

**The Kroger Co.**

**Vendor Shipping Manual**

**for Direct Import Merchandise**

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**I. Contact Information**

**Kroger Global Logistics**

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| --- | --- | --- |
| Title | Name | Contacts |
| Global Logistics Manager | Patricia Villalonga | +1 (503)797-5491  Patricia.Villalonga@kroger.com |
| Global Logistics Asst. Manager | Kacy Willson | +1 (503)797-7182  Kacy.Willson@Kroger.com |
| Global Logistics Representative | Khris Soden | +1 (503)557-2527  Khris.Soden@Kroger.com |
| Global Logistics Representative | Jenny Ogbonnah | +1 (503)797-3813  Jennifer.Ogbonnah@Kroger.com |
| Global Logistics Representative | Adriana Zambrano-Intriago | +1 (503)797-7196  [Adriana.Zambrano-Intriago@kroger.com](mailto:Adriana.Zambrano-Intriago@kroger.com) |
| Global Logistics Representative | Emi Long | NA  Emi.Long@kroger.com |
| UPS  Supplier Management | Sean Montgomery | +1 (503)797-3986  seanmontgomery@ups.com |
| Citibank  Supply Chain Partner | Sergio Sanabria | +1 (800)236-1352 opt. 3  Sergio.Sanabria@citi.com |

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| --- | --- |
| Kroger Logistics Group Inboxes | |
| Booking Exceptions & Ocean Shipment Concerns | [BookingApprovals@Kroger.com](mailto:BookingApprovals@Kroger.com) |
| CTPAT Program Compliance | [CTPAT@Kroger.com](mailto:CTPAT@Kroger.com) |
| Import Purchase Order Revisions or Concerns | [KrogerPO@Kroger.com](mailto:KrogerPO@Kroger.com) |
| Import Payments and Financing | [GlobalBanking@Kroger.com](mailto:GlobalBanking@Kroger.com) |

Global Logistics Group  [ImportLogistics@Kroger.com](mailto:%09%20%20%20ImportLogistics@Kroger.com)

**Consignee and Notify Party**

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| --- | --- |
| Consignee | Notify Party |
| The Kroger Co.  1014 Vine Street  Cincinnati, OH 45202 U.S.A | **Geo. S. Bush & Co., Inc.**  **5331 S. Macadam Ave.,**  **Suite 370**  **Portland, OR 97239 U.S.A.**  Telephone: (503)228-6501  Fax: (503)273-0432  Email: kroger@geosbush.com |

**Freight Forwarder (UPS)**

Kroger’s nominated freight forwarder at all origins is UPS-SCS. For contact information, please see list of UPS origin contacts on our website: <http://www.thekrogerco.com/vendors-suppliers/import-vendors>

**II. Packing and Labeling Instructions for Kroger Imports**

**Product must be Store Ready**

* All wearing apparel and textile merchandise must have care label permanently set on product. Care label must include a size (if applicable), fiber content, RN number, country of origin, and care process.
* All merchandise must be ticketed and labeled using approved tickets and labels. For more information contact the buying team.

**Shipping Carton Burst Strength**

* Double Wall Corrugated layering “B” & “C” quality, Min. Mullen #200 standard, and 42ECT
  + “B” quality is 11/64” paper stock thickness; 3/32” flute; 50 avg. flutes pf
  + “C” quality is 11/64” paper stock thickness; 3/16” flute; 42 avg. flutes pf
* Content Max. weight 75 lbs. per carton
* Size cartons accordingly so there will be no empty space at the top or sides of any carton.
* Carton straps cannot be used when shipping to Retail Service Center in Chehalis, Wa.

**Carton Packing Instructions**

* Do not mix different PO-level SKUs, (or KLNs, or PLNs) in a shipping carton. Subline/component SKUs must be packed per the PO-level SKU.
* Apparel: Use the size and weight of the individual set or prepack with shipping carton to determine whether goods are "Scan on Receipt" or "bulk."
* Apparel: Pack goods as "Scan on Receipt" whenever possible. Goods which could be scanned but are packed for "bulk" are subject to chargebacks.

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| **SCAN ON RECEIPT** | **BULK** |
| All apparel prepacks/sets at least 9" x 6" x 3" and 2 pounds (including carton)  All General Merchandise | ● Apparel Only: Goods ordered SKU-by-Size without Sets |
| ● Each set or prepack must be packed in a shipping carton. (Carton must meet burst strength requirements listed above.) | ● One UPC (many units) per shipping carton. The number of units per carton will be determined with the buying office prior to SKU setup. |
| ● DO NOT MASTERPACK | ● DO NOT SHORT/OVER SHIP to accommodate bulk carton size. Mark any cartons with smaller quantity "final bulk." Smaller cartons may be used for final bulk. |
| ● DO NOT SHORT/OVER SHIP. |  |

**- Carton Labeling Instructions -**

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| **Carton Marking Text** | |
| All cartons must display two full carton text marks on opposite sides. Including: | |
| **Required:** | ***example:*** |
| Kroger Name | *The Kroger Company* |
| Purchase Order Number | *PO # 87654321* |
| Identifier (SKU, PLN, or KLN): | *SKU # 12345678* |
| Item description: | *Item Description: Dog Bowl* |
| Gross Weight (lbs.): | *Gross Weight: 18 lbs.* |
| Net Weight (lbs.): | *Net Weight: 15.4 lbs.* |
| Carton Measurement (in inches): | *Measurement: H-19.25"/W-10.25"/D-18.75"* |
| UPC or GTIN # from EDI | *UPC 730384-452811* |
| Quantity: | *Quantity: 1 set (8 pcs)* |
| Country of Origin: | *Made In China* |
| Carton Count "\_\_ of \_\_" | *Carton 1 of 55* |

* Text labels are required to be clean, legible, and flat upon arrival.
* Recommended placement: long side center or upper left-hand corner of long side, 2" (5cm) from top, 2" (5cm) from left edge.
* For label text proofing contact Khris Soden in Global Logistics

Vendors may choose to purchase pre-approved labels from Integra Trim. (integratrim.com)

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| **SCAN ON RECEIPT** |  | **BULK (Apparel only)** |
| If purchasing preapproved labels from Integra Trim choose label **HG-458-GTIN-18** (includes barcode meeting requirements below) |  | If purchasing preapproved labels from Integra Trim choose label **HG-458H-MC** for master cartons and **HG-441H** for inners. |

**Safety and Content Marks**

* Cartons weighing 50lbs or more must have "Dual Lift" clearly marked.
* Unless correctly marked "This end up," cartons may be conveyed on their sides.
* All other safety, hazmat, and standard marking rules apply.

**Season Codes / Mod Codes** (See buying team for details)

* When required, codes are on the PO. Cartons must display Season/Mod Codes on both long sides, upper right hand corner. (Examples: FA, GA, HB).

**Carton Barcodes**

All cartons must display one scannable barcode each.

* All barcodes must be in scannable condition upon receipt:
  + Condition: Flat, smooth, legible, and visible. Do not bend. Place on long side or top.
  + Minimum size: 2.5” x 2”.
  + Please refer to Integra Trim sticker item # HG-441H-14 for size and format:
  + <http://www.integratrim.com/ebooks/Fred_Meyer_Carton_Labels.pdf>
  + Symbology: UPC-A, Interleaved 2 of 5, Code 128, or UCC/EAN 128
  + Encode: Case UPC/GTIN (14 digits) as defined on the quote sheet. Example: ##############
* Only Apparel orders may label cartons with SKU barcodes:
  + Encode: SKU-8 or the UPC/GTIN transmitted on the purchase order. SKU +4 leading zeroes is acceptable. Example: 000012345678
* Barcodes must be printed on label stock unless exception is approved by Kyla Galbraith.
* A 14-digit Case GTIN barcode maybe printed directly onto the shipping carton instead of using a barcode sticker. Size is to be proportional to the shipping marks printed on 2 sides of the carton. Supplier is to self-check the scanning and the strength of the cartons during their final QC inspection to avoid our re-sticker fee charge back if barcode fails.

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| **SCAN ON RECEIPT** |  | **BULK** |
| · Place barcode on shipping carton. |  | Include the text "Master Carton" on each carton. DO NOT use carton barcode for bulk goods. |

**Direct to floor display cartons (NEW requirements 2023)**

* Direct to floor display cartons are shipping cartons with a Case pack of one (1) where the carton shipped is the same carton consumers will purchase from the stores.
* Direct to floor Display Cartons require all the usual carton markings with the following exceptions:
  + ONLY ONE set of Kroger’s standard shipping marks for imports is required. Place this on the back or opposite side from the front carton panel.
  + Carton Count ("\_\_ of \_\_" ) is not required.
* Never place label on the front of the direct to floor display carton.
* Do not label over any picture of product, listed features or selling points.

**- Ocean Container Packing Instructions -**

* Cargo must be evenly distributed inside the container.
* Floor load to ceiling.
* Ensure the proper blocking and bracing of cargo at the time of loading to prevent any shifting or uneven distribution of cargo while in transit.
* When palletizing or wrapping, pallet or stack labels may be applied in addition to required carton labels. Pallet/stack labels should follow the carton label guidelines.

Further information is available in “Shipping Procedures” section of this manual, and from your UPS Origin Office.

**Container Weight Requirements with SOLAS**

Amendments to the International Convention for the Safety of Life at Sea (“SOLAS”), to which the U.S. is a signatory, went into effect globally on July 1, 2016. In general, the amendments require shippers to provide the Verified Gross Mass (“VGM”) of containers carrying cargo before those containers can be loaded aboard a vessel. Without a VGM, the amendments also prohibit the vessel operator from loading a packed container.

Pursuant to the SOLAS regulations, the Shipper may calculate VGM by:

1. Weighing the packed container using calibrated and certified equipment; or
2. Weighing all packages and cargo items, including the mass of pallets, dunnage and other securing material to be packed in the container and adding the tare mass of the container to the sum of the single masses, using a certified method approved by the competent authority of the State in which packing of the container was completed.

Additional information on SOLAS requirements is available in our compliance guide on our site: <http://www.thekrogerco.com/vendors-suppliers/import-vendors>

**III. Shipping Procedures**

**- General Shipping Guidelines -**

* Direct import orders are shipped as FOB (Free On-Board).
  + Kroger’s trade terms reference Incoterms 2020. For complete information on Incoterms 2020, please see their website: <https://iccwbo.org/resources-for-business/incoterms-rules/incoterms-2020/>
* All costs and logistics arrangements prior to turnover of cargo at the port of origin are the responsibility of the vendor.
* Import purchase orders are issued by multiple Kroger banners: Fred Meyer Inc., Harris Teeter, Roundy’s etc. However, all imports have the same consignee and importer of record: The Kroger Co.
* Kroger’s freight forwarder for all import shipments is UPS.

**- Booking Cargo with UPS –**

All direct-import shipments are booked at the offices of UPS at origin. To find the correct point of contact for each origin port, please refer to the UPS contact list on the Kroger website: <http://www.thekrogerco.com/vendors-suppliers/import-vendors>

* Bookings must be made at least ten (10) calendar days before delivering goods to CY or to UPS CFS
* Bookings may be made by email or phone, or online for select vendors
* Bookings require the following typed information:
  + 1. Shipper & Factory/Consignee/Notify Party name and address
  + 2. Port of loading/Port of discharge/Final destination
  + 3. Purchase Order number and Kroger SKU number (or Kroger PLN/KLN item number)
  + 4. Shipping mark and detailed description of the goods
  + 5. Quantity / Cartons / CBM / KGS per SKU number
  + 6. Expected cargo delivery date
  + 7. Local company contact information including telephone number, fax number, contact person, email address, etc.
* UPS compares booking information to the purchase order provided by Kroger, and any discrepancies are submitted to Kroger for approval. For example, early/late shipments, incorrect port, overages, shortages, light-loaded containers, or partial shipments require Kroger’s approval.

* Kroger cargo may ship as either CY or CFS, depending on the volume:

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| CY (Container Yard) | CFS (Consolidated Freight Service) |
| -Full Container  -Must meet minimum CBM or weight for container  -May be factory-loaded | -Less than container load  - Cargo is delivered to UPS facility at port of origin for consolidation  - Consolidation fees apply |

For CY cargo deliveries, shipping Instructions (SI) should be submitted to UPS before SI cutoff time which is listed on the carrier Shipping Order. Please use the SI form which is provided by UPS origin office. If the SI cutoff time cannot be met, vendor’s container cannot be loaded on planned vessel and all the charges should be charged on vendor’s account. Cargo will be accepted if it achieves the utilization minimum (See chart)

All commercial documents must be submitted to UPS within four (4) business days prior to the ETD for CFS shipments, or up to two days after cargo in-gate for CY containers.

Failure to submit commercial documents within 4 days will result in a Delayed Document Notice from UPS.

Failure to present all required documents to UPS within 7 business days of cargo receive date will result in a banking penalty of 300USD.

Once the documents have been received by UPS and payments are settled, a forwarder’s Cargo Receipt (“FCR”) will be released to the shipper.

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| Container Size | Kroger Standard CBM Minimum | Comments |
| 20' | Needs approval\*\*  15 CBM | Max Cargo Weight:  38000Lbs/17236Kgs |
| 40' Standard | 54 CBM | Max Cargo Weight:  44000Lbs/19958Kgs |
| 40' HC | 64 CBM CY  65 CBM CFS | Max Cargo Weight:  43700Lbs/19820Kgs |
| 40' HC Dry Reefer (NOR) | Non-Operating Reefer (NOR) preferred. When possible 1st request a NOR. No approval required. | Max Cargo Weight:  43700Lbs/19820Kgs |
| 45' | 74 CBM | Max Cargo Weight:  43700Lbs/19820Kgs |

Vendor loading guidelines:

* Equipment used is subject to carrier equipment availability
* Overflow cargo should be delivered to UPS-SCS CFS for consolidation
* For all deliveries, vendors may contact UPS Origin’s operations representatives to arrange trucking and customs clearance if needed
* Bookings of factory loads must use the appropriate equipment size/type to maximize container utilization and minimize per-unit freight costs. As such, priority will be given to the use of 45’ high cube, and 40’ high cube.
* For vendor loaded containers, the vendor is responsible for the proper blocking & bracing of cargo at the time of loading to prevent any shifting or uneven distribution of cargo while in transit.
* NOTE: Containers which are unevenly loaded to the extent that they are in violation of U.S. highway limitations shall be considered overweight even if their total weight falls within the weight limits indicated.

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| **Origin Fees and UPS Service Charges**  **(applicable for CFS/DOOR & CFS/CFS)** | |
| CFS Receiving Charge | per CBM |
| CFS Terminal Handling Charge | per CBM |
| CFS Port Construction Fee | per CMB |
| CY THC | per container |
| CY Port Construction Fee | per container |
| CY Administration Fee | per container |
| Documentation Charge | per FCR |
| AMS Fee | per FCR |
| AMS Amendment Fee | per amendment |
| Document Amendment | per FCR |
| Late Document Charge | per set |
| VGM Fee | per container |

\*\* Amounts are subject to origin’s local tariff

**- Air Shipment Procedures –**

All air shipments MUST be approved by Kroger prior to shipping.

* Requests for air shipments should to be sent to BookingApprovals@kroger.com
* Vendors may not use their own forwarder or carrier for import purchase orders
* Accurate cargo weight and dimensions are necessary to create a booking and estimate air freight costs

**IV. Import Vendor Compliance**

**- Social Compliance Requirements -**

For further information on the Kroger Social Compliance process, including how to complete an audit, please see the below link or e-mail [socialcompliance@kroger.com](mailto:socialcompliance@kroger.com).

<http://www.thekrogerco.com/vendors-suppliers/corporate-social-responsibility>

**- Product Inspection and Testing -**

Kroger merchandise requires specific testing and certifications to ensure quality and safety. Please see our guidelines for general merchandise regulatory compliance and quality assurance, located on our website at the link below:

<https://www.thekrogerco.com/vendors-suppliers/general-merchandise-compliance>

**- Customs Trade Partnership Against Terrorism -**

The Kroger Company works with CTPAT which seeks to safeguard the world’s vibrant trade industry from terrorists, maintaining the economic health of the U.S. and its neighbors. The partnership develops and adopts measures by improving security, at not only physical borders and ports of entry, but globally in collaboration with the international trade community.

3rd party security audits must be performed before cargo can be shipped. Acceptable agencies for CTPAT audits include SGS, UL, Elevate, Bureau Veritas, InterTek, and SCAN. Kroger will accept any security audit protocol which meets Customs and Border Protection’s CTPAT standards. Please send this report to Kroger before cargo ships. Vendors are responsible for **biennial** audits. Audits are performed at shipper’s cost. Standards which cover important CTPAT areas include:

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| **Security Vision & Responsibility** | For a CTPAT Member’s supply chain security program to become and remain effective, it must have the support of a company’s upper management. Instilling security as an integral part of a company’s culture and ensuring that it is a companywide priority is in large part the responsibility of the company’s leadership. |
| **Risk Assessment** | The continuing threat of terrorist groups and criminal organizations targeting supply chains underscores the need for Members to assess existing and potential exposure to these evolving threats. |
| **Business Partners** | For those business partners who directly handle cargo and/or import/export documentation, it is crucial for the Member to ensure that these business partners have appropriate security measures in place to secure the goods throughout the international supply chain |
| **Cybersecurity** | In today’s digital world, cybersecurity is the key to safeguarding a company’s most precious assets – intellectual property, customer information, financial and trade data, and employee records, among others. |
| **Transportation Security** | Smuggling schemes often involve the modification of conveyances and Instruments of International Traffic (IIT), or the hiding of contraband inside IIT. At the point of stuffing/loading, procedures need to be in place to inspect IIT and properly seal them. |
| **Seal Security** | Seal security includes having a comprehensive written seal policy that addresses all aspects of seal security; using the correct seals per CTPAT requirements; properly placing a seal on an IIT, and verifying that the seal has been affixed properly. |
| **Procedural Security** | Procedural Security encompasses many aspects of the import-export process, documentation, and cargo storage and handling requirements. Other vital procedural criteria pertain to reporting incidents and notification to pertinent law enforcement. |
| **Agricultural Security** | Agriculture is an industry threatened by the introduction of foreign animal and plant contaminants such as soil, manure, seeds, and plant and animal material which may harbor invasive and destructive pests and diseases. |
| **Physical Security** | Cargo handling and storage facilities, Instruments of International Traffic storage areas, and facilities where import/export documentation is prepared in domestic and foreign locations must have physical barriers and deterrents that guard against unauthorized access. |
| **Physical Access Controls** | Access controls prevent unauthorized access into facilities/areas, help maintain control of employees and visitors, and protect company assets. |
| **Personnel Security** | The criteria in this category focus on issues such as employee screening and pre-employment verifications. |
| **Education, Training and Awareness** | Educating employees on what the threats are and how their role is important in protecting the company’s supply chain is a significant aspect to the success and endurance of a supply chain security program. |

CTPAT audits must be emailed to CTPAT@Kroger.com BEFORE cargo can be allowed to ship.

Visit our website for the full details of the CTPAT program, including the CTPAT audit check list: <http://www.thekrogerco.com/vendors-suppliers/import-vendors>

**V. Documentation Requirements**

**- Commercial documents –**

The Kroger Co. requires that several documents are prepared for each shipment to verify the customs details, regulatory compliance, product safety, and purchase order information for the cargo. These documents will be requested by our freight forwarder, UPS, at the time of booking a shipment.

Documents required for all shipments:

* Commercial Invoice
* Packing List
* Certificate of Material
* Beneficiary’s Certification
* Forwarder’s Cargo Receipt (FCR) or Bill of Lading

Documentation requiring attestation **along with submission to UPS**, if applicable to imported product:

* General Certificate of Conformity (GCC)
* Third-Party Test Report(s)
* Certificate of Origin
* Wearing Apparel Detail Sheet
* Footwear detail sheet or Interim footwear invoice
* Lacey Act Declaration
* FCC Form
* Preferential trade program qualifying statement (e.g. GSP, USMCA)

All commercial documents must be submitted to UPS within **four (4) business days** prior to the ETD.

Commercial Invoice must list the following:

* Detailed description of merchandise
* The [port](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=54f051ee36b3ec9308e57a784ee37b7e&term_occur=999&term_src=Title:19:Chapter:I:Part:141:Subpart:F:141.86) of [entry](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=13534f690fce25e4a5c5193a79bed0b3&term_occur=999&term_src=Title:19:Chapter:I:Part:141:Subpart:F:141.86) to which the merchandise is destined
* List the quantity
* List unit price per line
* List total value per line
* List the country of origin (where item was made)
* List the country of export
* List the name/address of the business or person selling the merchandise
* List the name/address of business or person buying the merchandise
* List PO#
* List SKU#
* List currency used in ISO 4217 three-letter code (ex. USD, AUD, CNY, etc.)
* List Invoice#
* List Vessel Name
* List FDA Registration Number (if applicable)
* List SID/FCE Number (If applicable)

**- General Certificate of Conformity -**

This requirement is for all shipments. The GCC is called for in all Letters of Credit and documentary open account applications.

Requirements:

A General Certificate of Conformity stating the products have met all applicable product safety standards as well as the U.S. Consumer Products Safety Improvement Act of 2008 regulations. GCC must be in English and include the following:

1. Date of Certificate Issuance

2. Identification of the product covered by the certificate.

3. Citation to each CPSC product safety regulation (i.e., standard or ban) for which the product is being certified.

4. Identification of the U.S. importer The Kroger Co. 1014 Vine Street, Cincinnati, Ohio 45202

5. Identification of the individual maintaining test records in support of the certificate.

6. Date (month and year) and place (city, state, country or admin. region) where this product was manufactured.

7. Date and place (city, state, country or admin. region) where this product was tested for compliance with the regulation(s) cited. Include Test Report number.

8. Identification of any third-party laboratory on whose testing the certificate depends (name, address and phone number).

9. For Adult and Childrens products identified by CPSC to require a Certificate of Conformity, we now require actual third-party test reports to accompany the Certificate of Conformity submission. Tests are required to be completed by CPSC approved laboratories.

For more information, visit <https://www.thekrogerco.com/vendors-suppliers/general-merchandise-compliance>

**- Importer Security Filing (ISF) -**

U.S. Customs has a security program called “Importer Security Filing” (or simply ISF) where certain information about the imported cargo is manifested to U.S. Customs PRIOR to the vessel arriving at the U.S. port of discharge. This security filing is mandatory and Kroger will require certain manufacturer and container information to be able to comply with this U.S. Customs requirement.

*What kind of shipments needs ISF?*

Containerized Ocean freight only destined to the United States. Air freight is exempt from ISF requirements.

*Who is responsible for ISF 10+2 Data? What data is required?*

Kroger’s ISF filing agent (Geo S Bush & Co. Inc) is responsible for the timely, accurate, and complete submission of the 10 data elements in the ISF. The steamship line is responsible for the 2 container tracking reports.

3 of those 10 data elements come directly from the vendors and must be provided to Geo S Bush & Co. Inc by 3 days prior to the ETD of the vessel:

Data 1: Manufacturer (or supplier) name and address – this is the actual manufacturer of the merchandise being shipped. (Remember that for textiles, we must have the actual manufacturer for entry purposes.)

Data 2: Container stuffing location – this is the name and address of the location at which the container is stuffed; for factory-loaded containers, this will be the factory location.

Data 3: Consolidator (stuffer) name and address – this is the party who is responsible for the stuffing of the container; for factory-loaded containers, this will likely be the factory name and address; for LCL shipments, this will be the name and address of the forwarder.

*How is ISF information submitted?*

1. To fill out the ISF data, please go to http://www.thekrogerco.com/docs/import-vendors/isf-form.xlsx?sfvrsn=0

2. Secure the required bill of lading numbers. The lowest level bill of lading must also be submitted for U.S. Customs to link the ISF data to AMS data. If the bill of lading is split in transit, a new ISF will need to be filed for each new B/L and the original ISF will need to be amended.

3. For form submissions or questions, please contact [Kroger.ISF@geosbush.com](mailto:Kroger.ISF@geosbush.com)

*ISFs for shipments from China –* ***NEW REQUIREMENT AS OF 2023:***  
Postal code must be listed in manufacturer’s address on ISF form.

**- Country of Origin Labeling -**

All merchandise must be marked with its country of origin to comply with US Customs rules:

*Unless excepted by law, section 304, Tariff Act of 1930, as amended (19 U.S.C. 1304), requires that every article of foreign origin (or its container) imported into the United States shall be marked in a conspicuous place as legibly, indelibly, and permanently as the nature of the article (or container) will permit, in such a manner as to indicate to an ultimate purchaser in the United States the English name of the country of origin of the article, at the time of importation into the Customs territory of the United States. Containers of articles excepted from marking shall be marked with the name of the country of origin, unless the container is also excepted from marking.*

Any geographic words in product names or description (ex. California king sheet sets) must be in the same size text or smaller than the country of origin label, to avoid confusing the consumer.

**- Additional declarations and label requirements for certain products -**

**- Wood, Plant and Animal Products -**

* Requirements for Wood Packing Material (WPM)

What qualifies as wood packing material? (but is not limited to):

|  |  |
| --- | --- |
| Wood Packing Material: | NOT Wood Packing Material: |
| ○ Bins, boxes, or cases  ○ Bracing  ○ Containers  ○ Crates and Cratings  ○ Drums  ○ Dunnage  ○ Load Boards  ○ Pallets  ○ Pallet collars  ○ Reels  ○ Skids | * Packing material made entirely from thin wood 6 mm or less in thickness. * Packing Material made wholly of processed wood material, such as:   + Plywood   + Particle board   + Oriented strand board or veneer that has been created using glue, heat, or pressure, or a combination thereof. * Sawdust * Wood shavings * Wood wool |

If regulated WPM was used in supporting, protecting, or carrying the commodity, vendor must state that all WPM used in this shipment have been heat treated or fumigated with Methyl Bromide in accordance with US regulations, and have been marked in accordance with the International Plant Protection Convention standard ISPM Number 15.

If shipment contains no WPM, then Commercial Invoice must state 'This shipment contains no solid wood packing material.' or 'This shipment contains no regulated wood packing material.’

* Requirements for Composite Wood Products: EPA TSCA VI and CARB

All composite wood products (including hardwood plywood, MDF and particle board) are required to meet formaldehyde emissions standards and labeling under EPA TSCA VI and CARB. Beginning March 22nd 2019, each composite wood product shipment including panels and finished goods, must be accompanied by an import certification statement. *(As specified in section H on page 21)*

* Lacey Act Requirements
  + The Lacey Act combats trafficking illegal plants, fish and wildlife into the U.S.A. Most wooden articles require a Lacey Act declaration. Plant and plant product declarations will be required for all products that contain regulated materials. Please note:
    - A declaration is required only for the product itself – not the sundries that can accompany the product (such as tags, labels, manuals or warranty cards.) Packaging material is also exempt, unless the packaging material is the item that is being imported.
    - For paper and paperboard products with recycled plant content, it is not required to specify the species or country of harvest with respect to the recycled plant product component but is required to provide the average percentage of recycled content. If the product also contains non-recycled plant materials, the basic declaration requirements still apply to that component of the product imported.
    - “Plants” exclude common cultivars, common food crops, scientific specimens and plants to be replanted.
  + Forms and additional information are available on the official USDA website: https://www.aphis.usda.gov/aphis/ourfocus/planthealth/import-information/SA\_Lacey\_Act

**- Hazardous Materials -**

* Hazardous Materials
  + At the time of booking, you must indicate whether or not the cargo you are shipping contains a hazardous material.
  + If the cargo contains any hazardous materials, you must submit a complete MSDS (Material Safety Data Sheet) to UPS at the time of booking and the MSDS must indicate:

a. The appropriate 4-digit UN number

b. The class

c. The packing group

* Requirements for Items Containing Lithium-Ion Batteries
  + Lithium-Ion batteries are subject to IMDG (International Maritime Dangerous Goods) code, which governs the transportation of dangerous cargo worldwide. Lithium batteries are required to be packaged, handled, documented, and declared according to the IMDG standards.
  + See additional information on the IMO website here: <https://www.imo.org/en/OurWork/Safety/Pages/DangerousGoods-default.aspx>
  + All Kroger shipments containing lithium batteries in any form must adhere to the IMDG code.
  + Shipments containing Lithium batteries may require submission of an IMDG Dangerous Goods form, and/or a MSDS material data sheet. All shippers handling lithium battery cargo must have these documents available when requested by Kroger or our service providers.
  + Please be aware: shipping lithium batteries or other dangerous goods may require additional documentation or licensing from the country of export.
  + For all shipments of lithium-ion batteries, the shippable carton must meet the following requirements:
    - A handling label indicating that the package contains lithium-ion cells or batteries. This label must:
      * Be at least 120 mm x 110 mm
      * Have a red striped border
      * Include a phone number for additional information.
      * Indicate that the package shall be handled with care and that a flammability hazard exists if the package is damaged
    - Each shipment must be accompanied by a shipping document with an indication that: “This shipment contains Lithium-ion batteries. Do not damage or mishandle the packages. If package is damaged, flammability hazard may exist; batteries must be quarantined, inspected, and repacked.”
    - Air shipments must include a label with “Forbidden for Transport Aboard Passenger Aircraft”
    - Batteries must be packaged to prevent accidental activation.
    - Cartons containing loose batteries (i.e. not in equipment or packaged with equipment) must be capable of withstanding a 1.2 m drop test without damage to the batteries or shifting of contents so as to allow short-circuiting or spills.
  + Large or powerful batteries over standard size require additional precautions. Global Logistics should be consulted in advance of shipments of product containing:
    - Batteries over 100Wh or ion cells over 20wh
    - Batteries over 5kg combined weight per shipment
    - More than two loose batteries per package
* Plastic bags caution label
  + An appropriate caution label must be conspicuously printed on or securely attached to each applicable plastic bag, to be repeated every 18 inches:

**WARNING**

**To avoid danger of suffocation, keep this plastic bag away from babies and children. Do not use this bag in cribs, beds, carriage, or playpens. This bag is not a toy.**

|  |  |
| --- | --- |
| Combined Total Length and Width of Bag | 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 |
| Dry cleaning bags | 36 point |

* + Follow the below table for minimum size requirements by bag type:

**- Electrical Items-**

* Radio and Remote-Control Items
  + All items containing radio-frequency features (for example: radios, remote-control electronics, TV receivers, or microwave ovens) are subject to regulation by the FCC (Federal Communications Commission). Items must be manufactured in compliance with FCC regulations.
  + A FCC Form 740 should be prepared for each of these products shipped to Kroger. This form must be immediately available to Kroger upon request.
  + FCC Form 740 template and further details are available on the FCC.gov website:
  + <https://transition.fcc.gov/Forms/Form740/740.pdf>

**- Dishes, Tableware and Food-Safe Products-**

* “Not for food use”
  + For decorative dishes or tableware, ensure that products are marked appropriately. Items should be permanently marked on the underside, along with a removable caution label affixed on the top of each applicable item, as follows:

1. For decorative purpose only

2. Not for Food Use

3. Food Consumed from this vessel may be harmful.

* Microwave and Dishwasher Safety
  + Certify that an appropriate caution label indicating the suitability of food containers, flatware, cookware and kitchen tools for use in dishwashers and microwaves has been conspicuously affixed to each applicable item.
* Dishes and Ceramic Ware
  + To show food-safe compliance, please add to the commercial invoice the facility’s FDA Registration number or CCC Number, and the complete name and address of the actual overseas manufacturer for each specific item.
  + For applicable ceramics, Kroger requires that a CCC number is provided. Kroger continues to require this number, regardless of changes in regulatory policy.
  + For customs classification, please provide additional information for sets of dishes or tableware:
    - 1. Provide a breakdown of each component, including each item in the set, by price in USD and net weight in KG for each style. This total must match the first cost price of style on invoice, including set prices. All costs are to be included in this pricing breakdown.
    - 2. Specify the type of material (ex: Porcelain, China Course-Grained Earthenware, Course-Grained Stoneware, Fine Grained Earthenware having a reddish colored body and Lustrous Glaze, Glass, Plastic or just Ceramic.)
    - 3. State the diameter of each plate listed in centimeters.
    - 4. Include on Commercial Invoice: FDA Facility Registration number or CCC Number

**- Miscellaneous-**

* Faux fur
  + For all items containing faux fur, add to Commercial Invoice: certify that the products listed on the Invoice do not contain dog or cat fur.
* Seasonal Plush
  + Ensure that the following caution label has been permanently affixed to each applicable item of seasonal, plush decoration: “This is not a toy. For decorative purposes only.”
  + Please note, this category falls under the Ohio State Bedding law for stuffed articles and will require a toy or bedding label even if labeled “not a toy”.
* Fish & Wildlife Related Products
  + Ensure that all cargo related to Fish & Wildlife (except for exempt, such as product from domesticated animals – please see 50 CFR 14 for more information on exemptions) must be only imported into the following ports:
    - Seattle
    - Portland
    - Los Angeles

**- Bedding, Upholstered Furniture, and Stuffed Articles -**

* + Register Required for Bedding, Upholstered Furniture, Stuffed Toys, etc.
    - Articles of bedding, upholstered furniture, stuffed toys, stuffed decorative items, and any such articles containing hidden materials for sleeping, sitting resting or reclining purposes come under the scope of the Ohio Bedding and Upholstered Furniture regulations. The regulations require that vendors register, submit a sample of product(s) for analysis of the filling content, submit a law label(s) for approval, and/or are responsible for the semiannual fee of four cents per item for products brought into OH or offered for sale in OH.
    - To apply for the required license in Ohio or for more information and clarifications, please go to: <http://codes.ohio.gov/orc/3713>
  + Requirements on Uniform Law Labels for Stuffed Articles
    - Filled bedding, furniture, sleeping bags and toys sold in the USA require a special label. These labels must meet specific requirements. At least 16 states require registration as part of the labeling process.
    - Filled jackets and clothing must have a sewn-in label that accurately reflects the filling material. The state of Utah requires registration for any company selling filled clothing such as jackets and vests.
    - For additional information, see IABFLO International Association of Bedding and Furniture Law Officials website http://abflo.info/index.htm

**VI. Payments and Charges**

**- Documentary Open Account guidelines –**

Payment for all direct import purchase orders is made by documentary open account, handled exclusively by Citibank.

* The standard payment terms are 90 Days After Sight
* The beneficiary information provided on the import quote sheet will be used for issuance of payment
* Vendors represented by Li & Fung Sourcing have the option of direct payment from Li & Fung or payment from Kroger
* Not to be confused with a standard OA, wire transfer, or T/T transactions. Documentary requirements are stipulated in the open account terms, listed in the section below
* Alternative payment terms are not offered at this time
* Purchase orders are added to new or existing OAs in the order they are received
* New OAs and amendments will be available within 72 hours of receipt of purchase orders by Global Logistics

**- Citi Supplier Finance program information –**

CSF program gives suppliers the flexibility to receive Kroger OA payments early, at a small cost based on Kroger’s credit profile.

Once Kroger has approved an invoice for payment at 90 days, suppliers can submit a request for discount online on the CSF e-platform. Citibank will then purchase the supplier’s receivable to allow early payment. Suppliers have the choice of automatic discounting for all invoices, or selective discounting for individual invoices. Our bank will remit the invoice amount less discounting charges.

Discounting charges are determined by the invoice amount, the annual discount rate, and the days remaining in the term. There are no implementation or monthly fees for this program.

To learn more about CSF program offerings, please contact an CSF program manager. Citibank’s representatives will assist suppliers. Please contact Citibank for further information: csfsupplierengagement@citi.com

**- Documentary Open Account Terms & Instructions -**

Below is an example of the Documentary Open Account issuance letter:

|  |  |
| --- | --- |
| OPEN ACCOUNT | |
| PLEASE BE ADVISED OF THE OPEN ACCOUNT TRANSACTION WITH THE TERMS SET FORTH BELOW: | |
| Transmittal Details to be sent via: | Email |
| Transaction Type: | Open Account |
| Applicant's Reference Number: | XXXXXXXXXX |
| Bank's Reference Number: | XXXXXXXXXX |
| Open Account Model: | Bank Approved, With Condition Matching - Auto Pay |
| Expiration Date (Drafts to be presented to the negotiating, accepting, or paying bank on or before): | 'YYYY-MM-DD'' |
| BUYER PARTY: | The Kroger Co.  1014 Vine Street  Cincinnati, OH 45202 |
| ADVISING BANK: | (if any) |
| AMOUNT: | 0.00USD |
| Approximate Percent: | + 0 / - 0 |
| Tenor: | 90 days After Sight |
| Place of Presentation at: | Citibank |
| Drafts are to be Drawn | On the Applicant |
| Partial Shipments are: | Prohibited |
| Place of Taking in Charge/Dispatch From/Place of Receipt: | See PO Information |
| Port of Discharge/Airport of Destination: | Any USA Port |
| Shipping Terms: | FOB - Free On Board |
| Named Point: | See PO Information |
| Insurance to be effected by: | Buyer |
| Our Bank Charges are for the account of the Seller |  |

COVERING SHIPMENT OF:

In accordance with The Kroger Co. Purchase Order(s):

|  |  |  |
| --- | --- | --- |
| PO# 12345678 | $0.00 USD | FOB Yantian |
| [Additional purchase orders listed here] | | |

REQUIRED DOCUMENTS, INSTRUCTIONS AND OTHER TERMS AND CONDITIONS AS FOLLOWS:

1. **Copy(s) Signed Commercial Invoice certifying compliance with**:
   1. The Kroger Co. relative Purchase Order Number.
   2. Showing the purchase price of each item in U.S. Dollars and the Country of Origin.
2. **Copy of Packing/Weight List** showing number of cartons, weight and contents of each carton.
3. **Copy of Certificate of Material** showing breakdown of each component by price in USD and net weight in KG for each style. If component includes fabric, the Certificate of Material must state if fabric is knit or woven and list the fiber content. If item is a set, a breakdown of each component by price in USD and net weight in KG for each style must be shown.
4. **Beneficiary signed certification and vendor agreement**:

A. To protect, defend, indemnify, and hold harmless, The Kroger Co., all its affiliates, and subsidiaries, agents, and employees, from and against any and all claims, actions, demands, liabilities, losses, cost, and expenses including attorney fees:

1. Arising out of any actual or alleged injury to or death of any person, or damage to any property, or any other damage or loss, by whomsoever suffered, including Vendor or Kroger Co., resulting or claimed to result, directly or indirectly, from the purchase, shipment, storage, delivery, sale, or other handling of the goods sold hereunder, caused by the negligence of the vendor.
2. Resulting from the actual or alleged breach of any Vendor warranties, guarantees, regulatory compliance or other covenants contained herein, or
3. Resulting from any actual or alleged trademark, patent copyright, or other proprietary right infringement of the goods sold hereunder.

B. i. The items covered under the above reference purchase order(s) contain no Class I or II Ozone depleting chemicals as defined by the U.S. Government Environmental Protection Agency.

ii. Stating the actual Manufacturer(s) Name and Address and Shippers Name and Address for U.S. Customs purposes.

C. That merchandise was not manufactured with convict labor and/or indentured labor under penal sanctions, nor with illegal child labor, either employed in production or manufacture of the merchandise.

D. Any wood packing material used in this shipment has been heat treated or fumigated in accordance with U.S. Regulations and has been marked in accordance with the International Plant Protection Convention Standard ISPM Number 15. If the fumigation certificate is not applicable, Commercial Invoice as well as Forwarders Cargo Receipt must state -This shipment contains no solid wood packing material.- or -This shipment contains no regulated wood packing material.-

E. Have complied with all applicable laws, regulations, codes, and sanctions related to Anti-Bribery and Anti-Corruption as may be applicable to its performance, including but not limited to the U.S. Foreign Corrupt Practice Act, and we have not engaged in any activity, practice, or conduct which constitute a criminal offence under the U.S. Foreign Corrupt Practices Act if such activity, practice, or conduct had carried out in the U.S., and have complied with Kroger Ethics, Anti-Bribery, and Anti-Corruption Policies.

F. All goods in this shipment have been found to be free of any defects and of top quality.

G. Have cooperated in The Kroger Co. Trucking Security Program and met the below minimum criteria for compliance:

1. Select trucking and dray carriers that are dependable and willing to participate in security measures.

2. Have trained personnel inspect all containers and seals prior to departure.

3. Designated a direct route to the port of departure or CFS station.

4. Estimate travel time for the trip.

5. Monitor actual time to destination.

6. Provide a gate-in receipt for the trip.

7. State that the factory understands and is cooperating in this Trucking Security Program Factory must actually have a program in place and able to prove compliance on-site, if and when asked for.

H. All composite wood products (including hardwood plywood, MDF and particle board) in this shipment meet formaldehyde emissions standards and labeling requirements under EPA TSCA VI & CARB.

I certify that all chemical substances in this shipment comply with all applicable rules or orders under TSCA and that I am not offering a chemical substance for entry in violation of TSCA or any applicable rule or order thereunder.

For all products that do not contain composite wood, the commercial invoice must state: “Product in this shipment does not contain composite wood. I certify that all chemicals in this shipment are not subject to TSCA.”

**General Certificate of Conformity (GCC)**

Copy of General Certificate of Conformity (GCC) stating the products have met all applicable product safety standards as well as the U.S. Consumer Products Safety Improvement Act of 2008. GCC must be in English and include the following:

1. Date of Certificate Issuance

2. Identification of the product covered by the certificate.

3. Citation to each CPSC product safety regulation (i.e., standard or ban) for which the product is being certified.

4. Identification of the U.S. importer The Kroger Co. 1014 Vine Street, Cincinnati, Ohio 45202

5. Identification of the individual maintaining test records in support of the certificate.

6. Date (month and year) and place (city, state, country or admin. region) where this product was manufactured.

7. Date and place (city, state, country or admin. region) where this product was tested for compliance with the regulation(s) cited. Include Test Report number.

8. Identification of any third-party laboratory on whose testing the certificate depends (name, address and phone number).

9. For Adult and Childrens products identified by CPSC to require a Certificate of Conformity, we now require actual third-party test reports to accompany the Certificate of Conformity submission. Tests are required to be completed by CPSC approved laboratories.

If a Certificate of Conformity is not applicable for this shipment, Commercial Invoice must state “U.S. consumer products safety improvement act of 2008 not applicable for this shipment.”

1. **Forwarder’s Cargo Receipt (FCR)**

FORWARDERS CARGO RECEIPT BILLS OF LADING TO BE MARKED: FREIGHT Collect

Total number of originals to be issued: 1

Number of originals required for negotiation: 1

|  |  |
| --- | --- |
| Consigned to: | To be marked: **Notify** |
| The Kroger Co.  1014 Vine Street  Cincinnati, Ohio 45202 | Geo. S. Bush and Co., Inc.  5331 S. Macadam Ave., Ste 370,  Portland, OR 97239 U.S.A. |

Number of copies required: 1

Issued By and/or Other B/L type : UPS Asia Group Pte Ltd or UPS Supply Chain Solutions, Inc.

OTHER TERMS AND CONDITIONS:

* Cargo received date on the Forwarder's Cargo Receipt is to be considered as the shipment date.
* All documents must indicate this documentary open account
* reference number and the purchase order number(s).
* Beneficiary must present originals of all documents required except Forwarder's Cargo Receipt to UPS Asia Group Pte Ltd or UPS Supply Chain Solutions, Inc. within 7 business days of delivery of cargo. Failure to comply will result in a penalty of USD300.00
* To facilitate the processing of your documents, we authorize you to deliver to the designated presentation bank but solely at your discretion and full assumption of risk a scanned copy each in lieu of the original of all documents required under these Instructions in the form of pdf attachments to a secure Internet electronic mail message. The transmission of the electronic mail message will be secured by Proofpoint Encryption (Proofpoint). In this regard, we have instructed the designated presentation bank to discuss with your representatives the logistics of delivering scanned copies of the required documents by secure Internet electronic mail. Kindly contact Mr. Peter Lai or the Trade Services Hotline at (852) 3508-2323, for set-up instructions and requisite documentation on the use of Proofpoint secure email. Documents present in copy instead of original are acceptable.
* Documents must be presented within 21 days after shipment but within the validity of the credit.