

Section VIII – UPC Marking Implementation

UPC Item Marking

An item is UPC marked if it has a UPC-A barcode ticket attached to it, enabling the item to be scanned for selling and inventory purposes. The 12-digit human readable UPC number or 13-digit human readable EAN number for that barcode is also printed on the ticket in case the barcode cannot be scanned.

UPC Marking Implementation

1. All merchandise **MUST BE MARKED** with a UPC or EAN ticket
 - a. If you currently have facilities for printing UPC barcodes, and your capacity will allow printing your projected volumes, then you may proceed.
 - b. If your current facilities are not adequate for printing UPC barcodes in the volumes needed contact a barcode print vendor.
 - c. If you are exempt from UPCs your merchandise must be marked with a Style/Color/Size ticket.
2. UPC tickets must be clearly visible and accessible for scanning by the DC & Store.
3. UPC tickets must include both the UPC barcode & the same human readable UPC number (See example below).
4. Private Label Vendors must also include: Style/Color/Size/Group/DPT/MIC and **Perforated** Retail Price on the ticket.
5. UPC ticket should be large enough for a standard Dillard's Markdown Sticker (1" X 2.5") to fit on the ticket. (See example below). Exceptions would be small merchandise such as costume jewelry.
6. Set up a good quality control program for your UPC barcode tickets. For accuracy, we suggest that you:
 - Confirm that your ticket printing software is operating properly
 - Manage software changes so the resulting UPC barcode ticket is correct
 - Scan resulting UPC tickets to assure legibility and adherence to standards
 - Confirm that the correct UPC tickets are placed on goods
 - Check that the bar-coded number matches the human-readable number
 - Make sure all 12 of the human-readable digits are printed
7. Mail sample UPC barcode tickets to Dillard's for compliance testing.
Send the sample of barcode tickets to:

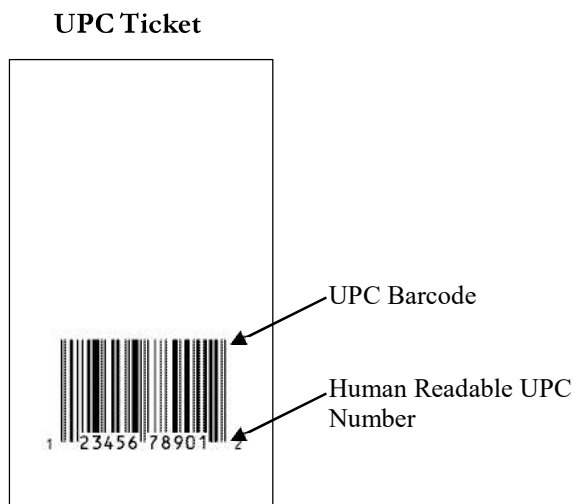
Dillard's
1600 Cantrell Rd
Little Rock, AR 72201

Attn: EDI Marking Manager

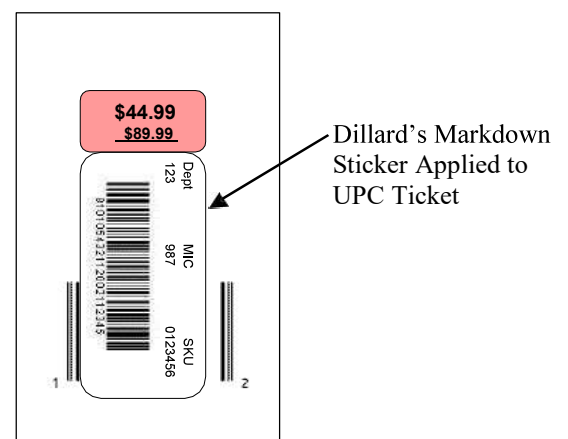
Include contact name, email & Dillard's vendor number with the sample tickets. You will be notified once your UPC barcode tickets have been tested.

8. Use 12 digit UPC numbers on all EDI documents shared with Dillard's.
9. If you ship in a polybag with a UPC sticker, the UPC must match the UPC attached to the item & the barcode must be UPC-A symbology. This applies to Branded (your label not Dillard's) Merchandise only.

UPC Ticket Examples



UPC Ticket with Dillard's Markdown Sticker Applied



Retail Price

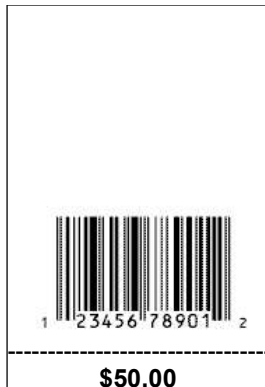
If you mark with Dillard's retail price, or MSRP that matches Dillard's retail price, it will increase speed to market. The retail price or MSRP must be **perforated** on the UPC ticket. Retail can be sent on the EDI 850 PO if approved by your Dillard's merchant.

The DC will mark with retail if there is no retail price or if the retail does not match the PO. This slows down the receiving & processing of your merchandise to the sales floor.

Dillard's retail price is required to be marked on the tickets for the following areas of business:

- Branded merchandise in the following areas: Jewelry, Sunglasses, Watches, Scarves, Socks, Slippers, Hair Accessories, Leggings, Handbags, Wallets, Ladies and Mens Hats, Gloves, Mufflers and other Cold Weather items
- Private Label
- Corporate bought merchandise

Example: UPC Ticket with Retail in Perforated Section



Marking at Manufacturing Time versus Marking at Shipping Time

It is recommended that merchandise be marked with UPC codes at the time of manufacturing. This will help decrease the possibility of not marking each piece of merchandise with an UPC code or marking the merchandise with the wrong UPC code.

UPC Mis-Marked Merchandise

An issue that has created many problems and extra work in our receiving process is when merchandise is received that is mis-marked, or not marked with the proper UPC. Our 'mis-mark' charges are \$100 per SKU plus \$1 per unit on all mis-marked merchandise. **See Appendix C for more detail on Vendor Compliance Processing Charges**

Prepack Marking

See Section XVIII – Prepacks for marking instructions & examples

How to Attach UPC Tickets to Merchandise

The UPC ticket should be carefully placed on an item so that it will remain on the item until it is scanned at the point-of-sale terminal. UPC tickets for apparel must be attached to garments so that the customer may try them on without removing the tickets. *The Swift-Tac gun is the preferred method of attaching the UPC ticket to apparel.* Shoe manufacturers should attach the UPC ticket to the box containing the product. Sunglass manufacturers should attach the UPC to the frame.

Common problems found with attaching UPC tickets to garments.

- When the UPC ticket on a string tag is wrapped around a garment button, the ticket falls off when the customer tries on the garment.
- When a small brass safety pin attaches the UPC ticket to the garment, some customers remove the pin for ease in trying on the garment, without reattaching it. Some customers have taken the garment home, removed the pin, worn the garment, and returned to Dillard's in soiled condition. Using plastic attachments for UPC tickets stops this practice.
- If a plastic bag holds the item, do not imprint the UPC ticket directly onto the bag. High gloss reflection from the plastic bag or stretching of the ticket may occur and create scanning problems. Use a sticky white ticket and apply it to the plastic bag. If the UPC ticket is only attached to the item in the bag put a slit in the bag so that the ticket can be scanned. Private Label vendors that ship merchandise in a polybag must attach a “gen-ship” UPC to the polybag in addition to the UPC Ticket attached to the merchandise, refer to the Product Sourcing App on our vendor website <https://ebiz.dillards.com> for additional instructions.

Attaching UPC Ticket Examples

Example 1 - If UPC is on the back of the brand name hangtag

Step 1: Attach the hangtag with the brand name facing up.

Step 2: For shipping and receiving, the hangtag must be turned over in order for the UPC to be face up and scanned by the DC. Once the merchandise is received at the store it will be displayed with the hangtag facing up and the UPC facing the merchandise.



Step 1 Attach Brand Name Facing Up



Step 2 Turn Over so UPC is Facing Up

Example 2 - If UPC is on a separate ticket, attach to merchandise face up in order for the UPC to be scanned.



Pack and Ship UPC Side Facing Up

Section IX – RFID

Radio Frequency Identification (RFID) technology is being used in Dillard's Distribution Centers and Stores. We are committed to using this technology to improve product flow through our supply chain and inventory accuracy in our stores. This will require all vendors(excluding Cosmetics/Fragrance and Hard Home Vendors) to ticket all items with RFID encoded tags.

Today's RFID use cases are:

- 100% item level counts & audits in our distribution centers for cartons processed through the RFID tunnel
- Frequent product cycle counts and inventory level adjustments in our stores

Beginning with purchase orders with a start ship date of January 1, 2023, all vendors (excluding Cosmetics/Fragrance and Hard Home Vendors) will be required to apply **item level** RFID tags to all merchandise.*

Ideally, RFID tagging should occur at the point of manufacture as this enables vendors to utilize and gain benefit from the technology throughout their supply chain. Best practice is to *integrate the RFID into the UPC ticket*.

Dillard's values our vendor partnership and looks forward to working with you on this initiative.

Unique Serialized Electronic Product Code (EPC) tagging guidelines

- Each item must be encoded with a **unique serialized** EPC within the RFID tag...*see Example A*
- Include the EPC symbol on the ticket for visual identification of RFID...*see Example B*
- EPC should be locked as read only so it cannot be re-encoded
- Use the SGTIN-96 bit standard for encoding RFID tags
- Spec F or G from Auburn University's Approved Inlay List is required (except Sunglasses and Jewelry vendors should use Spec Q)...*see Example C for suggestions*
 - Inlays need to be integrated into the UPC ticket
 - UPC barcodes need to be UPC-A Symbology
 - Inlays should be as big as possible to fit in UPC ticket with these conditions:
 - Inlays cannot be present in the perforated side of a ticket
 - Inlays cannot be die cut
- RFID tags cannot be encoded in the Poly-bag *or* Prepack UPC ticket
- Send 5-10 sample RFID tags to Dillard's for compliance testing
 - 3 of the sample tags need to be the same UPC with different EPCs
 - Mail to
Dillard's
1600 Cantrell Road
Little Rock, AR 72201
Attn: EDI Marking Manager
 - Include your contact name, email & Dillard's vendor number with the sample tags, so we can notify you of the results

* See Appendix C for more details on Vendor Compliance Processing Charges

Dillard's follows the GS1 Standards for RFID encoding and inlays.

References to help you implement RFID tagging:

- "3 Steps to RFID Success": <https://site.gs1us.org/RFID-success.html>
- GS1 US website: <https://www.gs1us.org/industries/apparel-general-merchandise/implementation-resources/epc-item-level-readiness-program>
- General GS1 Standards and related information email: ApparelGM@gs1us.org
- Inlay Standards: <https://rfdarc.auburn.edu/temp/suppliers.php>

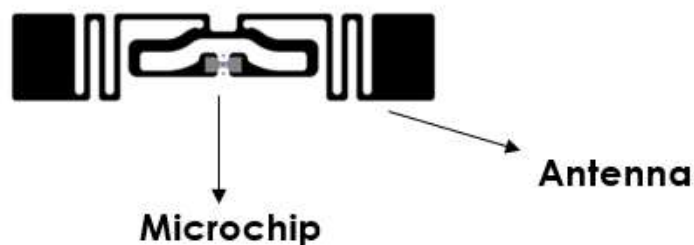
You can also contact Dillard's Vendor Relations via email vendor.compliance@dillards.com or call 501-376-5412

RFID Item Level Tagging Providers

If you do not have a source for RFID tags and would like a list of RFID tag providers some of Dillard's vendors currently use, please email vendor.compliance@dillards.com for a list.

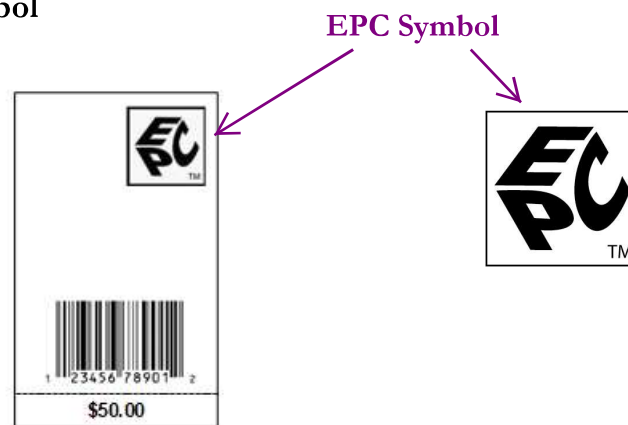
Example A

Each RFID tag consists of an Antenna & a Microchip, that stores the product's Electronic Product Code (EPC)



Example B

UPC ticket with EPC Symbol



Link for EPC logo graphic & usage guidelines: <https://www.gs1.org/standards/rfid/guidelines>

Example C

Link for approved **Inlays** by merchandise type

Product Category	Spec	Approved Inlays
Apparel	F or G	Inlays for Spec F: https://rfidarc.auburn.edu/temp/inlays/spec-f.php Inlays for Spec G: https://rfidarc.auburn.edu/temp/inlays/spec-g.php
Baby Gear	F or G	Inlays for Spec F: https://rfidarc.auburn.edu/temp/inlays/spec-f.php Inlays for Spec G: https://rfidarc.auburn.edu/temp/inlays/spec-g.php
Footwear	F or G	Inlays for Spec F: https://rfidarc.auburn.edu/temp/inlays/spec-f.php Inlays for Spec G: https://rfidarc.auburn.edu/temp/inlays/spec-g.php
Handbags	F or G	Inlays for Spec F: https://rfidarc.auburn.edu/temp/inlays/spec-f.php Inlays for Spec G: https://rfidarc.auburn.edu/temp/inlays/spec-g.php
Jewelry/Watches	Q	Inlays for Spec Q: https://rfidarc.auburn.edu/temp/inlays/spec-q.php
Luggage	F or G	Inlays for Spec F: https://rfidarc.auburn.edu/temp/inlays/spec-f.php Inlays for Spec G: https://rfidarc.auburn.edu/temp/inlays/spec-g.php
Soft Home	F or G	Inlays for Spec F: https://rfidarc.auburn.edu/temp/inlays/spec-f.php Inlays for Spec G: https://rfidarc.auburn.edu/temp/inlays/spec-g.php
Toys	F or G	Inlays for Spec F: https://rfidarc.auburn.edu/temp/inlays/spec-f.php Inlays for Spec G: https://rfidarc.auburn.edu/temp/inlays/spec-g.php