

SPOTLIGHT

SPOTLIGHT

Quality Assurance Program

Vendor Compliance Manual

General Requirements

Version 14

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1 INTRODUCTION

The Vendor Compliance Manual has been developed to provide Vendors with Spotlight's minimum standards when supplying Articles to the Spotlight Group.

In addition to this document – **Vendor Compliance Manual – General Requirements**, there are a number of supplementary Vendor Compliance documents that **MUST** also be complied with:

- **Vendor Compliance Manual – Local Vendor Cross Dock Requirements**
- **Vendor Compliance Manual – Local Vendor non-Cross Dock Requirements**
- **Vendor Compliance Manual – Overseas Vendor Requirements**

You must ensure you comply with all relevant requirements contained within the Vendor Compliance Manual components.

2 OH&S, PUBLIC LIABILITY, WORKER'S COMPENSATION

The occupational health and safety procedures contained in this manual are necessary to ensure the safety of all employees of Spotlight.

A reminder to Vendors that a Vendor is responsible for all costs, loss, damage, claims and expenses incurred by Spotlight as a result of any failure by a Vendor to comply with the requirements outlined in this document, including but not limited to worker's compensation, occupational health and safety and public liability claims.

3 NATIONAL PACKAGING COVENANT

There are certain legislative packaging requirements that have been enacted in Australia. Spotlight has become a signatory to the National Packaging Covenant. Information on the National Packaging Covenant can be found at

<http://www.environment.gov.au/settlements/waste/covenant/index.html>.

The Vendor agrees to supply Articles with packaging, and to be liable for all reasonable costs associated with packaging, in a manner that complies with the relevant legislation and the National Packaging Covenant.

4 SPOTLIGHT'S RIGHTS AND REMEDIES

If Vendors do not comply with the standards detailed in this manual, including if the Articles do not meet quality standards on arrival at the point of delivery, Spotlight reserves the right to enforce any rights and remedies available to it in accordance with the Trading Terms.

5 REVIEW OF THE VENDOR COMPLIANCE MANUAL

Spotlight will ensure that a soft copy of the Vendor Compliance Manual is stored in a central location on the Spotlight website, accessible to Vendors. Any adjustments to the manual will result in an updated version saved to this location. Vendors can access the current version at the following location:

<http://www.spotlight.com.au/vendor/>

To obtain a password, or if you have any difficulties with access, contact Spotlight IT Helpdesk on (03) 9684 7274 or at ithelpdesk@spotlight.com.au

6 DEFINITIONS AND ABBREVIATIONS

TERM	DEFINITION
ADGC	Australian Dangerous Goods Code
Articles	Products supplied by the Vendor to Spotlight and includes any accompanying instructions and information, packaging and any advertising or other materials supplied.
Article Number	Unique article identifier referenced in Purchase Orders. 8 or 11 digit code (generated by SAP)
ASN	Advance Shipment Notification
Buyer	The relevant Spotlight Buyer named in the Terms Schedule or any other person We advise is the current Buyer.
CPO	Purchase orders specifying delivery of stock to a Cross Dock DC specifying the breakup of products for each store.
Dangerous Goods	Any Article classified dangerous under the Australian Code for Transport of Dangerous Goods – the Australian Dangerous Goods Code (ADGC)
DIFOT	Delivery In Full On Time.
EAN	European Article Number, which is a barcode that conforms to international bar code standards and is registered with international standards bodies.
Edge Rule	The Edge Rule details correct placement of EAN
FIS	Free Into Store - seller pays all costs including duties and taxes and delivers direct to buyer
EXW	Ex Works – Buyer pays all charges from factory
FIW	Free Into Warehouse – same conditions as Free Into Store
FCA	Free Carrier Agreement. The Vendor is responsible for all costs up to the point where the Articles are delivered to the specified overseas warehouse, including transportation and insurance costs.
FOB	Free On Board. The Vendor is responsible for all costs up to the point where the Articles are delivered to the port from which the vessel will depart, including transportation and insurance costs.
HDPE	High Density Polyethylene.
Human Readable Interpretation	Readable representation of the associated barcode – see section 11.2
Ladder Orientation (LO)	EAN orientation – see section 11.1
MSDS	Material Safety Data Sheet (for dangerous goods). MSDS is a form with data regarding the properties of a particular substance. MSDS information may include instructions for the safe use and potential hazards associated with a particular material or product.
Packing List	Detailed Container information, including description of goods, quantities, and packaging details.
Picket Fence Orientation (PFO)	EAN orientation – see section 11.1
PO	Purchase Order and has the same meaning as that in the Trading Terms
POD	Proof of Delivery

POS	Point of Sale.
Quiet Zones	Quiet zones – outlined in 11.2
Shipping Mark	Carton Packing Label – outlined in 14.5
Spotlight DC	Spotlight's Distribution Centre.
SSCC	Serial Shipping Container Code. The Serial Shipping Container Code (SSCC) is used throughout the supply chain as an entity identifier for item tracing and internal control.
Specifications and Standards	All particulars, drawings, samples or other description (if any), set out in a Purchase Order or given to You by a Buyer, all applicable laws, rules, regulations and standards (including, without limitation, those relating to Article labelling, packaging, testing and safety and trade practices) in the country in which the Articles are to be sold by Spotlight and any applicable standards as set out in the Vendor Compliance Manual.
Spotlight Cross Dock Manual	Document outlining to Spotlight Vendors the Cross Dock Process.
Support Group	<ul style="list-style-type: none"> • for New Zealand Vendors delivering direct to Spotlight stores in New Zealand – Spotlight's support group located at 22 Ryan Place, Manukau, New Zealand; and • for all other Vendors – Spotlight's support group located at 111 Cecil Street, Melbourne, Victoria, Australia,
T & A	Tracks and Accessories.
Trading Terms	Spotlight's current applicable trading terms
Vendor	Vendor means the vendor named on the front page of the Trading Terms

7 TRADING TERMS

If there is any inconsistency between this Vendor Compliance Manual and the Trading Terms, the Trading Terms prevail.

8 VENDOR ASSURANCE PROCESS

Purchase orders will be subject to regular review. An inability to meet Spotlight's standards will result in Spotlight initiating improvement notices/plans and/or penalties.

Spotlight will be measuring:

- Delivery In Full on Time (DIFOT);
- Article accuracy;
- Packing standard performance;

Each Vendor will be contacted separately when Spotlight are conducting the audit.

9 QUALITY ASSURANCE

9.1 Product Certification Requirements

Spotlight purchase all Articles from the Vendor in good faith. Where testing, safety or any certification is required by any Specifications and Standards in any country where Articles are sold by Spotlight, the Vendor must provide the Buyer with all applicable certificates of compliance and test reports with Specifications and Standards prior to Articles being shipped or at such other times as agreed in writing by the Buyer. The Vendor is responsible for payment of all costs associated with obtaining such certificates and test reports.

If the Vendor does not provide the necessary certificates and test reports within seven (7) days of receipt of the Spotlight Purchase Order or request, Spotlight may elect to arrange for testing and/or certificates at the Vendor's cost.

9.2 Samples

One set of sampling of all Articles purchased must be provided to Spotlight for approval prior to production, with a second (final) sample post production, prior to shipment. This is not negotiable unless otherwise stated by the Buyer. The Vendor is responsible for the cost of provision of samples, unless otherwise agreed with the Buyer.

9.3 Approval of EANs

Before the commencement of the Vendor supplying Articles to Spotlight, and on acceptance of new Article ranges, the Vendor must submit all EANs via email (in PDF or similar format) to the Buyer in Support Group for testing, prior to delivery of the Articles to Spotlight.

Shipment will not be accepted without prior testing of the EANs.

10 COMPLIANCE WITH MANDATORY STANDARDS

10.1 Australia

In Australia, there are mandatory safety standards and information standards and bans that apply to specific goods under the Australian Consumer Law. It is illegal to supply a good that does not comply with a mandatory standard or ban. A supplier who fails to comply with a mandatory standard or ban may be found guilty of a criminal offence with fines up to \$220,000 for an individual and \$1.1 million for a company. A list of the mandatory standards and bans and information about key requirements can be found at www.productsafety.gov.au. Vendors must ensure that goods supplied in Australia comply with all applicable mandatory standards and bans under the Australian Consumer Law.

10.1.1 Corded Internal Window Coverings (CIWC)

1st July 2011 saw the commencement of the amended Trade Practices Regulations pertaining to Corded Internal Window Coverings (CIWC). The purpose of the regulations is to prescribe a consumer product safety standard for CIWC's.

Spotlight is fully committed to ensuring that all product coming into and being sold out of our business is 100% compliant to the regulations. Product that is not entirely compliant is not saleable and will therefore not be accepted into the Distribution Centre, Cross Dock or Stores.

IMPORTANT – IT IS MANDATORY THAT ALL SUPPLIERS REVIEW AND COMPLY WITH ALL RELEVANT SECTIONS OF THE TRADE PRACTICES REGULATIONS. THE 2010 DOCUMENT CAN BE FOUND AT:

www.comlaw.gov.au/Details/F2010C00801

10.2 New Zealand

In New Zealand, there are mandatory safety standards and information standards and unsafe goods notices that apply to specific goods under the Fair Trading Act 1986 (NZ). It is illegal to supply a good that does not comply with a mandatory standard or unsafe goods notice. A supplier who fails to comply with a mandatory standard or unsafe goods notice may be found guilty of a criminal offence with fines up to \$60,000 for an individual and \$200,000 for a company. A list of the mandatory standards and information about key requirements can be found at www.comcom.govt.nz. A list of the unsafe goods notices and information about key requirements can be found at

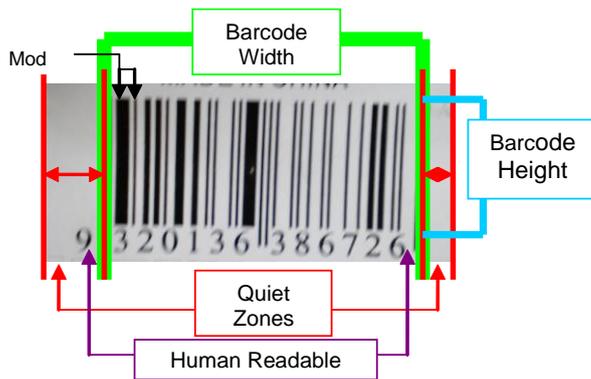
www.consumeraffairs.govt.nz. Vendors must ensure that goods supplied in New Zealand comply with all applicable mandatory standards and unsafe goods notices under the Fair Trading Act 1986 (NZ).

11 BARCODES

11.1 EAN Barcode requirements

Spotlight requests Vendors to adhere to the GS1 standard EAN Barcode standards. For further detail, refer to www.gs1au.org

11.2 EANs



11.3 Standard EAN Placement Guidelines for POS Scanning

Consistency of EAN placement is a critical component to successful scanning. Manual scanning variations in EAN placement makes it difficult for the scanning operator to predict where the EAN is located.

11.3.1 Colour of Scannable EAN

Spotlight's colour combination is a black EAN on a white background.

11.3.2 EAN Adhesive

EANs that are applied directly to the Article should use an adhesive that is strong enough to adhere to the Article for an extended shelf life, but which also allows the EAN to be removed without the use of solvents or abrasives.

11.4 Exception to the Standard EAN Placement Guidelines

11.4.1 Fabric Rolls

There must be an allocated space for the EAN at the bottom of the Swing Ticket (refer to [12.12](#)), respecting the Quiet Zones and the Edge Rule.

There must also be an EAN Barcode sticker attached to the inside of an end of the tube.

11.5 Avoid Scanning Obstacles

Anything that will obscure or damage an EAN will reduce scanning performance and should be avoided.

For example:

- Never position the barcode on the item in an area with inadequate space. Do not let the other graphics encroach on the space for the EAN.
- Never place EANs (including Quiet Zones) on perforations, die cuts, seams, ridges, edges, tight curves, folds, flaps, overlaps, and rough textures.
- Never put staples through an EAN or its Quiet Zones.
- Never place an EAN under a package flap.

11.5.1 Avoid Truncated Symbols

Truncation of an EAN is the reduction of the height of an EAN relative to its length/width. Truncation is not acceptable because it destroys the ability of an EAN to be scanned properly at the POS.

12 INDIVIDUAL ARTICLE LABELLING

12.1 Costs

The Vendor is responsible for all labelling and ticketing costs.

12.2 Size of Labels

The total size of the label should be a minimum of 2cm x 4cm.

The font for individual Article labels should be ARIAL and the size is as follows:

Description (incl. colour or size (where applicable))	As per the purchase order column "DESCRIPTION" Size: 10 BOLD
SPL Article Number	As per the purchase order column "ARTICLE NUMBER" Size: 10
Country of Origin	As per the purchase order column "COUNTRY OF ORIGIN" ("Made In.....") Size: 8
EAN Label	As per the purchase order column "EAN" Size: 3.5cm Width (quiet zones inclusive) x 2.2cm Height Left Quiet Zone .36cm and Right Quiet Zone .23cm
EAN number	As per the purchase order column "EAN NUMBER" Size: 8

If a price label is required please refer to the Sales Confirmation for pricing:

\$Marked Price AU.	As per the Sales Confirmation Size: 10
\$Marked Price NZ	As per the Sales Confirmation Size: 10
\$Marked Price SG	As per the Sales Confirmation Size: 10

Sample:



Example:



12.3 Language of Label

All labels must be in English.

12.4 Compliance

Vendors must ensure that:

- Articles comply with all Specifications and Standards; and
- All claims made on Articles, including country of origin, comply with all laws, regulations, standards and requirements of the country in which the Articles will be sold.

12.5 Individual Article Labelling

Every individual Article must have a Spotlight approved label that corresponds to the design and colour of the Article.

Unless otherwise specified, the label of an Article must consist of the following information:

- Description;
- Article number;
- EAN (refer to section [11.1](#));
- Country of Origin; and
- Article price (if requested by the Support Group).

The order in which the above information appears is based on the Vendor's decision.

Other information may be requested at Spotlight's discretion.

Except as required by section [12.4](#), NO other labelling is required nor permitted on the individual Article.

12.6 Yarn

12.6.1 Individual Yarn Balls

Every yarn ball should have a Spotlight approved label and must always correspond with the design and colour of the ball.

The label of a yarn ball must consist of the following information:

- Brand;
- Description;
- Dye Lot Number;
- Composition;
- Care Instructions;
- Meters per Ball;
- Needle Size;
- Tension;
- Country of Origin; and
- EAN – scannable EAN and barcode number (as per section [11](#))

Except as required by section [12.4](#), **NO** other labelling is required nor permitted on the individual yarn balls.



12.6.2 Inner Pack Labels

Every inner pack of yarn should have a Spotlight approved label and must always correspond with the design and colour of the ball.

The inner pack label must consist of the following information:

- Spotlight's Purchase Order number;
- Units per inner;
- Article number;
- Description;
- EAN (refer to Section 11.1); and
- Article price (if requested by the Support Group) (refer to Section [12.2](#))



12.7 Ceramics/Glassware

All Ceramic, Plastic and Melamine Articles MUST state the Country of Origin on the Article label and NOT on a swing ticket.

12.8 Blinds and Tracks

Every Article must have a label that corresponds with the design and colour of the Article.

The front label consists of:

- Size (if applicable);
- Design;
- Colour;
- Number of Contents per packet (e.g. 1 unit per packet); and
- Brand.

The back label consists of:

- Composition;
- Care Instructions (if applicable);
- Country of Origin;
- Article number; and
- EAN (refer to Section [11.1](#)).

The Vendor can determine the order in which the above information appears.

Except as required by section [12.4](#), **NO** other labelling is required nor permitted on the individual Articles.

12.9 Rolls

Every roll must have certain Spotlight labels that must always correspond with each other and the fabric.

The Spotlight labels required are the Article EAN Sticker and the Manufacturer's Label.

For Rolls destined for the Spotlight Furnishing and Dress Departments, a Spotlight Care Label Swing Ticket is also required.

Except as required by [section 12.4](#), **NO** other labelling is required or permitted.

12.9.1 Article Number EAN Sticker

Each roll must contain an Article Number EAN Sticker, attached to the inside of an end of a tube (as per [P2](#)).

The Article Number EAN Stickers must not be obscured by the fabric (hence the required 30mm overhang (refer to Section [13.5.1](#)).

The Article Number EAN Stickers must contain the following information:

- Article number; and
- EAN (refer to Section [11.1](#)).

12.9.2 Spotlight Care Label Swing Ticket

The Care Label Swing Ticket is to be placed inside a plastic sleeve and must be attached to the end of each tube. The Care Label Swing Ticket is **to be attached securely to the end of the tube and not the fabric**, using a cable tie.

The cable tie is to be attached loosely to allow the ticket to be laid across the roll (as per [P1](#)).

The Care Label Swing Ticket must contain the following information:

- Care instructions (in accordance with AS/NZS 1957:1998 Textiles – Care labelling);
- Composition;
- Article number;
- EAN (refer to Section [11.1](#)); and
- Country of Origin

The format of the Care Label Swing Ticket should be as shown here:



12.9.3 Manufacturer's Label

The Manufacturer's Label must be placed around the roll (as per [P3](#) on the following page).

The Manufacturer's Label must contain the following information:

- Spotlight Purchase Order number;
- Article number;
- EAN
- Design;
- Colour; and
- No. of Metres/Panels

Example of Individual Roll Description:

SPOTLIGHT PURCHASE ORDER NO 450073507	
Article Number	80073233
Design	Top Pop Poplin 8916
Colour	Orange
Meter/Panel	25 Metres
EAN	9314935429852



P1: Care Label Swing Ticket

P2: Article Number Sticker

P3: Manufacturer's Label

12.10 Double Blocked Fabric

Every fabric block should have one label with the information outlined in [12.10.1a](#) below and one sticker with the information outlined in [12.10.1b](#) below

Except as required by Section 12.4, **NO** other labelling is required or permitted.

12.10.1 Label

- (a) Each fabric block must contain two Article Number EAN Stickers, placed at the ends of the fabric block.

The Article Number EAN Stickers must contain the following information:

- Article number;
- EAN (refer to Section [11.1](#)).

- (b) Each fabric block must contain a Care Label Sticker.

The placement of the Care Label Sticker will be at the end of each block on the cardboard.

The Care Label Sticker must contain the following information:

- Country of Origin;
- Description including colour;
- Width;
- Care instructions (in accordance with AS/NZS 1957:1998 Textiles – Care labelling);
- Composition;
- Retail price;
- Article number; and
- EAN (refer to section [11.1](#)).



12.11 Rugs and Floor Mats

Every rug or floor mat should have a Spotlight approved label (**Spotlight Label**) that must always correspond with the design and colour of the Article

Except as required by Section [12.4](#), any use of other labels must be confirmed with the Buyer.

12.11.1 Spotlight Label

The Spotlight label requires a front and back label on the Article.

The front label consists of:

- Description;
- Colour;
- Size;
- Article number;
- EAN (refer to Section [11.1](#)); and
- Article prices.

The back label consists of:

- Composition;
- Care Instructions (if applicable); and
- Country of Origin.

12.12 Swing Tickets

Spotlight uses Rapid Labels Pty Ltd for swing tickets and quilting stickers. If Vendors wish to order and purchase swing tickets from Rapid Labels they will need to establish a trading account with Rapid Labels.

It is the responsibility of each Vendor to purchase and freight the tickets to their factories at their own costs.

12.12.1 Rapid Labels

Rapid Labels details are as follows:

Rapid Labels Pty Ltd
Factory 1/25 Stud Road
Bayswater Vic 3153

sales@rapidlabels.com.au

Phone: 03 9720 5350
Fax: 03 9729 8247

Contact: Barry Dempsey.

12.12.2 Price of Swing Tickets

The cost of a swing ticket is **on application**. For Rolls destined for the Spotlight Dress Department, a plastic protective sleeve and cable tie is required. Please note the price is set by Rapid Labels.

12.12.3 Production of Swing Tickets

The tickets will be produced 10 working days from receipt of order. Should there be urgent requests, it can be reduced to 5 working days from receipt of order; however, this is subject to approval by Rapid Labels Pty Ltd.

12.13 Country of Origin

All Articles must specify the Country of Origin, that is, the country where the goods were manufactured.

12.14 Warning and Safety Labels

If an Article requires a warning and/or safety label in accordance with any applicable law, rule, regulation, or standard in the country to which the Article is to be supplied and/or sold, the Vendor must ensure that the Article has such labels.

12.15 Pre-Pricing of Articles

Where requested by Spotlight, Articles are to be pre-priced by the Vendor. Before the commencement of the Vendor supplying Articles to Spotlight, and on acceptance of new Article ranges, the Vendor must submit all price labels and barcodes to the Buyer for approval, prior to delivery of the Articles to Spotlight.

Pre-priced Articles must be labelled with a sticker containing the information specified in section [12.5](#) and in accordance with section [12.2](#).

The Vendor can either fax or email price labels for approval to the Buyer.

Shipment will not be accepted without prior approval of the price labels.

The Vendor must pre-price Articles in the currency of the country in which the Articles will be sold.

13 INDIVIDUAL PACKING STANDARDS – ROLLS, DOUBLE BLOCKED FABRIC, RUGS AND FLOOR MATS

13.1 Presentation

13.1.1 Rolls and Double Blocked Fabric

Spotlight's requires the print or correct side of the fabric to be rolled face out firmly onto the tube or blocking board but without tension.



13.1.2 Rugs and Floor Mats

Spotlight's requires the print or correct side of the rugs and floor mats to be rolled face out firmly but without tension.

13.2 Wrapping

All rolls, double blocked fabric, rugs and floor mats are to be individually wrapped. Spotlight's packaging is 33-35 micron High Density Polyethylene (HDPE).

The outside plastic wrapping must be secure and sealed at both ends to protect the product while in transit.

The Care Label Swing Ticket on the fabric rolls and the Care Label Sticker on the double blocked fabric must be placed **FACE UP (and securely attached to the roll)** before wrapping and be clearly visible through the plastic.

Individually wrapped articles are NOT to be double or triple bagged, or packed inside cartons, unless previously agreed with Spotlight.

13.3 Securing the Ends

13.3.1 Rolls and Double Blocked Fabric

Spotlight's method of securing the fabric ends is with paper strapping at each end.

If Spotlight's method cannot be used, plastic or non-staining adhesive tapes are reasonable alternatives. However, caution **MUST** be taken to ensure that a sticky residue or stains are not left on the fabric.



13.3.2 Rugs and Floor Mats

Rugs and floor mat must be secured with Spotlight approved items at each end. The Buyer will notify the Vendor at the time of purchase in relation to approved items.

13.4 Length

13.4.1 Rolls

Spotlight's fabric length for rolls of fabric is agreed with the Vendor at the time of purchase and confirmed in the Purchase Order.

The PO will detail the total metreage, as well as the pack size (i.e. the metres per roll). **The vendor must ensure that they provide the agreed number of rolls** (i.e. the total metreage / metres per roll). There is NO allowable tolerance on the number of rolls.

In addition, the maximum tolerance accepted is +/- 5% on total fabric length per roll.

The meters of an individual roll must be clearly printed or stamped on one of the paper secures (refer to Section [12.9.3](#)). The Individual Roll Descriptions must NOT be hand written.

Example of Individual Roll Description:

SPOTLIGHT PURCHASE ORDER NO 8601235920	
Article Number	80073233
Design	Top Pop Poplin 8916
Colour	Orange
Meter/Panel	25 Meters
EAN	9314935429852



Spotlight's measurements are to be reflected in **meters** or **panels** only. If the Vendor measures in yards; this should be converted into meters in accordance with Spotlight's measurements.

13.4.2 Double Blocked Fabric

Spotlight's fabric length for double blocked fabric is agreed with the Vendor at the time of purchase and confirmed in the Purchase Order. The maximum tolerance accepted is +/- 5% .Exceptions to our length can only occur if specified on the purchase order.

The meters of an individual roll must be clearly printed or stamped on one of the paper secures (refer to Section [13.3.1](#)). The Individual Double Blocked Descriptions must NOT be hand written.

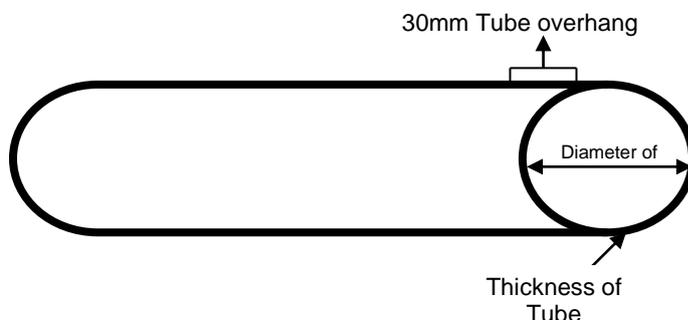
Spotlight's measurements are to be reflected in **meters** or **panels** only. If the Vendor measures in yards, this should be converted into meters in accordance with Spotlight's measurements.

13.5 Dimensions – Rolls and Double Blocked Fabric

13.5.1 Rolls – Tube

Spotlight's dimensions of the tube in which the fabric is to be rolled on is a cardboard solid tube measuring 40-50mm in diameter. The tube must be no less than 3mm in thickness. Under no circumstances should a spiral wrapped tube be used.

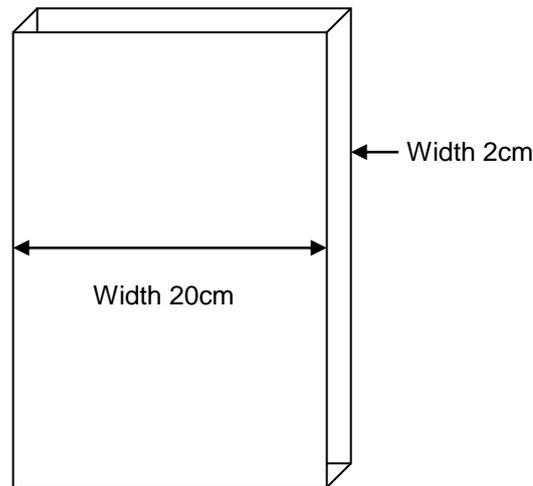
The tube must be 30mm longer than the fabric width to ensure the tube protrudes from one end.



13.5.2 Double Blocked Fabric – Blocking Board

Spotlight's dimensions of the blocking board in which the fabric is to be rolled on, is cardboard measuring 20cm in width. The blocking board must be no

less than 2cm in thickness. Under no circumstances should a single thickness cardboard or wooden block be used.



14 PACKAGING STANDARDS – CARTONS AND BLINDS

Pack quantities are to be consistent with the order to avoid repackaging. The packing list is to match container contents and be packed according to the above standard. Failure to do so will result in a penalty to recover extra costs incurred during the unpack.

14.1 Packaging

Spotlight's carton thickness should be a minimum of double (.5cm) or triple wall (.75cm) corrugated cardboard of sufficient strength to protect the Article while in transit and withstand weight of up to 16 kilos.

The carton should be sufficiently secured using adhesive tape.

The use of carton strapping (metal or plastic) - except for blinds and tracks – see section [14.1.1](#) below; woven polypropylene; or hessian bags is **not permitted**.

14.1.1 Blinds and Tracks

Each carton must have plastic strapping on the ends of the carton.

Under no circumstances should metal carton strapping or metal secures be used in place of plastic.

The use of woven polypropylene and/or hessian bags is **not permitted**.

14.1.2 Liquids or Breakables

When the Article is liquid or breakable (for example, Ceramics or Glassware), the cartons must have "**fragile**" labels which do not obstruct the Carton Packing Label or warning label.

14.2 Packing Methodology

Spotlight's methods of packing are;

- Pack by PDQ/Ratio Pack
- Pack by Solid Article Number

The packing method used, and the details of Carton quantities and Pack sizes will be agreed by the Buyer and Vendor and documented in the Sales Confirmation, as well as detailed as a note in the PO.

Pack sizes must remain consistent across an order

14.2.1 Pack by PDQ/Ratio Pack

The PDQ or ratio pack must have its article number included as part of the shipping mark. Refer to Shipping Mark example Section [14.5](#)

The PDQ or ratio pack must not be split. Packing requirements should be as per Buyer's instruction.

Each PDQ must be packed in its entirety in its own carton and there must only be 1 PDQ per carton.

Any articles that are a part of a PDQ, but are being shipped separately – i.e. additional stock that is not being sent as part of the PDQ – MUST be solid packed – i.e. 1 article per carton

PDQ stands must be of suitable standard for display and effectively hold the weight of the product

14.2.2 Pack by Solid Cartons

Any back up stock must be packed by Solids (1 article per carton). Refer to Shipping Mark example Section [14.5](#)

14.3 Loose Rolls

Rolls should be packed directly into the container by colour and design sequencing.

14.4 Top 100 Articles

To ensure we continue to maximise our sales on lines that fall into our Top 100 for each department, Vendors must use blue tape on all cartons that contain Top 100 articles.

Each Vendor has been provided with lines that you supply that fall into the Top 100 Articles. You must ensure that any cartons supplied containing these products are identified with blue tape on these cartons. This information is updated periodically and provided to Vendors by the Merchandise Team.

If you have a PDQ/Ratio Pack carton with Top 100 and regular lines, also use blue tape. This will allow store's receiving teams to easily identify these lines and to take priority in refill on the shop floor.

14.5 Shipping Mark

Every carton must have a Shipping Mark with accurate details of the contents.

The Shipping Mark must include the following information:

- Spotlight's Purchase Order number;
- Article number;
- EAN;
- Department;
- Design/Description;
- Colour;
- Meters. (for fabric);
- Total of Units (Inner and Outer Carton);
- Gross Weight;
- Net weight;
- Cubic Measurement;

- Carton Number – e.g. 1 of 5 or 2 of 5;
- SSCC label (where applicable);
- WHEN PACKING LIQUID OR GLASSWARE THE CARTON MUST BE LABELLED AS **FRAGILE**

The Shipping Mark must be an accurate reflection of the contents in the carton and completed in **full**.

These carton markings must be placed on both ends of the carton/package **BUT NOT ON THE TOP OR BOTTOM**

In addition, all cartons need to be clearly labelled with the Spotlight department. See the example below:



Figure - Shipping Mark – for PDQ/Ratio Packs and Solid Cartons

Spotlight Stores Pty Ltd	
Order No.	
Article No.	
Description:	
Colour:	
Size:	
Inner Qty:	
Outer Qty:	
Barcode	
Gross Weight	
Net Weight	
Cubic	
Box No.	_____ of _____
Made in	
Department:	

14.6 Inner Carton Markings

If there are Inner Cartons, each inner must contain its own inner carton marking, which must include:

- Article Number;
- EAN;
- Description of the product;
- Quantity.

Figure – Inner Carton Marking

Article No.
80021384
EAN
8888310206396
China Coffee Mug
Qty 6

AT NO TIME IS THE SUPPLIER PERMITTED TO ADD THEIR OWN NAME TO THE CARTON OR THE CARTON LABEL

In addition, all inner cartons also need to be **clearly** labelled with the Spotlight department. See the example below:



14.7 Weight of Carton

14.7.1 A carton is not to exceed 16 kilograms.

Prior approval must be obtained from the Spotlight Buyer to deliver any cartons weighing over 16 kgs. It is the Vendor's responsibility to obtain approval in writing. If approval is given, and an individual Article exceeds 16 kilograms, it **must** be packed singularly per box.

Any carton that has been approved over 16kgs must be clearly marked with the Spotlight standard marking icon.

Once approval has been given, the Spotlight standard marking icons are:

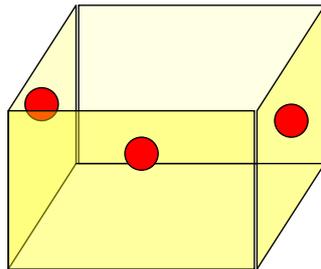


Heavy Weight Icons

Handling items within the category 17 – 35 kg – Proceed with caution. The use of a two person lift is required.

Handling items within the category 36 – 50 kg – Warning. Mechanical Lift required

- There must be at least 3 of the Heavy Weight Icons on the carton (but **NOT** on the top or bottom of the carton);
- The icons must be put in obvious places on the carton so that they can be seen easily, for example:



14.7.2 Vendor adherence to OH&S requirements.

A reminder to Vendors that a Vendor is responsible for all costs, loss, damage, claims and expenses incurred by Spotlight as a result of any failure by a Vendor to comply with the requirements outlined in this document, including but not limited to worker's compensation, occupational health and safety and public liability claims.

14.8 More Than One Carton per Store

For local orders, in the event that there is more than 1 carton per Store, the cartons will be marked in sequence per Store. For example Carton 1 of X, Carton 2 of X, Carton 3 of X etc (X = the total cartons per order for each Store).

For overseas orders, in the event that there is more than 1 carton per Article, the cartons will be marked in sequence per Article. The contents of each numbered carton (Carton 1 of X, Carton 2 of X, Carton 3 of X) must contain **identical** Article rolls.

14.9 Numbering Cartons

For local orders, each carton must be numbered sequentially according to the total amount of cartons per store per **PURCHASE ORDER**. The Packing List will reflect the carton number and descriptions.

For overseas orders, each carton must be numbered sequentially according to the total amount of cartons per **PURCHASE ORDER**. The Packing List will reflect the carton number and descriptions.

14.10 Placement of Labels

Spotlight's placement of the Shipping Mark is on opposite ends of a carton. The carton packing labels are **never** to be placed on the top or bottom of a carton.

14.11 Labels on cartons – where the shipping carton is also the selling carton

The labels on Articles that are shipped in only the packaging in which they will be sold, e.g. helium balloons, dinner sets etc, must be removable without damage. Do not use permanent label adhesive because this may cause damage to the selling carton on removal.

Under no circumstances should labels be placed over the EANs or serial numbers.

14.12 Non conformance to packing standard

It is at all times the requirement of the supplier to adhere to the Spotlight Stores Pty Ltd packing standards. Failure to comply with those standards will lead to a claim against the supplier.

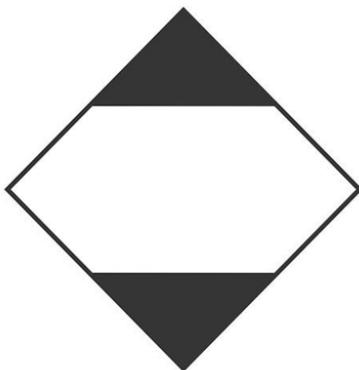
Subsequently, Spotlight Stores Pty Ltd may claim against a supplier who has not complied with the packing standard 10% of the total cost of the invoiced goods.

15 DANGEROUS GOODS

Dangerous Articles must be packed separately and packaged and labelled in accordance with the Australian Code for Transport of Dangerous Goods. Note: for any Article that is classified dangerous under the Australian Code for Transport of Dangerous Goods – the Australian Dangerous Goods Code (ADGC) must be provided to the Buyer with the initial product information details.

All dangerous Articles require material safety data sheets (MSDS) and the cargo **MUST** be placarded.

Example of Dangerous Goods label:



Size 100mm X100mm

Each carton must also have an information label – details outlined below.

15.1 Dangerous/Hazardous Goods requirements:

1. MSDS forms must be sent with all Dangerous Goods.
2. A separate invoice for Dangerous Goods must be sent, with 2 copies – one copy on the carton, the other with the MSDS form.
3. Boxes must be labeled with the correct Hazardous Class sticker.

4. The following detail must be provided on **a label** per carton:

- Proper product shipping name
- UN Number
- Class
- Packaging Group
- Weight (g/ml)
- Quantity

Proper product shipping name: UN NO: Class : Packaging Group: Quantity : G/ML Xnumber of Items
--

Size : 103mm x150mm

5. Different Classes of Dangerous Goods must NOT be mixed in one box.
6. Dangerous Goods should be sent on a separate pallet to non-dangerous goods, NOT mixed.
7. When booking any Dangerous Goods in for delivery with Spotlight, please ensure you advise the Spotlight administrator that Dangerous Goods are being delivered.
8. Hazardous Goods with UN1.4 cannot be shipped to NZ and Singapore

16 PLANT OR ANIMAL RELATED SAMPLES

Prior to sending a set of samples, the Vendor must advise the scientific plant/animal name if applicable.

The scientific name and common name must be included on all the paperwork including invoices.

For example only

Seagrass Products the Vendor must state on all documentation:

Commodity: SEAGRASS

Scientific Name: CANNA SPP

Banana Leaf Products the Vendor must state on all documentation:

Commodity: BANANA LEAF

Scientific Name: MUSA SPP

The Vendor must ensure that all sampling and bulk products are fumigated and that a certificate is included with the shipping documentation.

A Manufacture Declaration must also be provided where necessary.

More information can be obtained at:

http://apps.daff.gov.au/icon32/asp/ex_querycontent.asp

Examples of common items for Spotlight include: Bamboo, Water Hyacinth, Wood, Feather, Leaf, Straw, Banana Leaf, Grass products, Seed

Alternatively, you can contact Spotlight's Freight Forwarder for advice and clarification.

17 NEW ZEALAND DELIVERIES

Vendors (whether Australian or Overseas Vendors) should refer to the MPI website to determine any specific requirements for merchandise that is destined for delivery into New Zealand stores

<http://www.maf.govt.nz/biosecurity-animal-welfare/importing>.

18 DELIVERIES

18.1.1 *Consignment Notes*

Every delivery made to a store or the DC must have a **consignment note**. We will not accept a run sheet as proof of delivery (it will not be adequate if proof is required at a later time). Consignment notes **must** include **ALL** of the following:

- your business/company name and address;
- the name and address of the store being delivered to;
- the Spotlight Purchase Order number;
- the number of cartons on the delivery;
- the number of pallets on the delivery; and
- the Invoice no.

It is imperative you comply with the above and ensure that your carriers are aware that the above details are required by Spotlight and comply with the above requirements. If consignment notes do not contain ALL of the information outlined above, they will not meet our proof of delivery standards.

18.1.2 *Rejection of Deliveries*

In addition to any other remedy available to Spotlight, Spotlight may reject any Articles, which do not comply with the Trading Terms, this Vendor Compliance Manual or with the Purchase Order.

If Vendors' deliveries do not comply with the standards or requirements detailed in this Vendor Compliance Manual (including, but not limited to, labelling, packing and delivery standards); if pallets are unstable – e.g. unsafely stacked, poorly wrapped or broken; or if the Articles do not meet Spotlight's quality standards on arrival at the point of delivery:

- deliveries may be rejected at the time of booking in a delivery;
- consignments may be rejected in full or part thereof and/or returned to the Vendor at the Vendor's expense;
- non ordered Articles or quantities may result in the entire delivery being rejected and returned at the Vendor's expense; and/or
- all or part of a purchase order may be cancelled.

All returns will be communicated to the Vendor by the Spotlight Store Manager or Support Group. The Vendor must supply a credit number (GRA – Goods Return Authority number) to the relevant Spotlight team member.

It is vital that any purchase orders of Articles for a promotion, or new Store orders, that cannot be fulfilled IN TOTAL by the due date MUST BE communicated to the Buyer within 24 hours of receipt of the purchase order or as otherwise agreed with the Buyer.

18.1.3 *Return of Articles and Collection*

If Articles are to be returned to the Vendor for any reason, the Vendor must ensure that the collection of Articles is completed within 5 working days from the initial notification, unless agreed otherwise by the Spotlight store manager. If the Articles are still in Spotlight's possession after 5 working days, Spotlight reserves the right to send the Articles through Spotlight's carrier, at the expense of the Vendor, to the Vendor or destroy/dispose of the Articles, without liability to the Vendor.

19 VERSION CONTROL

Version	Date	Author	Changes
14	5/8/15	Emily van Schaaik	Updated Section 15 and 15.1 added Updated Section 14.5 (clarified Gross and Net weight in shipping mark requirements)
13	13/5/15	Emily van Schaaik	Section 14.2.1: updated PDQ details
12	1/10/14	Emily van Schaaik	Updated: 13.4.1: Updated to include detail re NO allowable tolerance on the number of fabric rolls delivered by vendor vs the PO. And 5% tolerance on length per roll Updated 16: ICON link Updated formatting
11	30/04/2014	Emily van Schaaik	Updated MPI link