recoup expenses (relabeling, repackaging, rework, etc.) incurred and correct non-compliant behavior. If the Vendor follows the instructions provided in this manual and its purchasing/product management contacts at Advantus, it is not anticipated that chargebacks will take place. However, failure to comply with Advantus requirements may result in chargebacks as incurred to Advantus by its customers, and this chargeback schedule will be sent separately to and imposed upon Vendors with continued non-compliance.

# Advantus Guiding Principles

### Advantus Values and Commitment

The values of Advantus, Corp. and its subsidiaries, affiliates, franchisees, joint venture partners, divisions and agents (“Advantus”) are founded on the principles of accountability and integrity. Advantus expects Vendors producing goods, including any approved subcontractors (collectively “Vendors”) to follow and adhere to these Vendor Guiding Principles in order to do business with Advantus. These Vendor Guiding Principles apply to all Vendors of Advantus. The Vendor Guiding Principles represent Advantus’ commitment to source goods only from Vendors who strive to comply fully with all applicable laws and regulations and those who meet internationally recognized standards and practices in dealing with its workers and their working environment. All Vendors of Advantus must comply with all applicable laws and each of the following principles:

### Labor Standards

1. **Prohibition of Forced Labor.** Vendor may not use any form of forced labor including prison, indentured, bonded, and military or slave labor. Vendor may not require any of its foreign workers to remain in employment against their will.
2. **Prohibition of Child Labor.** Vendor may not use child labor. Workers should not be younger than the minimum employment age established by the respective country. In the event no minimum employment age is established, workers should not be younger than the age of compulsory education; or if no minimum age for compulsory education is established, workers should not be younger than age 16.
3. **Working Hours.** Vendor’s employee working hours should comply with any and all applicable laws and regulations. However, Vendor should strive to have no employees work more than 60 hours per week, or more than 6 days during any 7-day period.
4. **Wages and Benefits.** All employees of Vendor should receive at least the legal minimum wage and benefits. A written accounting of wages should be given to the employee during each pay period clearly indicating the employee’s compensation and any deductions. Vendor should pay higher hourly rates for night shifts than for day shifts. Vendor should not deduct penalties from employee wages for disciplinary infractions.
5. **Respect for the Individual.** Treat all employees with respect and dignity.

### Freedom of Association

Vendor must recognize and respect the right of employees to freedom of association and collective bargaining without penalty, discrimination or harassment.

### No Discrimination

Advantus respects cultural differences and believes workers should be employed based on their abilities, rather than their race, gender, personal characteristics or beliefs. Vendor shall not engage in any form of discrimination including, without limitation to, sexual harassment, racial harassment, workplace bullying, victimization or vilification.

### Health and Safety

1. **Working Environment.** Vendor should maintain a working and housing environment (if Vendor provides housing) that is sanitary, safe, healthy, and in compliance with applicable laws and regulations relating to working and living conditions (if applicable). Vendor is required to comply with all applicable laws and regulations pertaining to the local fire code standards and the proper maintenance of all applicable equipment (i.e. alarms, extinguishers, etc.).
2. **Security.** Advantus collaborates with the U.S. Bureau of Customs and Border Protection (“CBP”) in an effort to secure its supply chain under the Customs-Trade Partnership against Terrorism (“C-TPAT”). To accomplish this mission, Advantus expects Vendors to develop and implement a sound plan to enhance security procedures. Vendor must follow the Vendor Security Guidelines (page 23), provided by CBP. Additionally, Vendors should follow the European Security Standards Authorized Economic Operators (“AEO”) Guidelines.

### Environment

Advantus requires Vendor to be sensitive to its impact on the environment and local communities by enforcing environmental standards within its facilities. This extends to the timely and required maintenance of machinery and transportation fleet (where applicable). Vendor shall have an up to date, documented Environmental Policy including commitment to environmental protection, prevention of pollution, and compliance with environmental rules and regulation. Vendor must be able to provide policy to Advantus upon request.

### Management of Standards

**Inspection Right.** Vendor must be able to demonstrate compliance with these Vendor Guiding Principles to the satisfaction of Advantus. Therefore, Vendor will maintain reasonable records and documentation of its compliance with these Vendor Guiding Principles. Vendor will permit Advantus or parties designated by Advantus to inspect (with or without notice) all such records and documentation, and the facilities of Vendor, to independently confirm compliance with these Vendor Guiding Principles.

### Enforcement of Standards

**Violations.**  If Advantus determines Vendor violated these Vendor Guiding Principles, Advantus may demand corrective action or terminate its business relationship with Vendor, notwithstanding anything to the contrary in any other agreement between Vendor and Advantus.

### Reporting of Potential Violations

Vendors shall adhere to these Vendor Guiding Principles and report any violations to Advantus immediately upon discovery of any violation. This can be done by emailing Mr. Charlie Frohman, Executive Vice President at cfrohman@advantus.com or calling him at +1.904.421.1034. All reports are confidential and callers may choose to remain anonymous in their reporting.

### Vendor Attestation

Vendor authorizes the procurement of an investigative background search in accordance with anti-terrorism legislation including, without limitation, the USA Patriot Act and Section 1 of U.S. Executive Order 13224 issued September 23, 2001. Vendor also certifies that neither it nor any of its funding sources is or has ever been a terrorist or suspected terrorist, or a person or entity described in the aforementioned legislation. Vendor understands that Advantus will not do business with a Vendor if the Vendor has ever been a suspected terrorist or associated in any way with terrorist activities. Vendor also agrees to provide accurate and complete information to Advantus to enable it to comply with all of its importation requirements.

### Confidentiality of Relationship

The relationship between Vendor and Advantus is confidential in nature. Vendor agrees not to tell any other party, customer or potential customer that Advantus is a customer of Vendor. Vendor further agrees not to show any product that Advantus purchases from Vendor in any catalog, advertisement, showroom, or other display.

# Advantus' Financial Relationship between Employees and Vendors

### 阿迪泛特斯的雇员和供应商之间的财务关系

1. **Goals/intent.**All rules, guidelines and policies relating to the financial relationship between Advantus employees and vendors and vendor employees are to result in the increasing efficiency for product, service and communication quality for Advantus, improved alignment of interests among Advantus and its vendors, compliance with local laws and regulations, and increased personal and organizational integrity and honesty.  Anything in conflict, or in possible conflict with these goals, listed or specified below, directly or indirectly, will be deemed problematic, in violation, and may result in vendor termination and civil and criminal legal actions.

目标/意图：所有阿迪泛特斯的雇员和供应商，以及供应商的雇员之间的财务关系的规则，指导方针和政策，都是为了阿迪泛特斯提高产品，服务和沟通的效率，在阿迪泛特斯和她的供应商中提高利益的一致性，符合当地的法律法规，和增加个人和组织的廉正和诚信。下面列出的任何与这些目标直接或间接有冲突或可能有冲突的情况，将被视为违反这些规则，而可能导致终止供应商合作，和民事和刑事诉讼。

1. **Financial transactions.**  No financial transactions are permitted between Advantus employees and the employees or owners of any current or potential vendor. This includes any financial help or benefit, loans, gifts, rewards, gambling proceeds, donations, debt forgiveness, etc.

财务交易：阿迪泛特斯雇员与任何当前的或潜在的供应商的老板或雇员之间的财务交易是不被允许的。这个包括任何财务帮忙或得益，借贷，礼物，奖品，赌博收益，捐赠和债务豁免等。

### Bribery and Corruption

### 贪污和受贿

1. **Compliance.** Vendor must comply with all laws, rules, and regulations that are applicable to its relationship with Advantus including, but not limited to, U.S. laws regulating prohibition of bribery, anti-terrorism, asset controls, and corruption. Vendors are required to notify Advantus in advance of any conflicts of interest that may influence the Vendor’s ability to meet compliance requirements.  This includes any relationships with foreign officials or a non-U.S. government agency. Vendor shall notify Advantus immediately in the event of circumstantial changes that would affect its ability to remain in compliance.

遵守：供应商必须遵守与阿迪泛特斯关系所适用的全部法律，法章和制度，包括但不限于美国的规范禁止贿赂，反恐，资产的控制和贪污法律。供应商必须提前通知阿迪泛特斯任何利益冲突可能会影响供应商满足符合要求的能力。这包括任何与外国官员或非美国政府机关的关系。供应商应立即通知阿迪泛特斯事件的变化会影响其保持符合规定的能力。

1. **Anti-Corruption.** Vendor should strive towards maintaining the highest standards of moral and ethical conduct at all times. Vendor shall not engage in any form of corrupt practices including, without limitation to, extortion, fraud, impersonation, false declarations or bribery.

反腐败：供应商应该一贯努力维护最高标准的道德和伦理的行为。供应商不得从事任何形式的腐败行为，包括但不限于敲诈勒索，诈骗、假冒、虚假声明或贿赂。

1. **Bribery.** Absolutely nothing of value may be given to any associate, employee, or agent of Advantus. No Advantus associate, employee, or agent may request a payment, bribe, kickback, commission, or any other type of payment for doing business with Vendor or for helping Vendor in any manner. If Vendor makes any payment to any Advantus associate, Advantus will terminate its relationship with Vendor and all obligations of Advantus to that Vendor will be ended immediately.

贿赂：绝对地，不可以给予有价物品予任何阿迪泛特斯的同事，雇员或代理。阿迪泛特斯的同事，雇员或代理都不能以任何方法帮助或直接与供应商做生意，以要求获得款项，贿赂，回扣，佣金或任何形式的支付。如果供应商支付给阿迪泛特斯的同事，阿迪泛特斯将终止其与供应商之间的关系和所有与阿迪泛特斯的义务将立即结束。

### Gifts and Hospitality

### 礼物和款待

1. **Gifts and Meals.** Advantus associates are not to accept gifts of any value and Vendor may not offer such gifts. There are no exceptions. Meals may be provided to Advantus associates when they are visiting a facility as long as that meal does not exceed US$25 in value.

礼物和食物：供应商不可以提供这样的礼物，阿迪泛特斯同事不接受任何价值的礼
物。没有例外。当阿迪泛特斯的同事到访工厂，只要吃饭不超过25美元的价值，这是可以的。

1. **Samples.** Advantus associates are not permitted to purchase items directly from Vendor nor are they permitted to take samples for their personal use.

样板：阿迪泛特斯的同事不允许直接从供应商购买产品也不允许拿样板供个人使用。

# Vendor Security Guidelines

Every Vendor should have a written security procedure in place to protect Advantus’ intellectual property and confidential material, as well as those associates that work or visit such Vendor facilities as recommended by CBP:

Physical Security

All buildings should be constructed of materials that resist unlawful entry and protect against outside intrusion. Physical security should include:

1. Adequate locking devices for external and internal doors, windows, gates and fences.
2. Segregation and marking of international, domestic, high-value, and dangerous goods cargo within the warehouse by a safe, caged, or otherwise fenced-in area.
3. Adequate lighting both inside and outside the facility, as well as in parking areas.
4. Separate parking area for private vehicles that is separate from the shipping, loading dock, and cargo areas.
5. Having internal/external communications systems in place to permit prompt contact of internal security personnel or local law enforcement/police.

Access Controls

Unauthorized access to the shipping, loading dock, and cargo areas should be prohibited. Controls should include:

1. The positive identification of all employees, visitors and Vendors.
2. Procedures for challenging unauthorized/unidentified persons.

### Procedural Security

Measures for the handling of incoming and outgoing goods should include the protection against the introduction, exchange, or loss of any legal or illegal material.

Security controls should include:

1. Assign a designated security officer to supervise the introduction/removal of cargo.
2. Properly marked, weighed, counted and documented products.
3. Procedures for verifying seals on containers, trailers and railcars.
4. Procedures for detecting and reporting shortages and overages.
5. Procedures for tracking the timely movement of incoming and outgoing goods.
6. Proper storage of empty and full containers to prevent unauthorized access.
7. Procedures to notify Customs and other law enforcement agencies in cases where anomalies or illegal activities are detected or suspected by the company.

Personnel Security

Vendor should conduct pre-employment screening and interviewing of prospective employees to include periodic background checks and application verifications.

### Education and Training Awareness

A security awareness program should be provided to employees including recognizing internal conspiracies, maintaining product integrity, and determining and addressing unauthorized access. These programs should encourage active employee participation in security controls.

**Chargeback Calculation Explanation**

Failure to comply with instructions set forth in the Advantus Vendor Compliance Manual will result in chargebacks. Advantus is not in business to make profit from chargebacks. These are necessary to recoup time and expenses incurred (customer fines, relabeling, repackaging, rework, etc.). If the Vendor follows the instructions provided in this manual and any specific instructions provided by purchasing/product management contacts at Advantus, chargebacks will not take place.

Charges for compliance violations are assessed on a per SKU/PO/location basis. The same SKU can have multiple violations leading to multiple charges for the same SKU/PO/location. Please note subsequent errors of the same issue will result in an increase of the administrative fee from $325 to $1,000 for each occurrence after the initial chargeback (see below). The charges listed in the following schedule are subject to change. Vendors will be notified in the event of any changes to this chargeback schedule.

* First occurrence: $325 admin fee, rework and labor expenses (if applicable) and any customer fines received by Advantus.
* Second occurrence (same issue): $1,000 admin fee, rework and labor expenses (if applicable) and any customer fines received by Advantus.
* All future occurrences (same issue): $1,000 admin fee, rework and labor expenses (if applicable) and any customer fines received by Advantus.

Please note that some issues, such as violations of governmental regulations, are fined at a higher rate than the standard $325.

# Chargeback Schedule

Failure to follow the guidelines above will result in a deduction from payments due. Advantus is fined by its customers for the violations outlined below, and Advantus requires that its Vendors bear these costs when the Vendor is responsible. Chargebacks will take place on the following schedule (which mirrors the fines Advantus receives from its customers) and is in addition to the fees, as explained above.

|  |  |
| --- | --- |
| **Violation Description** | **Chargeback Amount** |
| **No Packing Slip**  | $325 per shipment |
| **Paperwork Errors** on Invoice, Packing List, Bill of Lading, including not referencing the Advantus item# | $325 per document |
| **Mis-labeled Product** (the information on the product is incorrect) | $325 per SKU plus costs incurred to remedy the problem (freight, labor, cartons, etc.) |
| **Mis-labeled Cartons** (the product in the carton does not match the carton label) | $325 per SKU plus costs incurred to remedy the problem (freight, labor, cartons, etc.) |
| **Defects** found in receiving, production, final inspection, and/or at customer location. | $325 plus cost of product |
| **Carton dimensions/weight** of received product do not match dimensions provided to Advantus at time of shipment of product +/- 0.25 inches and +/- 0.1 pounds | $325 per SKU plus costs incurred to remedy the problem (freight, labor, cartons, etc.) |
| **Carton is not filled** to at least 90% capacity and/or within ½ inch of top interior of carton | $325 per SKU plus costs incurred to remedy the problem (freight, labor, cartons, etc.) |
| **Improper use of fragile markings or carton arrows** (using them when not required, not using them when required) or missing required carton marking information | $325 per SKU plus costs incurred to remedy the problem (freight, labor, cartons, etc.) |
| **UPC on carton** is unscannable  | $325 per SKU plus costs incurred to remedy the problem (freight, labor, cartons, etc.) |
| **Incorrect Pack or Case Quantity** | $1,000 per sku plus costs incurred to remedy the problem (freight, labor, cartons, etc.) |
| **Trilingual (if required by Advantus)** information missing  | $325 per SKU plus costs incurred to remedy the problem (freight, labor, cartons, etc.) |
| **Late shipments and/or incomplete shipments** | $325 plus 3% of PO |
| **Late purchase order confirmations** | $325 plus $100 per business day overdue |
| **Product Recalls** and/or stop-sales of products initiated by Advantus, its customer(s), or government agency. This includes violations of Prop 65, CPSIA, TSSA, Health Canada, CPSC, etc., as well as stop-sales initiated due to product safety | $5,000 per SKU plus costs to remedy the problem |
| **Express Bill of Lading**. Documentation error on forwarding freight.  | $300 per occurrence |
| **UPC on item** is incorrect and/or unscannable | $1,000 per SKU per PO |
| **Weights and Measures** violations (piece count or weight per SKU does not match data indicated on packaging) | $2,500 per SKU plus costs to remedy the problem |
| **Failure to return signed Vendor Compliance Manual by required deadline** | $50 per week late |
| **Product Testing Failure** for products which fail to meet regulations | $325 per test plus cost of test |
| **Delays in receipt of product sample resulting in expedite fees for testing** | $325 plus cost of expedite fees |
| **Failure to provide Environmental policy** within 2 business days of request | $325 plus $100 per business day overdue |
| **Other requirements** that Advantus has communicated to Vendor, and which cause Advantus to incur unexpected costs due to Vendor non-compliance | Charged according to costs incurred by Advantus to remedy the problem |