



iHerb, LLC

Supplier Manual

Last Update 11/4/2024

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NOTE FROM OUR CEO

Dear Valued Partner,

At iHerb it is our vision/mission to offer our Customers earth's best selection of available natural products, at the best possible value, delivered with the most convenient experience.

We recognize the important role our suppliers play in achieving our goal of being the # 1 choice for our customers by satisfying their expectations concerning selection, convenience, and value. We believe building a strong partnership with our suppliers allows us to ensure customer expectations and/or requirements are met for the success of our suppliers and iHerb. In addition to maintaining strong supplier partnerships, iHerb utilizes current supply chain technology to improve product flow from point of origin to destination, our customers. Supply-chain efficiencies are more critical than ever in satisfying customer needs and remaining competitive. Smooth operations between the Supplier community and iHerb are critical for our mutual success.



To achieve our goal of always providing the best-value product in the most equitable manner, we have established a set of business standards and code of conduct for our suppliers. In communicating these guidelines, we hope to identify potential suppliers who share our commitment to quality products, quality business principles and quality community relationships. The requirements set forth in the Supplier Manual will allow us both to benefit from increased sales by striving to reduce processing time and increase product “turnover”.

iHerb's success is dependent upon our ability to provide the highest value to our customers through price, quality, and service. We hope that you are as excited as we are with the continuation and/or onset of our relationship. Our commitment to our suppliers is as strong as the commitment we have to our customers. Thank you for taking a step forward in what we hope will become or will continue to be a long and prosperous relationship.

Sincerely,

Emun Zabihi

INTRODUCTION TO THE SUPPLIER MANUAL

Valued Business Partner,

iHerb's supplier manual is a document covering the full scope of our business policies from ethical standards and supplier relationship expectations to shipment standards focused on the health and safety of our teams. This policy reflects a continuous effort to improve efficiencies and manage our business relationship in a manner that is legal and that benefits our mutual partnership. The policies defined herein are iHerb's minimum expectations of its suppliers and will continue to change with our ever changing business requirements. These policies exist to educate and define both common industry practice as well as unique requirements of iHerb's global business model. The expectation is for our supplier to read and implement these policies when supplying iHerb's business.

At iHerb, our supplier relationships have always been a very valuable part of our business. We are dedicated to ensuring that our supplier standards are in conformity with those of the retail industry. We support industry-wide technologies that utilize Universal Product Code (UPC), Electronic Data Interchange (EDI), GS1 US standards, and other technologies. The use of these technologies speeds the flow of merchandise through the supply chain, facilitating a rapid transfer of goods from our partners to our customers. This, in turn, allows iHerb to continue to build a more successful and mutually profitable partnership with suppliers.

CODE OF CONDUCT

iHerb is committed to conducting business in a responsible and ethical manner. Suppliers who are currently selling or doing business with iHerb are expected to follow iHerb's Code of Conduct. Full disclosure can be found at <https://www.iherb.com/info/code-of-conduct>

SERVICE STANDARDS

SUPPLIER QUALIFICATION

iHerb is committed to supplying customers with the best product at the best value and quality level. iHerb will evaluate a supplier's partnership ability based on many factors including but not limited to cost competitiveness, product quality, open communication, timely service, market knowledge, financial stability, production capabilities, logistics, inventory, and flexibility.

SUPPLIER ON-SITE EVALUATION/AUDIT

On site supplier evaluations are an effective way to determine the status and future of the business relationship. It is a reliable way to fully understand the real capabilities of potential/current suppliers. iHerb's goal is to build better relationships and improve communication through learning and evaluating suppliers during on-site evaluation/audits.

QUALITY COMPLIANCE

GMP-GOOD MANUFACTURING PRACTICE/FD&C ACT

Good manufacturing practice guidelines have been enforced by the FDA to ensure that companies are utilizing systems that assure proper design, monitoring, and control of manufacturing processes and facilities. These guidelines are requirements that allow manufacturers to make decisions based on their individual organizational needs regarding the best methods of implementing the necessary controls according to processing methods, testing procedures and design. iHerb is committed and supports FDA practices and requires suppliers to comply accordingly.

PRODUCT SAFETY

Supplier should, at its expense, comply with environmental, product safety and stewardship required by Law, including without limitation the following requirements:

- Provision of current Safety Data Sheet, and other information regarding environmental or occupational health and safety aspects of product, as well as renewal or updating of such SDS
- Provision of detailed instructions as to the way product may be destroyed or disposed of by iHerb
- Registration, labeling and compliance of all products with appropriate governmental authority, where required by law
- Notification if there is any change in product design, packaging or change that may impact product compliance

See Supplier Responsibility Standards for further details



Private Label

Suppliers must assure the safety of consumer products. This is achieved through the design, production, and distribution of the product(s) being manufactured. Suppliers are encouraged to approach a comprehensive quality management system to product safety. Suppliers are responsible for the quality of materials and components provided by their sub-tier suppliers and sub-contractors even if directed sourced.

Furthermore, suppliers must comply with the Federal Information Security Management Act (FISMA) specifications regarding protection of information and assets from unauthorized access, use, disclosure, disruption, modification, or destruction of information and information systems.

HAZARDOUS GOODS

Supplier is responsible for correctly identifying, classifying, packaging, marking, labeling, and completing documentation for Dangerous Goods. iHerb can only process and handle Dangerous Goods in *Excepted Quantity, hazard class 3* (Flammable Liquid).

COA (CERTIFICATE OF ANALYSIS)

A Certificate of Analysis is a required document which details that a product has met its predetermined product release specification (s) and quality. Product should not be shipped until it has cleared testing as required by iHerb specification and supplier's internal requirements unless Quality personnel approvals have been obtained and documented.

Each COA should include enough information to allow trace back to the material tested. The country of origin should also be included on the COA where applicable for regulatory and country of origin labeling purposes.

COAs will be required for Dietary Supplements only. Exception letters and quality questionnaires will also apply only for Dietary Supplements.

GTIN- GLOBAL TRADE ITEM NUMBER

Point of sale scanning and scan-in receiving have both become integral in today's retailing environment. Our POs and receiving system depend on accurate and unique item identification numbers (GTINs) and barcodes for accuracy in pricing, as well as, forecasting future needs, maintaining accurate inventories, and producing accurate and on time payment.

It is mandatory that every item sold to iHerb have an accurate and unique identification number and corresponding high-quality barcode.

LOT NUMBER AND EXPIRATION DATE (REQUIRED)

For all dated merchandise, human readable expiration dates must be clearly and legibly marked at the unit and carton level in the format: MM/YYYY or MM/DD/YYYY. Expiration dates on the case, inner pack and consumer pack must be equal. "Expiration Date is the date after which a product is considered not for sale to consumers. "Sell By" or "Best-By" dates will be considered by the team as expiration dates and handled accordingly.

Products should be shipped to iHerb within a minimum of 12 months to expiration (except for grocery, see *Shelf-Life* section for further details). Products not meeting this qualification will not be accepted and will be returned to the supplier.

Note: When applicable, the Advanced Ship Notice (EDI 856) is expected to contain both product expiration and lot number (s) for each item shipped.

Note: If Julian codes are used, a chart depicting the logic must be provided to the iHerb purchasing team

Private Label

For all dated merchandise, please contact the Private Label Sourcing team for further details.

Private & Confidential



COO CERTIFICATION

Suppliers must be able to provide COO certification. The document used in international trade, is a printed form completed by the supplier or its agent that certifies that the goods in a particular export shipment have been wholly produced, manufactured, or processed in a particular country. The origin does not refer to the country where the goods were shipped but to the country where they were made.

FDA FOOD FACILITY REGISTRATION NUMBER

The Food Safety Modernization Act (FSMA) requires any facility that engages in the manufacturing, processing, packing, or holding of food for consumption in the United States to register with the FDA. To ensure the supplier, and its designated manufacturing facilities, are compliant, iHerb requires that partners provide their FDA Registration of Food Facilities Registration Number(s).

CALIFORNIA PROP. 65

Suppliers should be aware that merchandise delivered to any iHerb distribution center may be sold in California and may be subject to California's Proposition 65 requirement. iHerb expects all suppliers, regardless of size or location, to comply with Proposition 65. If a supplier's merchandise requires a Proposition 65 warning, the supplier must, after consulting with iHerb: (1) deliver such a merchandise to iHerb with the necessary label or warning affixed to the product or consumer packaging pursuant to 27 CCR § 25603; and/or (2) provide iHerb with the product's relevant Proposition 65 warning information for transmission to purchasers, prior to purchase, pursuant to 27 CCR § 25602. iHerb will not assume responsibility for physically labeling merchandise on behalf of a supplier.

NEW YORK STATE ASSEMBLY BILL A5610D/SENATE BILL S5823C

The State of New York has signed into law Assembly Bill A5610D/Senate Bill S5823C, which as of April 1, 2024 requires the sale of Nutrition products that support weight-loss or muscle building to only be sold to those over the age of 18 with proof of age upon delivery. [LINK](#)

All vendors must notify iHerb of any item that is subject to this law so that we may comply with this law in selling these products within the State of New York.

INITIATING THE IHERB-SUPPLIER PARTNERSHIP

iHerb's objective is to build a highly efficient and effective procurement relationship with each and every supplier. Thorough understanding of iHerb policies, processes and procedures of order placement, receipt, payment and shipment to iHerb DCs is crucial to the goal of an effective and efficient partnership. Through this relationship iHerb will better serve its customers by providing the best possible customer service.

SAP ARIBA

To initiate the process, iHerb has selected SAP Ariba, a cloud-based sourcing, procurement tool, and a digital marketplace where buyers and sellers can connect and exchange information, set up new relationships, and transact (process POs and invoices).

Ariba consists of several modules. iHerb is implementing Ariba Supplier Lifecycle and Performance (SLP) and Ariba Supply Chain Collaboration (SCC) modules to centralize and standardize the processes of maintaining supplier master data and transacting with suppliers.

Ariba Supplier Lifecycle and Performance (SLP) Ariba SLP will be used primarily to maintain supplier master data as it pertains to business with iHerb, such as DC addresses, contacts, payment & shipping terms, Banking, etc. After your business has registered with Ariba, any changes to this data can and will be made via Ariba, rather than through email

Ariba Supply Chain Collaboration (SCC) Ariba SCC is a module to manage the processing of POs, invoices, credit memos, etc. as well as sharing forecasts.

Important Notes about Ariba

- Suppliers will need to create an account on Ariba
- Both modules will be accessible through the same Ariba Network account
- The use of both Ariba SLP and Ariba SCC will be free for suppliers for all business pertaining to iHerb

For support, please use the following email addresses:

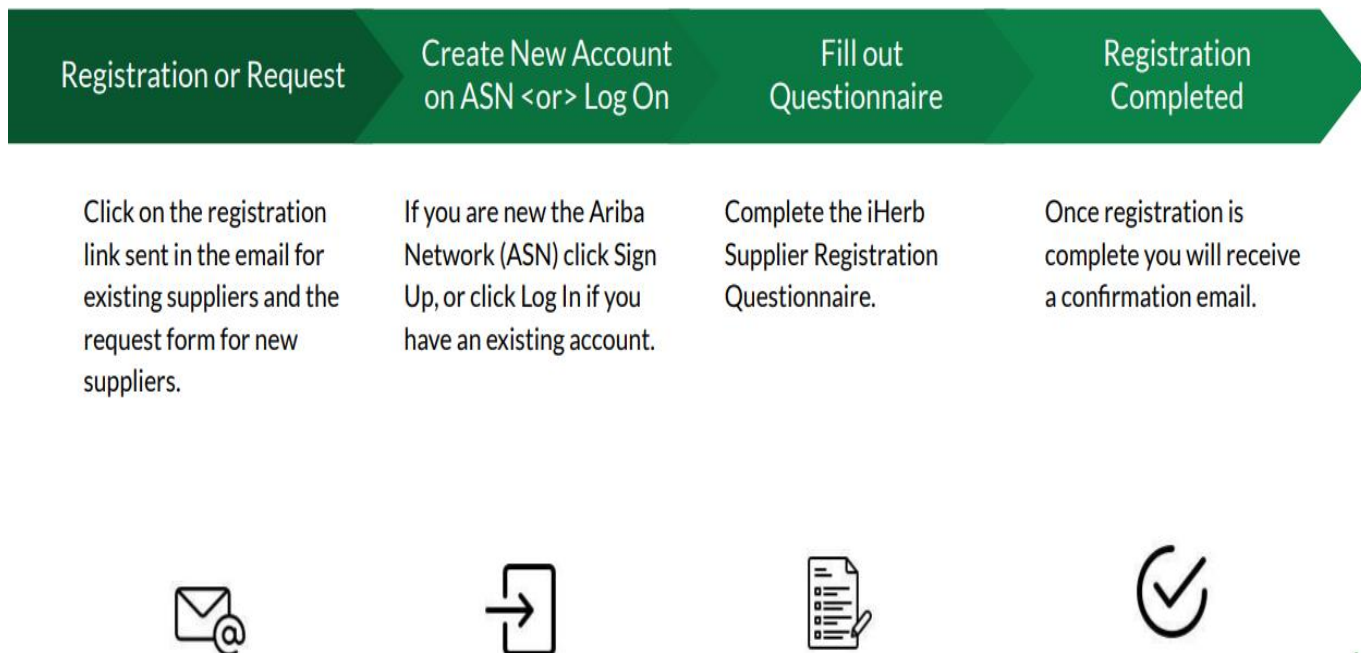
Indirect Suppliers: pr-indirect-ariba@iherb.com

Direct Suppliers: suppliersupportdirect@iherb.com

For Support on the application or assistance from Ariba: [iHerb Holdings, LLC - Enablement Inquiry \(ariba.com\)](http://iHerb Holdings, LLC - Enablement Inquiry (ariba.com))

Ariba SLP (Supplier Lifecycle and Performance)

To initiate the partnership, there are a few processes that need to take place for Ariba SLP.



Documentation required

The following documents will be needed to successfully complete the Registration Questionnaire:

- W-9 or W-8BEN-E
- Certificate of Liability Insurance
 - iHerb requires a Certificate of Insurance (COI) - Minimum requirements

Per Occurrence	\$2,000,000
General Aggregate	\$4,000,000
Products Completed Operations Aggregate	\$4,000,000

For full disclosure of requirements please reference the Master Vendor Agreement (MVA)

- ACH/Wire Form (available to download in the registration questionnaire)
- Sample Invoice Form
- Bank letter head with account details (or a cancelled check)
- MAP Policy (if applicable)
- Credit Application (if applicable)

VENDOR ONBOARDING PACKET

1. New Vendor Introduction / Communication

- Introduction from your iHerb Onboarding team outlining the steps of the process

2. Supplier Manual

- Covers iHerb's minimum expectations of its suppliers from ethical standards and supplier relationship expectations to shipment standards.

3. Item Recap

- Used to upload supplier's product and pricing information into iHerb's systems.

4. Vendor Profile

- Supplier's business information, contacts, pricing, payment, and shipping terms.

5. Domestic and Foreign Vendor Questionnaire

- Compliance requirement prior product shipment

6. COA Exception Letter

- For use for Dietary Supplements that are proprietary. All other Dietary Supplement products require a COA

Private Label

The same process is applicable for private label

MERCHANDISE SAMPLES

To initiate the new item process, iHerb will require at least 2 samples from the supplier for the purpose of product testing and evaluation.

This sample is to be provided free of charge to iHerb.

Private Label

iHerb will utilize samples from 1st product delivery for testing and evaluation.

NOTIFICATION OF CHANGES

To reduce potential service and inventory issues, iHerb requires suppliers to communicate any changes within the lead times specified below. List of changes and the notification requirements expected:

Type of Change	Notification Requirement
Case Pack	60 Days Prior to Shipment Arrival
Product Change	Notice of Product ID Change
Item Discontinuation	60 Day Notice
Price Changes	90 Day Notice



It is extremely important for iHerb to receive item modification details well in advance of any shipment of such items. This includes modification to the product itself, or other details such as packaging, dimensions, etc. It is the responsibility of the Supplier to review these modifications and assign new UPC/GTINs appropriately.

NOTIFICATION OF SUPPLIER CHANGES

MERGER, ACQUISITION AND DIVESTITURE OF PRODUCT

To assure that a supplier remains qualified and that payments are processed in a timely manner, iHerb requires at least sixty days advance notice of any change to a supplier's corporate name, address, broker, representative or legal structure change (such as company merger, company acquisition, bankruptcy, or discontinuance of operation).

These changes must be communicated to iHerb in writing on the supplier's company letterhead and must be signed by a senior officer of the supplier. The letter must contain the following information and must be emailed to the address set forth below:

- Supplier's old and new Company Name, Tax ID, Supplier#
- Supplier's old and new Company Address
- Any change to Remit-To Address
- A description of the change transaction

Email correspondence to: purchasing@iherb.com and ap@iherb.com

Note:

- No Change can be made in iHerb's system until written notification is received.
- Failure to provide the required written information may cause item rejections and payment delay.

If there is a change in ownership and the new owner is not an approved iHerb supplier, the company will be treated as a new supplier. In such situations, a new supplier/supplier update process will need to be completed.

PURCHASE ORDER TERMS AND CONDITIONS

All orders fulfilled by iHerb suppliers are subject to the terms and conditions of the PO, Master Vendor Agreement, or iHerb's Purchase Order Terms and Conditions found here: <https://www.iherb.com/info/purchase-order-terms> (as applicable).

PRODUCTION CHANGES

iHerb expects its supplier to maintain open and continuous communication regarding changes related to negotiated programs. The following are some common changes that a supplier is responsible for communicating to iHerb at least 60 days prior to occurrence.

1. ERP or new computer system implementation
2. Changes to shipping locations
3. Changes in sourcing of product/capacity to manufacture
4. Packaging design changes including:
 - a. Packaging material
 - b. Package configuration
 - c. Packing size
 - d. Barcode labeling
 - e. Shipping carton (labeling, design, and construction)
 - f. UPC change
5. Number of eaches contained in selling units

Private & Confidential



Report any changes immediately to the iHerb merchant to avoid non-compliant assessments.

Private Label

Suppliers should have a specification control program in place that includes clear accountabilities, document control and verification procedures to ensure the correct specifications are used/implemented. Procedures should be in place to obtain approval from the Sourcing team prior to making any changes to product, process, specifications, formulas and producing locations.

Furthermore, Supplier raw material, ingredient, and packaging specifications should show compliance with all relevant laws and regulations.

DATA SYNCHRONIZATION

Data synchronization is an industry-standard method of ensuring, between suppliers and retailers, that product data is current and accurate. This process will streamline supply chain processes and reduce operational costs. iHerb supplier is required to comply with this synchronization.

EDI- ELECTRONIC DATA INTERCHANGE

Electronic Data Interchange (EDI) is industry standard and iHerb requires suppliers to be EDI enabled within 90 days of onboarding. *Exceptions to this policy will be discussed during Supplier Agreement negotiations.*

For any existing supplier not yet EDI compliant, iHerb encourages making this transition to improve partnership. There are many benefits to EDI: increased speed to market, improved accuracy, higher efficiency, and overall cost savings.

iHerb expects suppliers to be fully engaged and comply with all EDI requirements and mapping documents. Suppliers are encouraged to send or receive each of the required documents listed below for better mutual service.

REQUIRED ELECTRONIC DOCUMENTS

EDI Transaction	Description
810	Invoice
850	Purchase Order
855	Purchase Order Acknowledgement
856	Advance Ship Notice

Notes:

- Review the requirements and ensure compliance in all aspects
- Setup and maintain an environment to facilitate electronic exchanges based on the appropriate governing body standard. Establish and test the above four core EDI documents
- Maintain a transmission schedule to support iHerb's business



- Upon receipt of an electronic document from iHerb, transmit a SINGLE electronic acknowledgement with the most accurate information
 - iHerb can only systematically accept the first transmission of any electronic document
- Monitor the receipt of acknowledgement from iHerb for electronic documents sent and take prompt action to resolve issues relating to unacknowledged electronic transmissions

Private Label

Approval of manual processes for PO submission and confirmation and invoicing will be analyzed on a case-by-case basis by the Private Label Sourcing team.

EDI TRANSACTION CODES

Below is a list of the EDI transaction codes supported by iHerb.

Transaction	Required	Description
810	Yes	Ensures timely processing and eliminates mail and payment delays.
850	Yes	Provides a direct interface between a supplier's order system and iHerb. Eliminates lost orders and improves order accuracy by eliminating manual entry problems. iHerb requires all segments to be returned for the 850 PO that is sent via EDI to the supplier.
855	Yes	PO acknowledgement for supplier to confirm receipt, reject, or request modification of an order back to the trading partner. <u>A single PO acknowledgement should be sent within 72hrs (accuracy of document is more important than timeliness). Goal is to receive the 855 prior to the 856.</u>
856	Yes	Required for all EDI 850 orders. If multiple loads are being shipped, an ASN must be built for each shipment being sent. The ASN shipment detail and quantities must match the physical shipment. Line numbers must match original line numbers. <u>Must be transmitted as soon as the load leaves the supplier's facility.</u>

For any inquiries, support and guidance about EDI, please contact edi@iherb.com

EDI SERVICE PROVIDER

SPS Commerce is the third-party EDI service provider to iHerb.

- To initiate EDI enrollment please email: community@spscommerce.com or call 866.245.8100
- For production related concerns please contact: support@spscommerce.com or call 888.739.3232

Note: Supplier is responsible for EDI enrollment and testing. Testing fees, as determined by iHerb's current service provider, will apply and is the supplier's responsibility.

PURCHASE ORDER REQUESTED DELIVERY DUE DATE

The iHerb Planning and Inventory team has migrated to a new planning system that will enable improvement of service levels to our customers. iHerb Purchase Orders (POs) are Due on the "Requested Delivery Due Date" which is calculated using the supplier's lead time (including in transit time).

- There will be a 3-day grace period prior to and after the Requested Delivery Due Date
- Early POs, unless requested by a Planner, are not preferred and may be rejected
 - Early/Unplanned POs lead to late payment and potential overstock
- PO's will be closed on the 4th day after the PO Requested Delivery Due Date
- Backorders / Partial shipments will not be accepted
 - If you cannot ship "in full", we request you to ship what you can based upon the delivery date provided and close the order
- FOB Destination - Supplier is responsible for ensuring delivery of PO by Requested Delivery Due Date. Be sure to select a trusted carrier to deliver on time as "trapping" of inventory by carrier, may cause delay beyond Requested Delivery Due Date + 3 days will not be accepted
- Cut sheets / manual processes to adjust PO line-item quantities are not required and will no longer be needed

LATE/EARLY POs

- Any PO delivered/received after a PO has been closed will RTV
- Any PO delivered early (+3 days) before due date may be returned and subsequently, the order will be closed to further receipts
- Early/Late PO items when returned will be at the supplier's expense. The OS&D team will contact supplier to arrange RTV by requesting a shipping label and or BOL
- Early/Late PO items may be accepted with discount when sales demand is warranted, based on MOH (months on hand) and # of days early/late
 - The OS&D team will contact the supplier to establish acceptance of this discount

LATE/EARLY PO DISCOUNT MATRIX

Acceptance of PO and applicable discount will be based on the following Discount Matrix:

MOH	Days Early/Late	Discount (%)
< 1.2	4 -10 Days	5%
< 1.2	11 -15 Days	10%
< 1.2	16 -20 Days	15%
< 1.2	21+ Days	20%

Shelf life of product will be considered for product acceptance/receipt

LEAD TIMES

FOB DESTINATION- Supplier is responsible for providing an accurate lead time in days from receipt of PO to delivery in iHerb Hub

FOB ORIGIN- Supplier is responsible for providing an accurate lead time in days from receipt of PO to point of pick up (if working thru a 3PL you must consider full time frame). iHerb will consider additional days on top of your lead time suggested to account for our carrier in transit time.

- **Note-** The most accurate lead time when demonstrated will alleviate potential late deliveries and the need for iHerb to return POs (RTVs)
- As circumstances may dictate and your lead times increase, or decrease compared to your documented lead time with iHerb it is the supplier’s responsibility to provide an update to iHerb immediately to mitigate late POs/RTVs

Suppliers will be measured for non-compliance against this requirement.

Note: For all Suppliers under FOB Origin terms, vendor-po@iherb.com should be included in the communication.

PO ACKNOWLEDGEMENT (EDI 855)- Impacts to Planning and Procurement

Please read the below expectations for 855 PO acknowledgement line-item status codes:

EDI DOC 855	Line Item Status Code	Description	When Used	iHerb’s response	Supplier Expected
	IA	Item Accepted	Full acceptance of item specifications	Item/Units expected	Ship items/quantity as ordered
	IQ	Item Accepted-Quantity change	Change item quantity to be fulfilled	To confirm ASN (physical receipt) and invoice showing the quantity changed/expected	Ship item/quantity as updated
	IR	Item Rejected	Item should NOT be physically sent, should not ship via 856 ASN nor get invoiced for it	If units are shipped against an item with IR code, units will be returned at supplier’s expense	Close/cancel line items(s) and do not ship
	R2	Item Rejected, Invalid item product number	Must be previously discussed with iHerb’s Purchasing team (buyer)	Buyer to confirm and make necessary changes in system	Close/cancel line items(s) and do not ship

ADVANCE SHIP NOTICE REQUIREMENTS (856)

- One 856 ASN with carton level information per shipment, per ship-to location (DC) is required
- Each ship notice must contain its own unique bill of lading number (BOL)
- The ASN must be transmitted as soon as the truck leaves the Supplier’s facility and should be received prior to the shipment’s arrival in the distribution center

Note: Sending the ASN timely is an extremely important step, please follow this specific instruction

ARIBA SCC (SUPPLY CHAIN COLLABORATION)

We are pleased to announce a new initiative to streamline our Procurement and Accounts Payable processes. iHerb is partnering with SAP Ariba to fulfill our vision of moving away from manually transmitted documents and providing a better experience for our suppliers through Ariba's Supply Chain Collaboration (SCC) solution. SAP has been transforming the global procurement landscape for businesses of all sizes and we are excited to provide you with this opportunity.

Ariba SCC supports multiple transactions that sustain an optimized flow thru the supply chain like Purchase Order (PO), Order Confirmation (OC), Advance Ship Notice (ASN), and Invoices.

For support please contact: suppliersupportdirect@iherb.com

BECOMING EDI AND/OR ARIBA SCC COMPLIANT

It is critical that iHerb's Inventory Management & Planning team is always aware of the PO life cycle, this includes confirmation of PO receipt, acknowledgement of PO (item, qty, etc.) including due date, ship date, tracking information etc. communication is expected in writing/ via email. It is recommended that all non-EDI, non-Ariba Suppliers (in the process of achieving compliance) follow these specifications.

Note: For all Suppliers under FOB Origin terms, vendor-po@iherb.com should be included in the communication.

ARIBA SCC- ORDER CONFIRMATION - Impacts to Planning and Procurement

Please read the below expectations for Order Confirmation line-item statuses:

Current Order Status	When Used	iHerb's response	Supplier Expected
Unconfirmed	Total number of units not confirmed	OC should show either <i>Confirm</i> or <i>Reject</i> number of units	Fill out <i>Confirm</i> or <i>Reject</i> fields showing units as applicable
Confirm	Full acceptance of line-item specifications	Item/Units expected	Ship items/quantity as ordered
Reject	Item should NOT be physically sent, nor get invoiced	If units are shipped against an item, units will be returned at supplier's expense	Close/cancel line items(s) and do not ship



CONDITION AND DISPOSITION OF ORDER

CONDITION OF ORDER

Supplier's Responsibility

- Unlabeled or mislabeled product
- Improperly sealed product
- Over/Short weight or partially filled product
- Broken glass
- Crushed, dented, or collapsed product
- Leaking Container
- Swollen cans
- Manufacturer withdrawal
- Expired products as determined by expiration dates
- Moldy package
- Soiled, stained, sticky, etc.
- Rusty cans
- Discontinued Items

DISPOSITION OPTIONS

If any of the above supplier responsibility items are to be found, iHerb reserves the right to assign disposition of product. Suppliers will be notified accordingly via an OS&D notification. Options include the following:

- Donate
 - To add useful life to the product
- Return to Supplier
 - Product will be packaged and prepared for return to the supplier. Supplier will be responsible for shipping costs
 - Supplier has 5 days to provide a response and confirm date and time for freight pick up, if after the 5th day freight is still not picked up iHerb reserves the right to dispose or donate product

Note: Supplier, if unable to pick up freight before the 5th day after notification, notify the OS&D team member who reported and sent out the OS&D notification at your earliest convenience and provide a new pick update. If no response from you, freight will be disposed of or donated. The A/P team will adjust the invoice as necessary.

RECALLS/OTHER QUALITY ISSUES

The safety of iHerb products is the highest priority of the iHerb/Supplier partner relationship and a continuous commitment that both mutually extend to customers. Compromised products are a direct threat to this commitment. In the unlikely event that a supplier becomes aware of a safety or health hazard, ingredient inaccuracy or informational mistake associated with any of their products, be certain to observe the following guidelines:

- Notify the Buyer by emailing recall-internal@iherb.com regarding the product (s) within 24hrs of becoming aware of safety or health hazard
- Be able to provide the following information: product/item name, details of recall, recall classification, lot codes, expiration date, etc.

Once information has been provided by Supplier, iHerb will take the following actions:

- Buyer will advise supplier total number of units (on hand) purged and quarantined due to the recall
 - Supplier will issue a full refund to iHerb for the cost of the unsold recalled products in iHerb's possession



- Total number of units will be based considering iHerb's Hubs and DCs
- Buyer will negotiate the expenses incurred by the recall and relay resolution
 - Expenses will include, but not limited to, reimbursement to customers affected by the recall
- Buyer will advise as per supplier directive to either return to supplier (at supplier expense) or destroy recalled product
 - If supplier requests product, a call tag/BOL and return to address must be provided
 - Supplier has 96hrs to pick up product, **5 days**
 - If no response from Supplier after the 5th day, iHerb will either dispose or donate products.

RETURNS

Any Products that are: damaged during shipment, incorrectly shipped (including overage and/or incorrect product/SKU), defective, dangerous, incomplete, infringing upon any third-party intellectual property rights, not in compliance with applicable laws and regulations, or otherwise do not comply with iHerb policies and procedures as specified in this Supplier Manual will be replaced and reshipped at supplier's expense.

If product is to be returned to the supplier, the following guidelines will be followed:

- The OS&D team at iHerb will notify the supplier of the PO, item#, and UPC# involved within 30 days of receipt and will request a return authorization
- The supplier must provide a call tag/BOL and return to address
- Supplier has 96 hrs or 5 days to pick up product
 - If there is no response from the Supplier after the 5th day, iHerb will either dispose or donate the product.
 - Product will be packaged and returned to the supplier.
- iHerb will not be responsible for any refused shipments from supplier
- iHerb reserves the right to reject unordered merchandise at the supplier's expense

Note: Supplier, if unable to pick up freight before the 5th day after notification, notify the OS&D team member who reported and sent out the OS&D notification at your earliest convenience and provide a new pick update. If no response from you, freight will be disposed of or donated. The A/P team will adjust the invoice as necessary.

SHELF-LIFE

iHerb is committed to providing customers with freshly produced products. Recognizing the important role of our suppliers in meeting this expectation, we want a product that exceeds the shelf-life specifications by category below and only accept products that meet these requirements when the product is freshly produced, or supply is limited. This means we require suppliers to provide us products within a short time of being manufactured.

Unless otherwise agreed to by iHerb, products shipped to iHerb by Supplier will have a minimum shelf life upon receipt at iHerb's distribution centers. If the expiration date of a product is less than the minimum shelf-life specification, Supplier should promptly notify iHerb. iHerb will have the option to accept the short-date product (price for the goods shall be adjusted on a pro-rata basis) of such product noted on the PO or request a call tag, RMA or other equivalent document for the return of the product. Supplier is at this point responsible for any transportation expenses or any other related costs.



Category Description	From Date of Receipt
Supplements, Herbs & Sports	= or >1 Year
Bath and Personal Care & Beauty	= or >1 Year
Non-Perishable	= or >1 Year from date of receipt
Grocery (bars included)	= or >6 Months from date of receipt
All other categories (non private label)	= or >1 Year from date of receipt
Private Label Supplements	= or >24 Months from date of receipt
Private Label Bath and Beauty	= or >2 Year from date of receipt
Private Label Grocery	= or >1 Year from date of receipt

If a product is received at iHerb's facilities with a short shelf life, an OS&D notification will be sent. Please see *disposition options* for full details.

PACKAGING REQUIREMENTS

This section provides an overview of iHerb packaging, labeling, and printing expectations.

Supplier is responsible to meet all packaging and labeling requirements and to meet all legal and regulatory compliance guidelines. Packaging and labeling must accurately reflect the product and its attributes. iHerb strongly believes in *On Time in Full Shipments*.

Note: Supplier will be measured against this requirement.

LABELING LAWS

iHerb requires its supplier to fully comply with all applicable Federal, State and local laws. Specific examples include, but not limited to: The Federal Food, Drug and Cosmetic Act, The Consumer Product Safety Act, California Proposition 65, Country of Origin Labeling, OSHA, etc.

Private Label

Each supplier must adequately plan for packaging. Suppliers are encouraged for packaging improvement. Suppliers must provide packaging that provides protection from any damage that may occur. A label control program should be in place to ensure product is produced to target specifications. Suppliers should develop and maintain a label verification program to assure correct labels are received and used during production.

UPC BARCODE

All sellable units must be shipped and received by iHerb with a scannable UPC barcode (without exceptions).

- Shipment is required to contain only one UPC per shippable carton

Note: UPC number should match what was originally provided by the supplier during the new item initiation process. If there is a mismatch on product UPC once received, the supplier will be contacted and will be measured for non-compliance performance.

BARCODE QUALITY

Barcode quality is an important element to iHerb's success. iHerb defines the barcode quality as a conformance to the GS1 system specifications. Item identification and data acquisition through barcodes is critical to the function of iHerb automated operations and therefore barcode quality and scan ability play a major role when receiving product from supplier into iHerb's system.

Note: If there are inconsistencies in the barcode quality to where product cannot be scanned or received into iHerb's system, it is up to iHerb discretion to either return product to supplier or keep product. Keeping the product will generate a re-labeling process which will be considered against supplier non-compliance performance.

BARCODE PLACEMENT

The placement or physical location of the bar code greatly affects efficient scanning if improperly located. Barcodes should always be examined and tested in their final packaging for any product, inserts, or labeling infringements, which might impair scanning the barcode.

- 1) Preferred Placement- The preferred EAN/UPC barcode symbol placement is on the lower right quadrant of the back, respecting the proper quiet zone areas around the barcode symbol and the edge rule.
- 2) Preferred Placement- The preferred GS-128 barcode symbol placement is on the lower right quadrant of the carton, always facing out on the pallet.

PACKAGING GUIDELINES

- Pack in the method specified on the Purchase Order
- Pack each PO separately
- All products shipped to iHerb are to be shipped in cartons
 - Product by itself should not be exposed on pallet
 - *Private Label packaging specifications will be provided by the Private Label Sourcing team*
- Do not mix SKUs or POs within the same carton
- Items must be packed by SKU
- Item Bundling is NOT allowed (e.g. shrink wrapping multiple items together)
 - Processing delays
 - Selling eaches (not bundles)

BUNDLED

UNBUNDLED



Note: Supplier will be measured for vendor compliance against this requirement.

BOTTLED LIQUIDS/LOTIONS

To prevent leakage during shipping ALL caps and lids (including twist caps) on bottled liquids or lotions must be secured with a tamper proof seal or taped down (suitable enough for air freight shipments).

COSMETICS

Tamper resistant seals must be included on all cosmetic merchandise. In addition, all cosmetic items must be completely sealed, with shrink-wrapping or heat sealing being the preferred methods. Liquid items are recommended to be protected with a layer of bubble wrap.

FRAGILE ITEMS

Fragile items are to be packed with adequate packing configuration to prevent damage/breakage.

Dividers within an inner case can be added to prevent internal contact within units.

MULTI-PACKS

Each unit should be packed individually unless the purchase order indicates that the merchandise is to be sold in multiples.

MASTER PACK

If individual cartons are too small, the cases may be added to a Master pack. Master pack packaging is intended for small items.

- Identify cartons as master pack by labeling carton
- Inner packs must be shippable
- Inner cartons must have a GS-128 shipping label properly affixed

Visual representation:



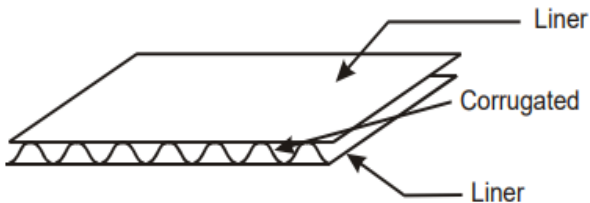
CARTON SPECIFICATIONS

CARTON STRENGTH (MASTER & INNER CARTON)

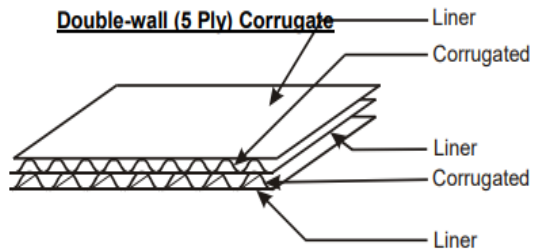
The following box strength recommendations are based on packaging industry standards as well as experience within our DCs:

Carton Weight (LB)	Busting Strength (psi)	Corrugate Type
0-30	200	Single-way (3 ply)
31-55	200	Single-way (3 ply)
56-80	275	Double-way (5 ply)

Single-wall (3 Ply) Corrugate



Double-wall (5 Ply) Corrugate



CARTON SIZE

Carton size should be in accordance with item specifications.

Note: Pack in a manner that maximizes carton space and minimizes damage during shipping. Over packing can cause carton bulging and under packing can cause carton crushing.

Note: Orders are to be shipped in the Unit of Measure specified on the PO. No residual or inconsistent package configurations.

CARTON SEALING

Package closure must maintain interior cleanliness and ensure that contents remain intact during shipping and handling.

- Cartons must be sealed (top and bottom) with 3-inch brown vinyl or clear tape
 - o 'H' pattern
- Tape must be moisture/temperature resistant and have an adhesive quality that resist drying in transit
- All products should be contained within a sealed carton upon arrival. *No loose items*

Note: The use of staples, metal straps or banding as methods to seal cartons is prohibited. Suppliers will be measured for vendor compliance against this requirement.

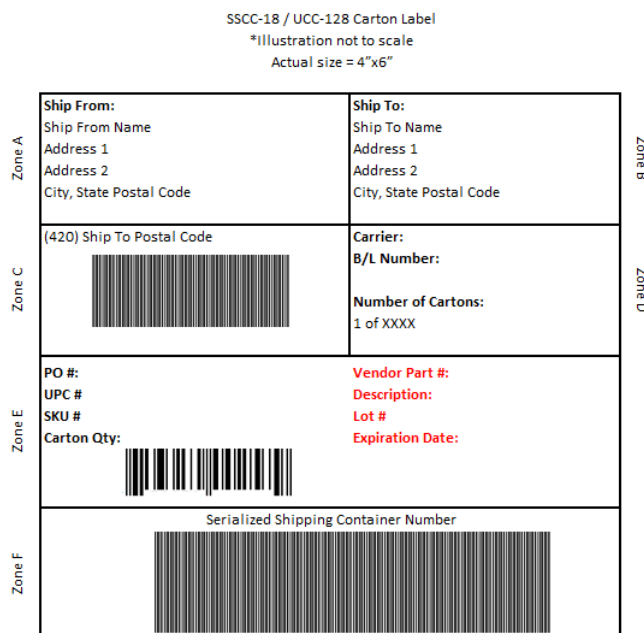
CARTON LABELING

GS1-128 LABEL

In accordance with GS1 (Global Standards) US, iHerb's label requirements follow GS1/EAN SSCC-18 common label formats. GS1-128 labels should be applied to every single carton.

- GS1-128 labels must face outward
- Apply only on GS-128 per carton

GS1-128 LABEL SPECS



Note: Supplier will be required to send a sample to SPS Commerce, iHerb's EDI provider, to get label approvals.

Note: For all Suppliers currently using SPS Commerce

COMMON ERRORS AND UNSCANNABLE BARCODES

- Packaging Infringements of Straps, Stickers, Tape, etc.
- Wrinkled or Bad Placement
- Invalid Characters
- Photocopy
- No Quiet Space Around Barcode
- Barcode and Human Readable are Different
- Barcode is too Big
- Poor Print Quality
- Wrapped Around Carton

Note: Supplier will be measured for vendor compliance against this requirement.

SUPPLIER BECOMING EDI/ARIBA SCC COMPLIANT

Supplier is responsible to meet GS1-128 specifications, if transitioning to becoming EDI compliant, cartons should meet the below marking/label specifications:

- At least one side of each carton must be marked/labeled
 - Marking/Label should be facing out on pallet
-
- | | |
|-----------------------------|--------------------------|
| ➤ PO# | ➤ Lot # |
| ➤ Item # | ➤ Expiration Date |
| ➤ Product Description | ➤ Weight |
| ➤ Case Quantity/Total Units | ➤ UPC Number and Barcode |
| ➤ Carton X of Y | |

PALLET STANDARDS

- Standard size 40"X48" 4-Way pallet preferred
- Heat treated pallets only
 - o ISPM-15 treatment standard
- Grade A and B pallets acceptable
- Plastic pallet 40"X48" 4-Way also acceptable



Note: Pallets requiring an alternative style or dimensional variance due to product size, weight or protection must be reviewed and approved by the iHerb Vendor Compliance team.

Email: ops-vendor-compliance@iherb.com

Important: iHerb will not support, be responsible nor sponsor any pallet exchange programs.

PALLET HEIGHT

- Pallet height must not exceed 60 inches

Private Label

- Pallet height must not exceed 60 inches

PALLET CHECKLIST

Any of the following defects are deemed as unacceptable and must not be used. iHerb reserves the right to reject any in-bound load that does not comply with these requirements:

- Missing or broken boards on top or bottom
- No double stringers, metal, repair plates or patched boards
- All stringers are to be solid, not broken and or have cracks from three sides and longer in run than one inch
- Pallets should be clean, odor free, free of debris and stains
- No cracks on top or bottom boards
- No exposed splinters greater than 3" in length
- Nail heads or nail points are not to exceed 1/8' exposure from the surface of the wood

Note: Pallets should be loaded by PO, then item. **PO# must appear on each pallet.**

Note: Supplier will be measured for vendor compliance against this checklist.

MULTI-SKU PALLET

For items with less than full pallet quantity:

- Less than tier per item- combined on a mixed pallet with items stacked separately
- One tier per item- even tiers per item
- Greater than one tier- follow the above two descriptions per instance
- Heavier cartons must be placed on the bottom and lighter cartons on top

MULTI-PO PALLET

If multiple POs on a shipment, sort cartons by PO, making sure that each pallet contains cartons only for one PO (if carton counts is not sufficient to build a complete pallet, combine multiple orders on one pallet by placing cardboard/slip sheet dividers between POs)

PALLET PATTERNS

When shipping pallets, make sure that the pallet pattern results in zero product overhang.

Note: Product or slip sheets must not exceed the dimensions of a wood pallet. Do not overhang.

SHRINK WRAP

All pallets must be shrink wrapped tightly and securely to prevent shifting during transportation.

- 4 wraps around the bottom and 3 wraps around the top
- Clear plastic shrink wrap preferred
 - o Contents of pallet must be visible
- Tamper proof security tape recommended (additionally) to protect contents of pallet
- **PO# must appear on each pallet.**

Note: Supplier will be measured for vendor compliance against this requirement

CORNER BOARDS

iHerb approves corner boards to protect the integrity of the product during transportation. Supplier using corner board should follow the below guideline:

- The top of each corner board should be level or no more than 1/8" higher than the top of the outer shipper with the bottom properly level and positioned over a completely solid surface on the pallet.



BANDING

Pallets can be either banded using suitable plastic strapping or stretch wrapped with appropriate top to bottom pattern and overlapping coverage to ensure the safe transit and movement within iHerb's supply chain. Quarter and half pallet display units must also be securely belly banded across the middle with a plastic strap or suitable stretch wrapping. Metal banding is unacceptable.

SHIPMENT AND ROUTING GUIDE

As business partners driving mutually beneficial supply chain efficiencies, the below section contains detailed instructions for transportation, routing, and documentation of shipments to iHerb's Distribution Centers. It is expected that the supplier will comply with the requirements set forth.

C3

SCHEDULING


Supplier, collect and prepaid shipments, must submit shipment information using C3, iHerb's transportation management system.


To access C3 follow the below link:

<https://www.c3reservations.com/iHerb/app/login>



iHerb

User Name * 

Password * 

[Forgot your password?](#) | [Need help?](#)

Powered by  Solutions

Notes:

- It is critical that all fields are filled out correctly and with the required information

Note: Shipments consisting of multiple trailers require a separate Hub appointment for each trailer

MISSING APPOINTMENT TIME

If a carrier misses the appointment time but shows up later, the iHerb inbound team will take the load the same day without compromising all other on time deliveries.



Note: Supplier will be measured for non-compliance performance if no call/no show from its carriers

Note: If you need assistance, feel free to contact iherb-appointments@iherb.com

Note: Supplier is responsible for making the product available for delivery by the PO(s) requested delivery due date.

BILL OF LADING REQUIREMENTS

A BOL must be provided at time of trailer arrival.

- Supplier must use (VICS) standards for BOL
- Upon request, supplier must provide a copy of the BOL to iHerb via email
- Supplier name as it appears on the original PO must be referenced on the BOL in care of the actual shipper
- BOL must be marked *Collect or Pre-paid*
- Each trailer must have a unique consolidated BOL representing the entire content of the trailer and the corresponding unique ASN (EDI Supplier)
- When shipping on pallets, circle Y in the pallet section, then place quantity of pallets and type in the quantity of units
- If an EDI supplier, the BOL must match the ASN
- Supplier must ensure all pages of the signed BOL are tendered to the driver.
 - o Bill of Lading will be collected once shipment arrives at the warehouse
 - o Driver must arrive with two copies of the BOL
- **No** handwritten BOLs will be allowed

BOL for LTL shipments must contain the following information: Ship To/Ship From Information, **PO(s)**, Date, Item#, Description of Items, Packaging Type, Freight Class (Collect/Pre-Paid), Unit/Pallet Quantity, Special Instructions.

Example of BOL:

BILL OF LADING										SUPPLEMENT TO THE BILL OF LADING																			
SHIP FROM					SHIP TO					THIRD PARTY FREIGHT CHARGES BILL TO					CUSTOMER ORDER INFORMATION					CUSTOMER ORDER INFORMATION									
Name: Address: City/State/Zip: SID#:					Name: Address: City/State/Zip: CID#:					Name: Address: City/State/Zip:					CUSTOMER ORDER NUMBER					# PKGS									
Bill of Lading Number: _____					Location F: _____					Freight Charge Terms (freight charges are prepaid unless marked otherwise): Prepaid _____ Collect _____ 3 rd Party _____					WEIGHT					PALLET/SLIP (CIRCLE ONE)									
BAR CODE SPACE					CARrier NAME: Trailer number: Seal number(s): SCAC: Pro number:					Prepaid _____ Collect _____ 3 rd Party _____					ADDITIONAL SHIPPER INFO					ADDITIONAL SHIPPER INFO									
BAR CODE SPACE					Special Instructions:					Master Bill of Lading with attached underlying Bills of Lading (check box) <input type="checkbox"/>					Y					N									
CUSTOMER ORDER INFORMATION					CUSTOMER ORDER INFORMATION					CUSTOMER ORDER INFORMATION					Y					N									
GRAND TOTAL					GRAND TOTAL					GRAND TOTAL					Y					N									
HANDLING UNIT					PACKAGE					COMMODITY DESCRIPTION					LTL ONLY					COMMODITY DESCRIPTION					LTL ONLY				
QTY TYPE QTY TYPE					WEIGHT HML (DR)					Description					NMFC # CLASS					QTY TYPE QTY TYPE					WEIGHT HML (DR)				
STAMP SPACE					STAMP SPACE					STAMP SPACE					STAMP SPACE					STAMP SPACE					STAMP SPACE				
GRAND TOTAL					GRAND TOTAL					GRAND TOTAL					PAGE SUBTOTAL					PAGE SUBTOTAL					PAGE SUBTOTAL				
SHIPPER SIGNATURE / DATE					Tender Loaded:					Freight Counted:					CARRIER SIGNATURE / PICKUP DATE					SHIPPER SIGNATURE					SHIPPER SIGNATURE				
By Shipper					By Driver					By Shipper					By Driver					By Shipper					By Driver				

Note: Supplier will be measured for vendor compliance against this requirement.



PACKING LIST

iHerb requires supplier to attach a copy of the packing list to one of the pallets preferably to pallet #1 of the shipment (last pallet loaded on the tail of the trailer, first one to be received by iHerb).

Specifications:

- Ship From/To
- Date Shipped
- PO (s)
- Items on Shipment
- Item Description
- UPC Number
- Weight
- Quantity & Type (Cartons/Units)

Insert packing list into a removable pouch.

Note: Supplier will be measured for vendor compliance against this requirement.

TRANSPORTATION/TRAFFIC

Transportation is a vital component in effectively managing the Supply Chain. Ultimately, the goal is to manage product flow to achieve the highest fill rate while operating at the best possible cost.

PRE-PAID SHIPMENTS- FOB DESTINATION

General Requirements

- The supplier bears all responsibility for prepaid shipments including payment to carrier
 - o Supplier is free to use a carrier of its choice for FOB Destination truck shipments
- Shipments must be received based on PO specifications
 - o *See PO & Item Level Due Dates for further details*
- All drivers must show a valid government ID in order to gain entry in any/all iHerb yards
 - o Supplier is solely responsible for informing its preferred carrier of iHerb's requirements

All costs associated with delivered shipments are the responsibility of the supplier. iHerb will not incur the costs for carriers such as, but not limited to, appointment setting, sort and segregate, detention, or redelivery of shipments.

Note: Supplier is responsible for any loss and/or damage associated with pre-paid shipments.

COLLECT SHIPMENTS- FOB ORIGIN

- Upon receipt of PO (EDI or email), **Supplier is to contact vendor-po@iherb.com** with expected ready date.
Note: Supplier consideration of PO requested delivery due date is expected
- The Inbound team will contact Supplier to obtain shipment details and schedule pickups as ready date nears
 - o Detailed description of load will be provided
 - Carrier name, PO#, appointment day/time
- Supplier **must provide precise pallet count and weight of PO before** an appointment by Global Logistics can be made
- Supplier must confirm carrier picking up the freight at its facility is the same carrier iHerb's Inbound team has assigned for load

For Private Brand questions contact receiving@madrelabs.com

FULL TRUCKLOAD SHIPMENTS

A truckload shipment is a complete trailer load (7 skids or greater, 750 Cube and or shipment weight is 10,000 lbs.) which may include one or more purchase orders. Full truckload shipments must be palletized.

LESS THAN TRUCKLOAD SHIPMENTS

A less than truckload shipment is not a complete trailer load (less than 7skids, 750 Cube and/or shipment weight is between 200 lbs. and less than 10,000 lbs.), which may include one or more POs. Less than truckload shipments must be palletized.

SMALL PARCEL SHIPMENTS

A small parcel shipment is less than 200 pounds and contains 15 cartons or less. Any one carton cannot exceed 70 pounds. The following steps must be followed when shipping small parcel shipments.

- 1) List total weight of shipment on packing list
- 2) The carton shipping label must include iHerb's **PO** and the number of each carton related to the shipment (1 of 5, 2 of 5 etc.)
- 3) If individual cartons are too small, the cases may be added to a Master pack
- 4) Each **PO** requires a separate packing list on the outside of each carton, preferably in a clear plastic pouch
- 5) Protect packaging from damage and shipping labels
- 6) Cartons must be received in good conditions

TRAILER LOADING

- Trailers arriving at an iHerb DC must be properly loaded
 - o Avoid any pallets from shifting inside trailer
 - o Secure pallet accordingly to avoid product fall out
- If a multi-stop shipment, it is the responsibility of supplier to load pallets accordingly
- Load trailers in purchase order sequence
 - o Pack one purchase order before loading the next one
- Do not floor load
- Barriers and load restraints are required to be used if needed

Note: Supplier will be measured for vendor compliance against requirement.

TRAILER SEALING

All shipments except LTL and small packages must be sealed by the supplier. A numeric seal must be applied to the pick-up trailer by the supplier at shipment release.

The seal# must be written on all BOLs copies. Any trailer that is not properly sealed and documented could result in a claim against your company.

Note: Supplier will be measured for vendor compliance against this requirement.

SHIPPER LOAD AND COUNT AGREEMENT

For all multi-stop and volume shipments, suppliers are is required to sign the Bill of Lading *Shipper Load and Count*.

PASSAGE OF TITLE

- iHerb will have no obligation to unpack or inspect the merchandise prior to resale thereof
- Supplier will be responsible for the consequences of negligent manufacturing and packing, and for the consequences of negligent handling prior to the point when iHerb assumes ownership of the product
- Payment of freight charges will not determine passage of title or which party bears the risk of loss while product is in transit
- Risk of loss and damage to product will pass from supplier to iHerb only upon our receipt, inspection and acceptance of the product at our designated receiving facility, regardless of which party pays the transportation costs

ACCOUNTS PAYABLE

PURCHASE ORDER VERIFICATION

Invoice will be paid when the purchase order is complete (all goods received), based on standard terms. Terms are based upon the date of invoice.

Telephone orders, verbal commitments, handwritten orders, or worksheets are not acceptable and will not be honored.

PAYMENT GUIDELINES

iHerb encourages each supplier to use EDI 810 or the SAP Ariba portal for invoice processing and follow all mapping requirements, including show codes, extended terms, and verification of acknowledgments. Invoices that are mailed will not be accepted.

In addition, the following guidelines have been established as departmental policy to ensure prompt, accurate processing of invoices:

- iHerb will pay by invoice only, not from quotes or statements
- Invoices and credit memos must state the accurate information
- iHerb requires the invoices to be submitted to iHerb's Accounts Payable team no later than 24 hours after shipment pick up or delivery
- Discrepancies in pricing, quantities shipped, unit of measure, case packs, and missing PO number will delay the timeliness of the payment of an invoice
- iHerb will adjust the invoice total for any discrepancies identified
- Please direct changes in payment terms to the appropriate iHerb Purchasing/Private Label Sourcing team contact
- iHerb does not offer check or credit card payment method options
- Suppliers with banks within the United States will be paid by the automated clearing house (ACH)
- Suppliers with banks outside of the United States will be paid by electronic funds transfer (EFT)
- Payment remittances are emailed electronically when the payment is issued

Note: iHerb credit authorization numbers and proof of delivery (s) must be retained as evidence of compliance. See *Purchase Order Terms and Conditions for Payment Term Details*

SHIPPING DISCREPANCIES

INCORRECT SHIPMENT

Product received other than what was ordered on the PO is classified as a receiving exception and cannot be processed in the invoice payment. The Purchasing & Inventory Management & Planning teams must grant prior approval for any product substitution before shipment of the PO. The PO, ASN, and invoice (EDI, Ariba SCC, etc.) must be updated for proper payment. Failure to comply may lead to a delay in invoice payment. iHerb reserves the right to return incorrect products or unauthorized substitutions at the supplier's expense.

Note: The supplier has 5 days to respond and confirm the date and time for freight pick up. If, after the 5th day, freight is still not picked up, iHerb reserves the right to dispose of or donate the product.

OVER SHIPMENT

Prior shipment approval is required from the Inventory Management & Planning team if the quantity shipped is greater than the original purchase order line. The PO data must be updated to reflect the change, and the ASN, and Invoice, (thru EDI or Ariba SCC) must account for the change for proper payment. iHerb reserves the right to one or more of the following:

- Accepting any product shipped more than the PO quantity (this will be based on item sales velocity history)
 - Overages will be accepted at discretion and will be at a discount
- Returning any or all over shipments at the supplier's expense, including incoming or outgoing freight, and handling charges where applicable

Private Label

10% allowance for over shipments, either direction. Contact the Private Label Sourcing team for further details.

MANUAL INVOICING PROCEDURE

iHerb encourages suppliers to use EDI 810 or the SAP Ariba portal for invoicing. However, in the event of an approved exemption, suppliers must follow the email invoice process listed below. Invoices that are mailed will not be accepted.

- Only one invoice per Bill of lading (BOL)/ Proof of delivery (POD) per valid purchase order is permitted.
- Each invoice must contain the following.
 - Supplier name and remit to address
 - Invoice date (must reflect shipment date)
 - Invoice number
 - PO number
 - Payment terms
 - Carton count/Unit quantity
 - Total cost and units must match the purchase order
 - Additional costs or discounts that impact the subtotal
 - If the PO is written in "eaches," the invoice should be in "eaches". If the PO is written in "packs," then the invoice should be in "packs"

Email correspondence and statements to: AP@iHerb.com – *Do not submit invoices to this email address*

Invoice submission email: Noreply-invoice@iHerb.com – *This is not a monitored email address. Do not send communication to this address.*

INVOICE TERMS AND DATING

Standard terms negotiated with the iHerb Purchasing/Private Label Sourcing department will be used. Changes to the invoice terms will only be honored if approved by the iHerb Purchasing/Private Label Sourcing department.

The iHerb Accounts Payable department will not research issues older than 3 months (from the date of the remittance report), i.e., discrepancies that include shortages or markdown allowances are only eligible for this 3-month window.

When requesting a claim review, the supplier must provide specific reasons and provide documentation such as BOL, POD, and packing slip.

SUPPLIER COMPLIANCE PROGRAM

OBJECTIVES AND EXPECTATIONS

Vendor compliance to iHerb's policies and procedures is critical to fulfilling orders on time and in full. iHerb's supplier compliance program will measure supplier performance at a point where supplier has complete control within the supply chain.

The core objective of the iHerb compliance program is to encourage proactive communication, positive behavior changes and process improvement with our supplier partners. By measuring, tracking, and reporting on key metric performance, iHerb can proactively work with Suppliers to improve service levels and implement a fair and consistent management program.

If non-compliance issues are found on the dock, Suppliers will be notified accordingly. Information outlining required actions to correct non-compliance instances will be provided to Supplier.

PROGRAM & RESPONSIBILITIES

Supplier performance will be measured against the requirements of this Supplier Manual. Suppliers will remain in good standing if adequate performance is achieved. iHerb requires Suppliers to abide by standards. iHerb is committed to look for suppliers who share the same vision and who strive to build a long-lasting relationship that will benefit both companies.

Supplier should think total quality and:

- Provide consistent, timely, formalized feedback
- Take the initiative in building trust
- Think in terms of long-term, mutual benefit
- Be proactive in business solutions
- Improve processes, as well as quality of products and services
- Address customer needs and concerns promptly
- Share future strategies
- Communicate proactively
- Promote continuous improvement and innovation
- Seek a competitive advantage in the marketplace

OS&D QUALITY NOTIFICATIONS

All quantitative and qualitative non-compliant instances found from shipment will be tracked and reported via OS&D notifications. OS&D teams in Hebron, KY and Moreno Valley, CA will be delivering the notifications to all contacts in our system that would be directly or indirectly involved with the issue found. Each notification will contain the following:

- OS&D issue type & PO
- OS&D details (item, qty, UPC#, etc.)
- OS&D picture (showing proof of non-compliant instance found)
- Instructions on dispositions available



Dispositions available:

- Return to Supplier
 - o Product will be packaged and prepared for return to the supplier. Supplier will be responsible for shipping costs
 - o Supplier has 5 days to provide a response and confirm date and time for freight pick up, if after the 5th day freight is still not picked up iHerb reserves the right to dispose or donate product
- Donate
 - o To add useful life to the product

SUPPLIER CLASSIFICATION

The Vendor Compliance team will work collaboratively with Supplier to identify weaknesses in systems, establish root cause, and develop corrective action plans to improve performance. Development activities may include:

- On-site audits or process evaluations
- Problem solving
- Regular meetings (in person/conference calls)
- Training or certifications in appropriate disciplines

NON-COMPLIANCE VIOLATION CATEGORIES

Supplier will be measured under the following categories:

- ASN
- Bill of Lading
- Carton Packing and Marking
- Mis-Directed Freight
- GS1-128 Labels
- Returns
- Transportation
- Transportation/Appointment Plus
- Supplier Accuracy/Quality

For questions, please contact ops-vendor-compliance@iherb.com

HUBS

iHerb distribution network consists of two owned hubs. iHerb's goal is to move products from supplier to consumer more efficiently and provide the highest possible service level. This network allows iHerb to support its continued growth. Partnership with suppliers is critical to ensure products are received on time in full to fulfill customer orders.

2 Hubs

DC	Address	Operation Hours	EDI- ID
Hebron, Kentucky (HBH)	2497 Wright Blvd., suite 200 Hebron, KY 41048	6AM-2PM EST (M-F)	1712
Moreno Valley, California (MVH)	15810 Heacock St. Moreno Valley, CA 92551	5AM-5PM PT (M-F)	1710



CONTACT INFORMATION- iHERB

ACCOUNTS PAYABLE

Email: ap@iherb.com

MERCHANDISING

Email: purchasing@iherb.com

PRIVATE LABEL SOURCING

housebrands@iherb.com

HEBRON, KY (HUB)

Steven Little/Sr. Operations Manager- steven.little@iherb.com

MORENO VALLEY, CA (HUB)

Jennifer Hurt/Sr. Operations Manager- Jennifer.hurt@iherb.com

HUB DELIVERY APPOINTMENTS- iherb-appointments@iherb.com

VENDOR COMPLIANCE

Email: ops-vendor-compliance@iherb.com

EDI

Email: edi@iherb.com

GLOSSARY

Ariba SLP	Ariba Supplier Lifecycle and Performance
Ariba SCC	Ariba Suppl Chain Collaboration
Advance Ship Notice	Used to notify a customer of a shipment in advance of arrival.
Bill of Lading BOL	A legal document that establishes the terms of a contract between a shipper and a transportation company under which freight is to be moved between specified point for a specified charge. Usually prepared by the shipper, it serves as a document of title, contract of carriage, and a receipt of goods.
Country of Origin	iHerb is a global company which imports and exports goods from all over the world. To comply with customs regulations, it is mandatory that the country of origin be on file with iHerb and clearly marked on each item.
Certificate of Analysis	A certificate required as proof of the quality and composition of food products or pharmaceuticals. The required analysis may be made by a private or government health agency.
Certificate of Insurance	Document used to provide information on specific insurance coverage.
Collect/Freight Collect	Buyer is responsible for picking up the merchandise and the freight charges.
Customer	The party that receives, buys, or consumes an item or service.



Customs	The designated government authority that controls the flow of goods to/from a country and collects duties levied by a country on imports and exports.
Dangerous Goods	Articles or substances capable of posing a significant risk to health, safety, or property when transported by air and that require special attention when being transported.
Data Synchronization	Data synchronization is the electronic transfer of standardized product and location information between trading partners and the continuous synchronization of that data overtime.
Delivery	The act of transferring possession, such as the transfer of property from shipper to carrier, one carrier to another or carrier to consignee.
Detention	A vehicle held by or for shipper or consignee for loading or unloading, for forwarding directions or for any other purpose.
Discontinued Item	Refers to permanent removal of an item in the supply chain.
Distribution Center	Entity receiving, stocking, and shipping products on their way from suppliers to customer.
EAN/UPC Symbology	A family of barcode symbols comprising the EAN-8, EAN-13, UPC-A, and UPC-E barcode symbols.
EDI Service Provider	A company that performs EDI on behalf of its clients. Most service providers offer various levels of EDI services tailored to a client's needs ranging from fax to web based EDI.
Electronic Data Interchange	The computer-to-computer exchange of structured information, by agreed message standards, from one computer application to another by electronic means and with a minimum human intervention.
Export Control Commodity Number	Five-character alpha-numeric designations used on the Commerce Control List to identify dual-use items for export control purposes.
Fill Rate	Sales order processing measurement that quantifies the ability to fill orders.
FOB	The point at which the title of the good passes from shipper to consignee.
Food and Drug Administration	US. Government agency which enforces the Federal Food Drug and Cosmetic Act.
Freight	Any commodity being transported.
Full Truckload	A shipment tendered by a single shipper that is limited to one trailer.
Global Trade Item Number	The globally unique GS1 System identification number for products and services.
GMA Pallet	Also known as a Grocery Pallet, a GMA pallet is made to the specifications of the Grocery Manufacturer's Association. It is a 4- way pallet that is 40 inches wide, by 48 inches deep, by 5 inches in height and has the deck boards and bottom boards mounted flush with the outside stringers.
Gross Weight	The full weight of a shipment, including containers and packaging materials.
GS-128	Scannable bar-coded label with unique SSCC 18 serialized carton code, located on the outside of a shipping carton.

Hazardous Material	A substance or material which has been determined by the Department of Transportation to be capable of posing an unreasonable risk to health, safety and property when transported in commerce.
Less Than Truckload	A shipment mode (service level) describes a motor carrier that transports shipments and does not constitute a full truckload quantity and does not qualify for the application of a truckload freight rate.
Inner Pack	This represents a quantity of items in a polybag or hard pack within a master carton.
Invoice	A document showing the character, quantity, price, terms, nature of delivery, and other particulars of goods sold or of services rendered in request of payment.
Item	Product upon which there is a need to retrieve pre-defined information. Products may be priced, ordered, or invoiced at any point in the supply chain.
Late Shipment	Shipments received after the 'due date' indicated on purchase order.
Master Pack	A carton containing more than one case.
Material Safety Data Sheet	An informational bulletin prepared by a manufacturer that identifies the chemical or trade name of the hazardous ingredients, the potential hazards associated with these chemicals, emergency first aid procedures associated with the overexposure to the chemicals.
Metric	A standard of measurement of performance.
Overage	Shipment of an item quantity more than the quantity ordered.
Packaging	The use of wrappings, containers, markings, and related techniques to protect items from deterioration, to prevent loss or damage, to facilitate handling and to identify items packaged.
Passing Title	The passing of title to exported goods is determined in large measure by the selling terms.
Payment Term	Length of time and discount established by the purchase order to pay for goods and services.
Private Label	Product manufactured by a contract or third-party manufacturer and sold under a retailer's brand name (iHerb).
Purchase Order	Legal contract generated by buyer and issued to supplier for the purchase of merchandise.
Mutual Non-Disclosure Agreement	Legal contract that prohibits sharing information deemed confidential.
Routing	The process of determining and arranging the optimal course of goods in transport.
Shipper Load and Count	The process by which the shipper places goods into a trailer without verification of piece count. The shipper is responsible for the proper loading and verification of the goods being shipped.
Supplier	Any subcontractor who iHerb procures from inclusion in end items to be delivered to customers
VICS EDI	The industry conventions and guidelines for Electronic Data Interchange, issued by GS1 US for the general merchandise/retail industry and based on the ANSI ASC X12 standard.