

# Delivery Terms Our requirements on packaging, notification and shipping

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### 1. Delivery to Zalando Network

The following requirements apply to all deliveries of merchandise to Zalando Warehouses and almust be respected at all times by Zalando's Partners.

#### 1.1. Customs

This chapter only applies to Partners delivering from outside the European Union (EU). In order to ensure an error free customs clearance and smooth intake of Goods, the Partner must provide all legally required documents and/or information in time to execute the relevant processes.

Generally, we differentiate between:

- a. Customs Cleared Goods (duty paid): Goods that have been released for free circulation in the EU, and
- b. Customs Uncleared Goods (duty unpaid): Goods from outside the EU, including Norway, Switzerland and the United Kingdom, that need to be placed under a customs procedure.

For Fulfilment Services (MCF and ZFS) we only allow Goods that fall under the category customs cleared Goods as described in 1.1 (a).

#### 1.1.1. Deliveries from outside the EU (under Incoterm DDP - Customs Cleared Goods)

For Goods that are shipped with the DDP (Delivered Duty Paid) (Incoterms 2020), the Partner has to make sure that all consignments are customs-cleared in their own name, i.e. with the Partner's <sup>1</sup>EORI- Number.

Furthermore, the Partner is responsible for directly covering the occurring VAT and duties. The declarant can be either the Partner himself or an appointed representative, but never Zalando. If the freight forwarder assigned by the Partner requires instructions for the import, the Partner must contact the declarant of the Goods (not Zalando, as Zalando would only act as a recipient in this case).

In the customs import declaration, being created by the Partner or their forwarder/customs agent, it is not necessary to state the Zalando EORI number as the receiver of the Goods. The indirect representative of the Partner is to be entered in box 14 (Declarant) with their EORI number and code 3. In field 8 (Consignee), the Partner can be entered with its third-country address.

More information about customs clearance requirements for ZFS partners can be found in this <u>ZPU</u> article.

#### 1.1.2. Returns to outside the EU

The return of Partner's Goods to third countries (outside the customs territory of the European Union) is excluded. If Partner Goods are to be returned, the Partner has to either:

 Name a return delivery address located in the EU to Zalando; in these cases, Zalando will take care of the transport of return Goods to the EU return delivery address (can be a service provider). • In case of Return to Partner/Merchant only: Pick up their Goods at the Zalando Warehouse(s) where the Goods are stored at present and is responsible for customs procedures applicable to the export from the EU and the import into the third country in their own name and on their own account; Please note: for Quarantine Storage and Defect Returns Zalando requires a valid warehouse address in the European Union.

#### 1.2. Delivery Split

The Partner has to ensure that Goods are distributed between Warehouses, including splitting inbound shipments on a GTIN level, to enable Zalando to efficiently fulfil Orders. Guidance on optimal warehouse distribution may be provided by Zalando and, if provided, shall be compiled by the Partner.

#### 1.3. Product Packaging & Labelling

Products have to be delivered to Zalando in a "retail-ready" state, i.e. with packaging and labelling ready for sale to the end customer. In the following terms, you can find the definition of an item and further details about packaging and product labelling requirements.

Furthermore, the packed Product must not exceed a maximum dimension of LxWxH 355x380x590mm and a maximum weight of 3kg. Any Products not compliant with this requirement will be returned at the Partner's expense.

#### 1.3.1. Product Packaging

#### **Definition sales unit**

An item is a sales unit which may be sold to an end customer at a certain price (the "**Item**"). An Item might be a single item or multiple items (called "**Set**" or "**Multi-Pack**") belonging (and being sold) together. Each Item needs to be delivered in a fully closed Product packaging. For certain product groups, e.g. fragile or dangerous Goods, special requirements apply.

- A Set is an Item that consists of two or more different items (e.g. a suit consisting of a jacket and pants);
- A *Multi-Pack* is an Item that consists of two or more items of the same kind (e.g. 3-pack of socks)

#### **Packaging Requirements**

The Partner shall deliver every Item "retail ready", meaning with an individual packaging (e.g. box, polybag) suitable for the Item to be sold to the end customer. Individual packaging must fit the size of the Item, and needs to be suitable for storage and shipping inside an outer carton used by Zalando.

**Polybags** need to be clear, transparent and completely closed. Furthermore, polybags must be BHT (Butylated Hydroxytoluene) free and the material must be a minimum of 30 microns standard low density polythene (LDPE).

Zalando reserves the right to charge the associated repacking costs back to the Partner in case

another packaging material is used (for further details please refer to the VAS Value Added Services cost pursuant to Appendices 2a and/or 2b, as applicable, to the fulfilment T&Cs).

**Boxes** have to be fully closed for the Item not to fall out or get dirty. If the Item packaging carton consists of two or more parts, the Item is required to stabilise and bind them with sticky dots or plastic stripes.

To ensure a smooth transport on the processing via conveyor systems in the Warehouse(s), nothing should protrude from the Item, e.g. hangers from underwear or ribbons. External elements which are not a part of the Item and could prevent Zalando from selling the Items to customers such as so-called 'security tags', are not allowed.

Packaging requirements per product category can be found in ZPU.

# **Definition of Hanging Products and Non-Hanging Products**

The decision on how to deliver and to store the Goods should always be based towards a customer's point of view and to meet customers' expectations, but at the same time taking into account efficiency aspects. However, Zalando's recommendation is the following for the respective type of Goods.

**Hanging Products:** Zalando defines Products as hanging Products where, based on style and material composition and/or size, a hanging storage is necessary to avoid defects and/or strong folding, which affects the long-term quality of the Product. Especially highly sensitive materials often used in the production of blazers, blouses, business trousers, coats, dresses and suits should all be delivered and stored hanging. Real leather jackets and bridal dresses must be on hangers.

#### Packaging requirements for Products with hangers

- Products being delivered on a hanger and belonging to the hanging Products, should have a polybag around the Item and hanger, with the hanger hook outside, to store these Products in a hanging garment area.
- Hanging Products have to be packed separately in closed polybags so that every Item (e.g. dresses/ suits consisting of a trouser and jacket) has its own bag. Various Items are not allowed to be packed together in the same polybag.
- Products being delivered on a hanger but not belonging to hanging Products definition, should have a polybag around the hanger (hanger in polybag), to store these Products flat-packed, e.g. underwear.

# 1.3.2. Special Product packaging requirements

The following Products have special Product packaging requirements:

Product	Requirement		
Leather Products	Polybags of leather Products should be open at the bottom or contain small holes (max. 4mm) to let the Products breathe.		

Belts	<ul> <li>Belts must be delivered rolled up within a fully closed polybag (or within a polybag with small holes for leather belts). Each belt must include one scannable EAN-code facing outwards.</li> <li>If belts have additional customised packaging (e.g. branded box, textile bag), the belts should be delivered inside this additional packaging already. Packaging should not be delivered separately from the Product.</li> </ul>
Toys	It's the Partner's sole responsibility to ensure that the packaging and labelling for the toy assortment is safe and in line with EU directives and regulations applicable in countries Zalando/Partner sells in.
Products with trims attached or embellishments	<ul> <li>For a Product that has trims attached or embellishments, sufficient packaging i.e. tissue paper should be given to the Product to protect it during the initial shipment and subsequent shipment to the customer. The Partner has to ensure to handle Products with care, e.g. when folding, in order to not cause product quality issues.</li> </ul>
Beauty	- Beauty products are currently not in scope of the Fulfilment Services by Zalando.

# 1.3.3. Product Labelling

The Partner must ensure the marketability of each single Item, including single Item packaging, so that Goods can be sold to end customers without any restrictions. This includes each Item complying with relevant legal labelling requirements in each one of the relevant sales territories. In order for Zalando to receive the Item, the label needs to include the information below, which must be identical with the information stated in the order confirmation.

- Each article must be labelled (e.g. hangtag) with the following information: one scannable EAN/GTIN, unique article number, colour code or colour description, size/ size chart for the European size systems EU, FR, IT, UK. Since the articles will be sent to customers throughout Europe, providing size translations is recommended for their convenience. At least one EU country size must be indicated on the article label. The sizing displayed on the label must align with the sizing information in our system. Zalando reserves the right to charge the associated relabeling costs back to the supplier in case the article label lacks at least one EU size translation.
- There are different product labelling types depending on the category (i.e. kidswear), please find an example in <u>Appendix 2.1.1</u> or check <u>Zalando Partner University</u> for more details.
- Price indication on a Product label is not allowed

- The EAN/GTIN on the Product label must be scannable
  - Contrast and Colour: The contrast between EAN/GTIN and background must be at least 40% difference. The colour combination black (EAN/GTIN) on white (paper) is optimal;
  - Quality of the print: The print needs to be clean (e.g. exact border line, no streaks)
     in order to not disturb the scanning process;
  - Minimum size EAN/GTIN: The height of the EAN/GTIN must be at least 5 mm and the length at least 30mm.

Furthermore, labelling information on the Product packaging (polybag or box) has to match the labelling information attached to the Product itself (e.g. hangtag). The following table summarises the Product labelling requirements for boxed and polybagged Products, on both packaging and Products.

Packaging type	Вох		Polybag	
	Packaging	Article	Packaging	Article
Labeling on	Sticker / Print on box	possibly Hangtag	Sticker/ Print on Polybag	Hangtag

**Table 2:** Product labelling location requirements (where "Article" in the meaning of "Product")

#### **Location of the Product Label**

In order to streamline the receiving process at Zalando, Product/ EAN labels should be attached as depicted below:

- Polybags: EAN label at the top left corner
- Boxes: EAN label at the bottom-right corner of the shorter box side

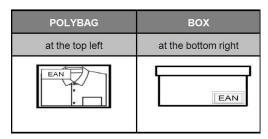


Figure 1: Product labelling location visualisation

#### 1.3.4. Special labelling requirements

#### **Sets and Multi-Packs**

Single articles that belong to an Item, in the case of Sets and Multi-Packs, need to be attached to each other in a way that it is clear they belong to an Item (e.g. t-shirts that are stapled to each other, suit on a hanger). In addition, the information of the Item (Product number, colour(s), size, EAN / GTIN) must be labelled once on the Item and once on the packaging of the Set or Multi-Pack.

# Fragile products

"Fragile Products" are defined by Zalando as Products which, when unpackaged, would not pass a drop test according to DIN-ISO 2248 (The DIN-ISO drop test simulates the accumulation of possible influences during transportation, handling and storing of an Product during the supply chain.). Fragile Products can be found in the following product groups: sport- and sunglasses, headphones, jewellery, watches, electronic devices. Every single packaging and each consolidation carton that contains Fragile Products, needs to be marked with a respective 'fragile label' (common practice), and the packaging needs to protect the Product from breaking.

Please refer to the following articles regarding special <u>labelling regulations in France</u> and special <u>package labelling regulation in Italy.</u>

In case of any questions regarding chapter 1.3, please check out the <u>ZPU article</u>: <u>labelling and packaging guides</u>. For additional questions, check our <u>ZPU article</u> on how to best contact the ZFS team.

#### 1.4. Value Added Services (Restore to Sellable Condition)

If any of the above requirements are not met, there is a possibility that the Items will end up in Zalando Value Added Services ("VAS"). Zalando's VAS team will make the necessary adjustments to ensure that the Items are ready for sale. Please refer to the <u>VAS ZPU article</u> on how to avoid VAS charges. Costs incurred due to additional activities will be charged to the Partner on a monthly basis according to the prices set out in Appendices 2a and/or 2b, as applicable, to the Fulfilment T&Cs.

#### 1.5. Notification Process & Requirements

Before shipping any Products to Zalando, it is mandatory for the Partner to notify Zalando about the planned delivery. This process is mandatory for Zalando to inbound the Products and to ensure that the right Products are shipped at the right time to the correct Warehouse(s) and works in two steps as further detailed under Sec. 1.5.2:

- 1. Notify Products that are intended to be shipped via zDirect, API or other interface in order to obtain a **delivery date**, **delivery warehouse** and Shipping Notice ID.
- 2. For palletize and Hanging Products deliveries, book a **delivery time slot** (on the confirmed delivery date) via the Time Slot Management System (Mercareon).

#### 1.5.1. Forecast

Forecast of inbound and return quantities is crucial for planning capacity at the Warehouses. Forecasts have to be submitted via the Forecast Tool on zDirect on a weekly basis. Full description of the Forecast Procedure can be found in Appendix 5 to the Fulfilment T&Cs (Forecast) and on the <u>ZPU</u>. Please note Zalando reserves the right to allocate capacities based on the current network availability.

# 1.5.2. Shipping Notice

Every delivery must be notified via zDirect, API or other interface ("**Shipping Notice**"). A detailed description is provided during the onboarding process and can be found on the Zalando Partner University (see <u>ZPU</u>). In case of any questions regarding the Shipping Notice process & requirements, please submit a case through the ZPU.

The following information is required to create a Shipping Notice:

- List of Products that you are planning to ship by uploading a CSV file that contains two columns: EAN and Quantity.
- Packaging type (parcel, pallet or hanging Products delivery)
- Packaging amounts (number of pallets/boxes/hanging Products)
- Requested delivery date (via date picker)
- Preferred delivery warehouse (via Warehouse picker)

Furthermore, please also adhere to the following key rules when requesting a Shipping Notice:

- Before delivery, the Partner's Products must be onboarded in Zalando's systems by the Partner. Details for this can be found in the <u>ZPU</u>.
- **Lead time:** The Shipping Notice has to be created no later than five working days before the intended delivery date.
- Quantity adherence: The dispatched amount of Products must not exceed the
  amounts in the forecast +/- 5% subject to availability. Zalando reserves the right to
  amend the location or time of the shipment in case of significant deviations that are
  beyond the forecasted quantities.
- One Shipping Notice per type of loading per week: palletized, hanging on clothes rails or loose loading
- One Shipping Notice per Warehouse per week: A Shipping Notice must only contain Goods for one Warehouse or one agreed handover location. For Goods which have separate agreed handover destinations or Goods destined for different locations, separate Shipping Notice must be created.
- Consolidation: In order to consolidate deliveries and enable efficient processing for all parties involved, the following guidelines apply: A maximum of one Shipping Notice per week and Warehouse per type of loading, unless higher volumes require more frequent notification.
- **Zalando Shipping Notice Number**: Upon creation of the Shipping Notice, the notifying party is assigned a Zalando Shipping Notice Number. This reference is required for any further processing and communication.

The Partner or party who notified the delivery has to ensure that the forwarding agent can adhere to the delivery appointment. Changes to a delivery appointment have to be requested via <a href="mailto:zDirect"><u>zDirect</u></a>, API or other interface specified by Zalando.

#### **Loose Load Deliveries (Parcel Delivery)**

Deliveries of loose boxes via a CEP provider (meaning non palletized shipments to a maximum of ten parcels per delivery, "Loose Load") must be delivered to Zalando in a time window of +/- 5 days from the confirmed delivery appointment. Loose Load deliveries are excluded from the time slot booking process and require only a notification via zDirect, API or other interface. The CEP provider receives one signature for the entire delivery that includes different shipments from different suppliers, even if one or more shipments is rejected. The provided signature to the CEP provider does not confirm acceptance of the Goods at the Warehouse. Zalando is not able to provide any information about the location of the missing Loose Load.

#### **Palletized / Hanging Goods Deliveries**

Once the delivery has been confirmed, the delivery time slot needs to be booked. Therefore the delivering freight forwarder needs to create a booking via the Time Slot Management Tool (Mercareon). All the necessary information such as URL and how to access the tool are shared during the onboarding or in <u>ZPU</u>.

A time slot booking must be created for the confirmed delivery date and per vehicle. The freight forwarder must provide relevant information for the delivery, such as Zalando Shipping Notice Number, number of pallets and cartons, as well as the vehicle types by 23:59pm the day before the confirmed delivery date. A delivery without a booked time slot cannot be accepted. In case of a "Non-Compliant Delivery" (meaning all pallet deliveries without a booked time slot and deliveries that do not meet the loading requirements of section 1.6.2.), Zalando may refuse the shipment, and additional charges may apply in accordance with Appendices 2a and/or 2b, as applicable.

#### 1.6. Transport Management

# 1.6.1. Transport Packaging

The Partner has to provide proper packaging to ensure that the Goods are not damaged. The following requirements apply:

- Flat packed Goods need to be packed in consolidation cartons
- Hanging Goods need to be packed in hanging cartons. If the hanging Goods are transported on hanging rails, no further transport packaging is required.

#### Packing requirements and recommendations for outer cartons

It is preferable that, for boxed Products such as shoes, the EAN/GTIN codes shall be attached to the short side of a shoe box, and all shoeboxes in an outer carton shall point in the same direction.

Outer cartons should not be stretch-wrapped or secured with straps as this complicates and slows down the inbound process at the Warehouse.

**Packaging Dimensions and Weight:** The following requirements apply to min/max dimensions of outer cartons as well as to the weight of a carton, and must be respected to ensure that cartons can be handled by Zalando. That includes the countability of cartons on a pallet, which means all cartons on a pallet must be visible, without unpacking the pallet.

Dimensions for consolidation /		Length in	Width in	Height in	Weight in kg
outer and inner cartons		cm	cm	cm	
Flat packed	Standard	60	40	40	
consolidation /outer	Maximum	80	60	40	
cartons	Minimum	40	30	20	Max. 20
Flat packed	Standard	60	40	40	Max. 20
consolidation /inner	Maximum	75	55	50	
cartons	Maximum	73	JJ	30	
Hanging	Maximum	60	60	120	
consolidation / outer cartons	Minimum				

**Table 3:** Packaging dimensions and weight of outer and inner cartons

In exceptional cases (e.g. winter clothes, boots) maximum dimensions can be exceeded to the max dimensions of up to 120cm x 60cm x 60cm (length x width x height).

The dimensions mentioned in Table 3 are also applicable for returns.

# 1.6.2. Different types of loading

Zalando accepts the following types of loading:

- Palletized loading
- Loose load / CEP Parcel deliveries
- Hanging on clothes rails

Based on the amount of boxes shipped, the appropriate loading type as per table below has to be selected.

Amount/type of transport packaging	Allowed loading type
≤ 10 Consolidation cartons	Palletized loading <u>or</u> Loose Load
> 10 Consolidation cartons	Palletized loading
Hanging cartons	Palletized loading
Hanging Products in separate polybags	Hanging loading on clothing rails

Table 4: Allowed loading types

# 1.6.3. Transport Labelling

Each shipment must carry a label with the most relevant shipment information. The table below shows the requirements as well as where the label needs to be placed.

	Palletiz	ed load	Loose load	Hanging load
Requirement	Each pallet	Each carton	Each carton	Each cutting disc
Zalando Shipping Notice Number	X		X	X
Sender of the shipment	X		X	X
Address of Zalando warehouse	X		X	X
If applicable: Specification that consolidation carton contains fragile products		X	Х	
Each consolidation carton needs to be numbered with carton number and total number of cartons of the delivery (e.g. 1/3 or 1 of 3)			X	

**Table 5:** Transport labelling requirements

In case a transport vehicle contains hanging garments of various Shipping Notices, each set of Goods which belongs to one Shipping Notice needs to be identifiable for Zalando. Therefore, the Shipping Notice reference has to be attached (clearly visible) to the cut-off wheels used to separate and mark a given Shipping Notice.

### 1.6.4. Transport Loading

The requirements for loading of transport vehicles differ by type of loading, i.e. for (a) palletized load, (b) Loose Load, and (c) Hanging Products.

## **Palletized load**

The below points shall be respected when arranging a pallet:

- Zalando accepts only wooden pallets with the following dimensions: length 1200mm x width 800mm x height 144mm, except CHEP/LPR pallets.
- Only EURO-pallets with A, B or C quality according to GS1 standards can be exchanged.
- A pallet must only contain Goods from one Zalando Shipping Notice Number
- The Zalando Shipping Notice Number has to be attached clearly visible on the short side of each pallet.
- No overlap: Boxes are **not** allowed to be packed over the dimensions of the pallet.
- The max. packing height of pallets is not allowed to exceed 2.15m for deliveries with flat packed cartons, and 2.40m for hanging cartons (both dimensions measured from the floor, i.e. including the pallet).

- The boxes of the pallet have to be stacked efficiently to maximise utilisation and minimise the number of pallets.
- Packaging of pallets has to be stable in order to make sure that both pallets and boxes arrive without any damage.
- Pallets have to be wrapped in clear foil to ensure that boxes do not move or fall off. Black stretch foil is not allowed.

Furthermore, the following requirements are mandatory for the transportation of palletized loading:

- The short side of the pallet, where the pallet label (see Appendix 2.1.2) is attached, has to face towards the door to allow proper unloading of the cargo. Loading the pallets with the long side facing the door is not allowed (apart from the last two pallets for load security).
- The pallet needs to be open on the short side so that it can be moved with a forklift.
- All pallets belonging to a Zalando Shipping Notice Number need to be arranged together when loaded onto the truck.
- Third party goods must not block Goods for Zalando.
- Between the Goods and the door has to be a minimum gap of 10 cm (loading sill).
- Vehicles need to be able to be unloaded from a loading ramp. This requires a min. width of 2.00m, min. height of 1.00m from ground, and doors shall be opened by at least 270°. Unloading the Goods sideways is not possible.
- Pallet shipments on a van require a min. height of 0.88m from ground (currently a van is not possible in Zalando's Mönchengladbach Warehouse).
- Pallets must not be stacked above each other.
- The delivery note of a Shipping Notice must be attached to the pallet that is located closest to the truck door, or alternatively handed over by the driver.

#### **Loose Load (Loading of loose cartons)**

Loose Load deliveries are only allowed for Shipping Notices which include a maximum of ten carton boxes. Furthermore, Loose Load deliveries are only accepted when handled by CEP (courier/ express/ parcel) service providers. If the Partner's shipment contains more than ten cartons, Zalando requires the Partner to palletize it.

The below points shall be respected when arranging a Loose Load transport:

- The Goods have to be packed in a stable way to make sure that both the boxes and the Goods inside will arrive at their destination without any damage.
- The Zalando Shipping Notice Number has to be attached visibly on each box.
- The delivery note has to be attached to one of the cartons in a dispatch envelope. For deliveries from the EU, the delivery note can also be located inside a carton, if that is clearly stated on the outside of the respective carton.
- Each box has to be numbered and marked, along with the total number of boxes of the delivery (e.g.: 1/3 or 1 of 3).

**Important:** To ensure smooth processing, **do not split large deliveries into several Loose Load deliveries.** Instead, please palletize the delivery as requested.

#### **Hanging Products on Clothes Rails**

If a transport unit contains more than one Zalando Shipping Notice Number, the following requirements must be met:

- The Products are to be grouped according to the Zalando Shipping Notice Numbers
- The grouping must be done with a cutting disc.
- Per group there need to be two cut-off wheels; one in front of the first Product and one behind the last Product of every Shipping Notice.
- The loading needs to be done from left to right and from the bottom to the top.

# **Dangerous Goods**

Zalando defines "Dangerous Goods" according to the definition contained in the latest version of the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) of 30 September 1957.

Zalando does not process Dangerous Goods unless otherwise agreed in a separate agreement between the Parties.

# 1.6.5. Delivery Note

A delivery document (e.g. delivery note) is required and should be attached to the delivery or printed for each Shipping Notice. The sum of the Products on the delivery document must match with the number of Products notified via zDirect, API or other interface to Zalando.

The delivery document must contain the following information (see also Appendix 2.1.3)

- Delivery note number
- Zalando Shipping Notice Number
- Sender of the shipment (name, address)
- Recipient of the shipment (name, address)
- Content of the delivery (such as Product number / or Product description, Product colour and/or colour code, number of Products per size)
- If not attached to the delivery, the delivery note has to be placed according to the following rules:
  - **Palletized load:** The delivery note needs to be attached to the pallet that is located closest to the truck door, or is alternatively handed over by the driver.
  - Loose Load: The delivery note has to be attached to one of the cartons in a dispatch envelope. For deliveries from the EU, the delivery note can as well be located inside a carton, if that is clearly stated on the outside of the respective carton.
  - **Hanging Products on cloth rails:** The delivery note needs to be handed over by the driver or placed on or next to one of the cutting discs.

#### **Delivery to Zalando Warehouses**

The Partner must ensure that the Goods are delivered on time according to the confirmed delivery date and delivery time slot at the correct Warehouse. Therefore, the Partner has to ensure that the Goods, including all information relevant for the delivery, are handed over to the

delivering forwarding agent early enough.

If it is foreseeable, e.g. due to incalculable disruptions on the transport route, that the delivery will be delayed, the Partner or notifier of the Shipping Notice needs to inform Zalando via zDirect or API following the process outlined in the <u>ZPU article</u>.

Before stock delivery and stock arrival in the Warehouses, the following points should be noted:

- The driver has to announce the delivery at the Warehouse yard-house (delivery gate) before entering the Warehouse premises by stating either the time slot booking confirmation number or the Zalando Shipping Notice Number/s. The preferred way is to print out the time slot booking confirmation from the time slot management system, which lists all Zalando Shipping Notice Numbers that were booked on the truck;
- The delivery note/s must be handed over to an employee in the Warehouse if it is not attached to the Goods.
- The vehicle may only be unloaded at a gate assigned to the driver.
- It is not possible to unload the Goods from the side.
- The driver has to sign and follow specific instructions when delivering to the Warehouses (see Appendix 2.1.4). If a driver does not comply with the Warehouse delivery requirements, there is a possibility of the driver being blacklisted and no longer being allowed to enter Warehouse premises.
- The parking of a swap body is only allowed with prior agreement with Zalando Inbound Management.
- Drivers and trucks are not allowed outside the opening hours on the Warehouse premises.

The Partner has to ensure that the forwarding agent can adhere to the delivery appointment. Zalando has the right to refuse late, missed or Non-Compliant Deliveries and additional charges may apply according to Appendices 2a and/or 2b, as applicable, to the Fulfilment T&Cs.

Furthermore, if the delivery time slot wasn't booked by the forwarding agent, Zalando reserves the right to reject the shipment and additional charges may apply according to Appendices 2a and/or 2b, as applicable, to the Fulfilment T&Cs.

#### 1.6.6. Pallet Exchange

Zalando operates a pallet exchange for euro pallets according to GS1 guideline UIC 435-2. Therefore, freight forwarders are asked to exchange pallets directly at the relevant Warehouse after unloading. Alternatively, if a "direct exchange" is not possible, Zalando will issue so-called pallet vouchers to freight forwarders.

The Zalando pallet vouchers are valid for an exchange at a later point of time at the respective Warehouse where the pallet voucher was issued. The pallet vouchers have to be redeemed within 60 days, and Zalando accepts only the original certificates produced by Zalando or its third party warehouse service providers.

A maximum of 100 pallets can be exchanged without earlier notice. It is required to pre-inform Zalando if more than 100 pallets want to be exchanged, declaring the total amount as well as the preferred day and time for the exchange. The corresponding e-mail addresses and opening hours can be found on the pallet note.

#### 1.7. Product quality and safety

All products delivered to Zalando must be of 'A' grade quality and must comply with the legal requirements set out in EU directives and regulations applicable in countries Zalando/Partner sells in. It is the Partners sole responsibility to ensure that all packaging and labelling obligations are fulfilled and properly attached to the product / packaging.

# 1.8. Non-compliance Charges

The Partner shall comply with these Delivery Terms in order to ensure that the delivery can be accepted and to secure smooth inbound processing and in case of ZFS Services short "TTO" (Time to Online). Non-compliance with these Delivery Terms slows down Zalando's processes significantly, negatively affects customer experience, and might cause significant costs to Zalando and/or the Partner.

The Partner's failure to comply with these Delivery Terms shall entitle Zalando to apply the contractual charges detailed in Appendices 2a and/or 2b, as applicable, to the Fulfilment T&Cs for specific cases of non-compliance.

# 2. Appendix

#### 2.1. Additional information

# Why are the ZFS Delivery terms ZEOS branded?

Zalando recently launched a new B2B brand: ZEOS, which **powers Zalando Logistics Solutions**. For this reason, even if Zalando remains your main point of contact, the latest version of our logistics contract, the ZFS Delivery terms, and possibly other assets in the future will be co-branded with the Zalando and ZEOS logo.

Please note that ZEOS is **not** a separate legal entity, but rather a brand under Zalando SE, supported by an independently operating business unit.

# 2.1.1. Product labelling types

Please also check <u>labelling guides on Zalando Partner University</u> (ZPU)

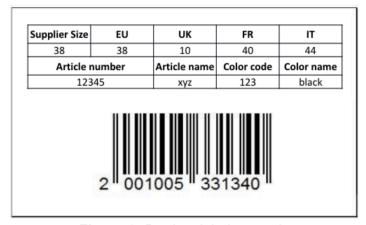


Figure 2: Product label example

For **Kids Wear**, the Product label should look like the Figure "Article Label Kids"

Figure: Article Label Kids

EU / IT	UK/US	FR	Suppl	ier Size
size in cm	size in m/y*	size in m/a**	XY	
Article number	Article name		Color code	Color
123456			433	
123430		issi iissiii	123	black

Figure 3: Product label kids example

<sup>\*</sup> y = year \*\*a = age

<sup>\*\*\*</sup>m = month

# 2.1.2. Pallet & Cutting disc labels (examples)

Zalando Shipping Notice ID	Sender	Recipient
99xxxxxx		
Pallet Number		
x of x	XXXXX	XXXXX

Figure 4: Pallet label

Zalando Shipping Notice ID	Sender	Recipient
99xxxxxx		
Number of Hanging Goods		
x of x	XXXXX	XXXX

Figure 5: Cutting disc label

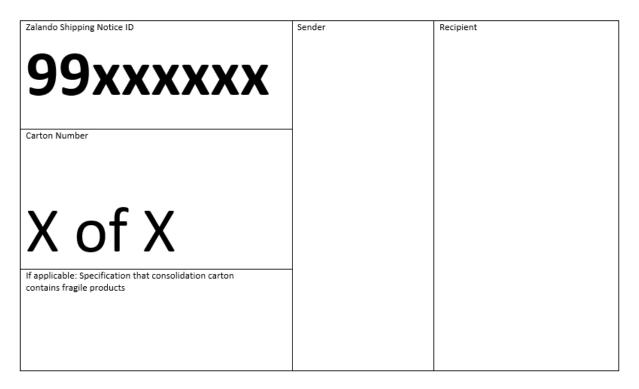


Figure 6: Parcel label

# 2.1.3. Delivery Note (Example)

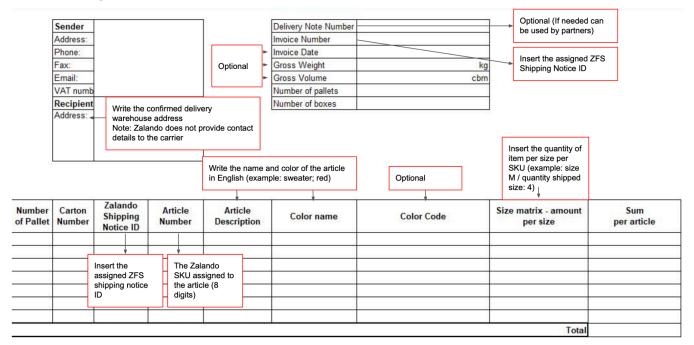


Figure 7: Delivery Note

**For Palletized delivery:** The delivery note of a shipping notice must be attached to the pallet that is located closest to the truck door, or alternatively handed over by the driver.

**For Parcel delivery:** The delivery note needs to be inside of one of the consolidation cartons with a clearly visible remark outside.

**For Hanging load on cloth rails:** The delivery note needs to be handed over by the driver or placed on or next to one of the cutting discs.

#### 2.1.4. Driver Instructions

As already described, the Partner is obliged to instruct every third party (delivering Goods to the Warehouse, "*Erfüllungsgehilfen*") to sign and follow the instructions given by Zalando and the Warehouse employees. The following rules must be followed:

- For safety reasons, the load-carrying equipment cannot contain any hazardous goods when making deliveries to a Warehouse; in this case, Goods cannot be accepted and will be rejected.
- Access roads for rescue teams must be kept clear.
- The Road Traffic Act of the respective country of the Warehouse (e.g. StVO/StVG in Germany and applicable local law in countries outside of Germany) and a maximum speed of 10 km/h must be adhered to across the entire Warehouse premises.
- The DGUV V70 accident prevention regulations must be upheld at all times.
- Vehicles must not be driven under the influence of alcohol or intoxicants; consumption of alcohol and intoxicants is prohibited.
- For the delivery of Goods, after correctly parking a vehicle at a loading door, the vehicle
  is locked during the loading or unloading procedure and the vehicle key is given in at the
  goods inwards office. During the unloading procedure, all passengers in the vehicle must
  be in the lounge area.
- Vehicles and swap bodies may only be detached at loading gates when the status lights are "green" (to the right of the gate).
- Trailers or parked swap bodies must not be driven under when loading gate signal lights are red.
- Health and safety labels must be followed.
- Transport routes, escape and rescue routes, and emergency facilities must be kept clear.
- Pay attention to other road users (trucks, cars, people etc.).
- Engines must be switched off if idle for more than one minute.
- Swap bodies may only be parked in designated bays. Drivers must be given instructions in the event of low visibility.
- Vehicles and swap bodies must, according to the regulations, be secured against unintentional movements and unauthorised usage.
- Loitering in the immediate vicinity of swap bodies and under insecure moving parts/loads is prohibited.
- The premises (buildings, rooms, plants etc.) may only be entered if accompanied by security officers.
- The outside and inside premises may only be entered when wearing safety shoes and high-visibility, reflective clothing (e.g. high-visibility vests).
- Beware of forklifts and other ground conveyors.
- Follow the manufacturer's instruction manual when operating machinery, systems and equipment.
- Protective equipment and emergency control systems cannot be ignored, removed or rendered ineffective.
- Fire and naked flames are prohibited; smoking is only permitted in the designated areas.
- Security's instructions must be followed.

- In the event of disruptions or damages, work must be stopped immediately, any danger zones secured, and security informed.
- Deliberate acts or gross negligence is subject to criminal prosecution.
- The Partner shall ensure its drivers and any other passengers in the vehicle comply with these rules and is responsible for any failure of its drivers or other passengers in the vehicle to comply with these rules.

# 2.1.5. Zalando Warehouse Addresses

please refer to ZPU Portal for up-to-date warehouse addresses and opening times.

# 2.2 Glossary

**CEP**- The Courier, Express and Parcel (CEP) Market comprises companies that provide logistics and postal services varying in the type of services offered, such as delivery speed or weight and volume of a shipment.

**EORI**- The EORI number (Economic Operators' Registration and Identification number) is an operator identification number that is valid throughout the European Union and replaces the German customs number. Since Regulation (EC) No 312/2009 amending provisions for the implementation of the Customs Code came into force on 1 July 2009, this number is a prerequisite for customs clearance in the European Union.

**GTINs**- GTIN describes a family of GS1 (EAN.UCC) global data structures that employ 14 digits and can be encoded into various types of data carriers. Currently, GTIN is used exclusively within bar codes, but it could also be used in other data carriers such as radio frequency identification (RFID). The GTIN is only a term and does not impact any existing standards, nor does it place any additional requirements on scanning hardware. For North American companies, the UPC is an existing form of the GTIN. The family of data structures comprising GTIN include four:

- GTIN-12 (UPC-A): this is a 12-digit number used primarily in North America
- GTIN-8 (EAN/UCC-8): this is an 8-digit number used predominantly outside of North America
- GTIN-13 (EAN/UCC-13): this is a 13-digit number used predominantly outside of North America
- GTIN-14 (EAN/UCC-14 or ITF-14): this is a 14-digit number used to identify trade items at various packaging levels

**GS1**- The foundational GS1 standard that defines how identification keys, data attributes and barcodes must be used in business applications.

**LDPE** - Low-density polyethylene is a thermoplastic made from the monomer ethylene.

**T1**- T1 is a document for Goods with a non-community status meaning they have been cleared from the EU or are not yet cleared in the EU but need to move within the EU. For this "customs transport" a T1 is used

**UIC 435-2-** it is a required european quality standard for the production of pallets according to the GS1

**ZPU** - ZPU (Zalando Partner University) is a knowledge base as well as tool for ZFS/MCF Partners to request different queries.

**zDirect** - Zalando platform that gives access to analytics, business insights, peer benchmarks, reporting and tooling to manage the Partner's account.

**ZEOS** - ZEOS is an independently operating B2B unit of Zalando SE, that leverages the company's infrastructure and technology, to power Zalando Logistics Solutions. In addition,

ZEOS is building out its own suite of services, the first of which is a cutting-edge multi-channel fulfilment solution. With ZEOS Fulfilment, we offer end-to-end logistics to fashion & lifestyle brands, across multiple European sales channels, including brands' own e-commerce stores, About You, Otto, ASOS and more.

Please note that ZEOS is not a separate legal entity, but rather a brand under Zalando SE, supported by an independently operating business unit.

## **Quarantine Storage Processing**

Goods that cannot directly be received will be separated from the receiving process and sidelined in a dedicated area until the problem is fixed. Following issues will cause quarantine processing:

- EAN not on Shipping notice: The EAN of the delivered items are not notified on the Shipping Notice they were delivered with.
- EAN unknown: The EAN on the delivered items differs from the EAN originally provided and is unknown to the Zalando system.
- No EAN on Article: The delivered Items do not have an EAN on them.
- Article in bad Condition: The items were delivered with a certain quality defect.
   (E.g.dirt, mould, wet)
- Wrong Shop Picture the shop pictures in our webshop differs from the physical article that has arrived to our warehouse

For these cases Zalando will apply a penalty to be reimbursed for incurred expenses (see non-compliance charges).