

# 1 GTIN ALLOCATION

## 1.1 GTIN ALLOCATION RULES

UNFI closely adheres to the industry standards for Global Trade Item Numbers (GTINs). These standards have been developed by leading industry retailers and suppliers around the globe. We expect all UNFI suppliers to follow these industry standards.

Suppliers must **create a new item** whenever the following item changes occur:

- **Declared Net Content Changes**
  - Any change in the declared net content (size) of an item requires the assignment of a new consumer GTIN/UPC. For example, if a bottle of shampoo changes from 16.8 fluid ounces to 16.6 fluid ounces, the new bottle must have a different GTIN/UPC assigned. In addition, any shipping/packaging configuration (inner pack, case, pallet, display, etc.) that contains this item must also be assigned a new GTIN/UPC.
- **Case Pack Quantity Changes**
  - If the case pack changes a new GTIN/UPC at the case level must be assigned. The consumer unit does not need a different GTIN/UPC assigned as long as it is not changing. Any shipping configurations (pallet, display, module, etc.) that contain this case must also have a new GTIN/UPC assigned.
- **Inner Pack Quantity Changes**
  - If the inner pack quantity changes a new GTIN/UPC must be assigned. The consumer unit does not need a different GTIN/UPC assigned as long as it is not changing. Any shipping configurations (case, pallet, display, module, etc.) that contain this case must also have a new GTIN/UPC assigned.
- **Major Seasonal Packaging Changes**
  - If a consumer unit is sold with major packaging differences for a season (for example candy with Christmas wrap changes to valentines wrap, etc.) the product needs to have a unique consumer GTIN assigned for each season. In addition, any shipping/packaging configuration (inner pack, case, pallet, display, etc.) that contains this item must also be assigned a new GTIN/UPC.
- **Mixed Module/Component Changes**
  - If the components of a module, pallet, display, case or inner pack are changed the unit must be assigned a new GTIN/UPC.
- **Significant Case Weight or Dimensional Changes**
  - We will assign a new UNFI item code whenever a supplier makes packaging changes at the case level that exceed a 5% tolerance on weight or any of the dimension parameters, even when the net content of the consumer unit is not changing. We ask that all suppliers assign a new GTIN at the case level to allow for accurate tracking throughout the supply chain. Changes of more than 5% without a new GTIN prevent your items from being received in our automated facilities until the old item has been removed from the system.

## 1.2 NEGATIVE IMPACTS OF GTIN VIOLATIONS

Suppliers who do not follow these industry standards create significant additional cost and business disruption to UNFI throughout the entire supply chain. Since these product changes frequently transition over lengthy periods and timing can vary by geographies, it becomes an unmanageable and expensive process to control, without the correct assignment of a new GTIN.

Additional costs created by not following these industry standards include:

- Procurement inefficiencies due to incorrect product specs
- Transportation inefficiencies due to weight and dimension inaccuracies
- Receiving errors and potential product refusal as it does not match our purchase order specifications
- Severe warehouse inefficiencies in our fully automated facilities. Without a separate GTIN created, your items can be severely damaged by the mechanization and items kicked out and not shipped due to exceed system tolerances. This may cause you lost sales on these items. In addition, we may require you to remove all old inventory from our automated warehouses prior to shipping the item with the new specifications, which can also lead to lost sales during the transition period.
- Planogram inaccuracies and inefficiencies
- Inaccurate shelf tags identifying product size, causing consumer confusion, which can lead to lost sales
- Unit pricing errors on shelf labels leading to potential fines (regardless if it is a size increase or decrease) from regulatory agencies and additional consumer confusion and frustration
- Self-service scanner issues that use product weight to validate purchases matched scanned items

UNFI's business processes have been developed following the industry standards to ensure we accurately manage the change process around item changes. Serious complications may arise if your company does not adhere to these procedures around GTIN assignment.

Other GTIN allocation rules apply – please refer to the GS1 GTIN Management rules at <https://www.gs1.org/gtinrules/>. You can also contact your GDSN solution provider for more information.