

BEST BUY CANADA



Goods Not For Resale Vendor Direct Import Routing and Shipping Guide

**Best Buy Canada
425 West 6th Avenue, Ste 102
Vancouver, BC V5Y 1L3**

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Introduction to the Guide

Dear Vendor,

Best Buy Canada Ltd. (Best Buy) has built strong relationships with our vendors during our growth to a national consumer electronics and appliance retailer. As business expands, it is important that we focus on operational efficiency. By working together, we can receive shipments to our facilities as efficiently and timely as possible.

The Goods Not For Resale (GNFR) Vendor Routing and Shipping Guide details Best Buy requirements for vendors shipping "GNFR" goods as opposed to "inventory goods". When a PO is accepted, the requirements of the guide are also accepted. Best Buy monitors all inbound shipments to our facilities to ensure they are in alignment with our requirements. If there is a need, we can work together to establish shipping procedures that will comply with our requirements.

Scope of the Guide

The instructions in the guide apply to courier, air and truck shipments of GNFR goods shipped to Best Buy under the following Incoterms® 2010:

- **Delivered At Place (DAP)**
 - The seller (vendor) is responsible for export clearance and delivery to the final location in Canada.
 - The buyer (BBY CA) is responsible for all import customs clearance formalities, including any payment of duties/taxes, and acts as the Importer of Record (IOR).

- **Free Carrier (FCA) (for air freight) / Free on Board (FOB) (for ocean freight or truck cross border)**
 - The seller (vendor) is responsible for export clearance and delivery to an agreed point at origin.
 - The buyer (BBY CA) is responsible for moving product from the agreed point at origin all the way to the final destination in Canada.
 - The buyer (BBY CA) is responsible for all transportation costs, import customs clearance formalities, including payment of any import duties/taxes, and acts as the Importer of Record (IOR).

The Guide Does Not Apply To:

The guide does not apply to vendors shipping under Incoterm **Delivered Duty Paid (DDP)**. DDP means the vendor is responsible for export clearance and delivery to an agreed point in Canada. The vendor, or their designate, handles the Canadian customs clearance and acts as the Importer of Record (IOR). The vendor is responsible for payment of duties/taxes under DDP Incoterms. The buyer (BBY CA) has no responsibilities under DDP Incoterms.

Samples/Demos/Vendor Displays for Use in Best Buy Stores

Samples, demos, and vendor displays for use in Best Buy stores are the responsibility of the vendor and must be sent under terms of "DDP".

IMPORTANT NOTE: Best Buy will not act as the Importer of Record for shipments intended to be sent under "DDP".

Locating the Guide

The guide is available at <https://partners.bestbuy.com/> Please review it periodically as it is updated bi-annually. We appreciate your cooperation and look forward to a successful partnership.

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Corporate Contact Information

Dept/Email	Phone	Fax
Canada Customs Compliance		
CAimportcompliance@bestbuy.com	(612) 291-8712	(612) 291-8860

Import/Export Logistics		
CHQTransportation@bestbuy.com	(905) 494-7082	

AP Vendor Services		
	(604) 435-8223	(604) 435-1733

Vendor Agreements		
Susan Leung (SLEUNG@bestbuycanada.ca)	Senior Manager Administration, Sourcing & Procurement	(604) 412-1728

E-Business		

Procurement Operations – IT and Non IT GNFR		
Anna Glowacka (aglowack@bestbuycanada.ca)	Team Lead – Procurement, Sourcing & Procurement	(778) 452-3225
Yishan Zhan (yzhan@bestbuycanada.ca)	Senior Coordinator, Sourcing & Procurement	(604) 412-1186
Purchasing@bestbuycanada.ca		

Product Information

2.0 Product information and Classification

Vendors may be asked to provide a specification sheet, an explanation of how the product is used and in some cases a sample of the product. This information is used to classify the product according to the rules of the Harmonized System of Tariff Classification (HS Tariff) of the Canada Border Services Agency (CBSA).

2.0A Country of Origin of Goods

The country of origin of invoiced goods is the country where the goods are grown, produced, or manufactured. Each manufactured article on the invoice must have been significantly transformed in the country specified as the country of origin to its present form ready for export to Canada. Certain operations such as packaging, splitting, and sorting may not be considered as sufficient operations to confer origin.

If the good has multiple components, the country of origin must be listed for each component. For example, if a product contains a bag and a pair of headphones manufactured in different countries, the product needs to be marked: "Headphones made in China; Bag made in Taiwan."

2.0B Marking of Imported Goods Requirement

The CBSA requires all imported goods to be marked with the country of origin. The purpose of the country of origin marking is to inform the ultimate purchaser of the country in which the imported article was made. The vendor is responsible to ensure the following:

- All products will be properly marked with country of origin, either on the goods themselves or on their immediate carton.
- If the good has multiple components, the country of origin must be listed for each component. For example, if a product contains a bag and a pair of headphones manufactured in different countries, the product needs to be marked:
 - Headphones made in China;
 - Bag made in Taiwan.
- The marking should be located in a conspicuous place where it can be seen with a casual handling of the article. The marking must be visible without disassembling the item or removing or changing the position of any parts.

Document Requirements

3.0 Required Shipping Documents

This section provides the required documents and process for submitting shipping documents to Best Buy or an approved Best Buy service provider.

1. Commercial Invoice or Canada Customs Invoice (Section 3.1)
2. Other Notations, Declarations, Statements, Certificates, Forms (Section 3.3)
3. Bill of Lading, Truck Bill of Lading, Air Waybill, or Courier Waybill

3.1 Commercial Invoice

Commercial invoices submitted for Customs clearance must be identical in quantity, price, and model/item to the invoice submitted for payment to Best Buy.

Only one PO per invoice and one invoice per PO is to be submitted. Multiple POs on one shipment are allowed, provided that separate invoices are created for each PO. However, two invoices must be created if shipping one PO via Full Truck Load (FTL) & Less than Truck Load (LTL). Any discrepancies may delay the shipment and will require revised documents to be submitted by the vendor. To ensure timely delivery and prevent shipping delays, a vendor must incorporate the following on the commercial invoice in English:

- Vendor – (seller, sold by, remit to, consignor, shipper) – Indicate the complete name, including the company name if applicable, and address (street, city, location) of:
 - (a) the party selling the goods to the purchaser; and/or
 - (b) the party consigning the goods to Canada.
- Purchaser’s name and address – (sold to, buyer, Importer of Record) –

Purchaser:	Customs Broker:
Best Buy Canada Ltd. 425 West 6 th Avenue, Suite 102 Vancouver, BC V5Y 1L3	Expeditors Canada Inc. Attn: Winnie Liu 200 - 21320 Gordon Way, Richmond, BC V6W 1J8 Phone (604)244-8543 Fax (604) 244-8503 Winnie.liu@expeditors.com

- Consignee – The name and address of the party to which the goods are being “shipped to” as shown on the Purchase Order
- Invoice number and date - recorded as the estimated date of departure
- If invoice is more than one page, each page will show the invoice number and a page number in consecutive order
- Best Buy PO number
- Part/SKU, Model Number and Brand name
- Quantity – Indicate the quantity of each SKU in the appropriate unit of measure.
- Unit Price and Total value of invoice in USD, for samples or articles of no commercial value, retail value must be stated for customs purposes
- Country of origin of goods – Section 2.0A
- Transportation: Give mode and place of direct shipment to Canada

- Conditions of sale and terms of payment – Describe the terms and the conditions agreed upon by the vendor and the purchaser. (Incoterms® 2010)
- Number of packages – Indicate the number of packages.
- Clear and detailed description of the merchandise
- Specification of commodities – The following information must be provided:
 - Kind of packages – Indicate the kind of packages (e.g., cases, cartons).
 - Marks and numbers – Indicate the descriptive marks and numbers imprinted on the packaged goods. The marks and numbers must be legibly placed on the outside of all packaged goods if possible.
- Total weight – Show both net and gross weight.
- All additional charges not included in the P.O. unit price, see Section 3.2
- If the vendor is utilizing a 3rd party for assistance in completing this transaction, these Commercial Invoice requirements must be communicated by the vendor to the 3rd party.

3.1A Commercial Invoice Example

Commercial Invoice - Page 1 of 1				
Vendor/Shipper	Purchaser/Sold to	Customs Broker	Consignee/Ship to	
XYZ Corporation 123 Main St. Des Moines, IA 52930 (555)555-1000	Best Buy Canada Ltd. 425 West 6 th Ave, Ste 102 Vancouver, BC V5Y 1L3	Expeditors Attn: Winnie Liu 200 - 21320 Gordon Way, Richmond, BC V6W 1J8 Phone 604-244-8543 Fax 604-244-8503 Winnie.liu@expeditors.com	Best Buy Store #928 1701 Merivale Road Nepean, Ontario K2G 3K2 Canada	
Invoice Number: 0123456 Invoice Date (Estimated Ship Date): 10/15/12 Incoterms: FCA PO: 6140000 Shipped via courier		*Invoice remitted to: Attention : Non-Merch Payables Dept PO Box 9450 Minneapolis, MN 55440-9450 United States		
Shipping Marks	Detailed Description	Quantity	USD Unit Value	USD SubTotal
Quantity per carton: 4 pc Model BEST115-0045 Country of Origin: United States PO: 6140000 Item: 1941-200561 Carton No. 50 of 50	SKU: 1941-200561 Holder - adhesive 8 x 4 Silver (4 per package) Country of Origin: United States Gross Weight: 2kgs Net Weight 1.7 kgs Total Gross 400 kgs/Net 340 kgs	200	\$10.00	\$2,000.00
"All wooden pallets and WPM contained within this shipment are of Canadian or United States origin. No foreign WPM is contained within this shipment."				Total Value USD \$2000

*Invoice remittance address for PO's with the following formats:

MyStore (PO# 1000xxxxxx) & GBS Procurement (PO# 61xxxxx)

3.2 Special Commercial Invoice Considerations

3.2A Sets

If a SKU is comprised of more than one item or accessory, contact the **Canada Customs Compliance** department for additional invoice and marking requirements.

3.2B Sample/additional "Free" Goods

If the vendor includes in their shipment to Best Buy a "free" good such as a promotional CD, free signage, a product display kit, or any other good that is not included in the cost of the other goods, the "free" good must be listed as a separate line item on the commercial invoice. A reasonable value, which can be thought of as a replacement value or the value one would expect to pay for an identical good, must be applied to the good with the words "Value for Customs Purposes Only" indicated. The country of origin of the free good must also be listed and may be different than the country of origin for the remaining goods.

3.3 Other Notations, Declarations, Statements, Certificates, Forms

3.3A Statement of Wood Packing Material (SWPM)

Best Buy generally does not allow the use of wood packing material with any shipment. In the instances where no wood packing material was used the following statement must appear on company letterhead, the commercial invoice or the packing list:

"No wood packing materials were used in this shipment."

If Best Buy makes an exception and wood packing material is approved, the vendor is responsible for making sure the shipment complies with new regulations for Wood Packing Materials outlined in ISPM #15.

"Wood packing materials were used for this shipment and have been appropriately marked according to IPPC standards."

3.3B Cross Border Exemption for WPM

Wood Packing Material (WPM) made entirely of Canadian origin wood or U.S. origin wood is exempt from the treatment and marking requirements in trade between these two countries only. The exception only pertains to WPM coming directly to Canada from the U.S. (as defined by Canada) or directly to the U.S. (as defined by USDA) from Canada.

If the origin of the goods is from overseas and the goods are coming directly from the U.S. into Canada, Customs will hold that the origin of the WPM also from overseas; overseas origin WPM need to be treated and marked. A mark is required, not a statement. However, if goods are repacked into a U.S. WPM then the following statement must be on the invoice:

"All wooden pallets and WPM contained within this shipment are of Canadian or United States origin. No foreign WPM is contained within this shipment."

3.3C Lithium Battery Requirements

The Lithium Metal and Lithium Ion Batteries transportation guideline set by IATA must be followed. Please see more details at <https://www.iata.org/whatwedo/cargo/dgr/Documents/lithium-battery-shipping-guidelines.pdf>

3.3D U.S. – Mexico – Canada Agreement (USMCA) formerly NAFTA

A trade program available to Best Buy is USMCA. The USMCA entered into force on July 1, 2020. The benefits of this program include duty-free treatment for merchandise imported between U.S., Canada and Mexico. In order to qualify for the duty reduction of USMCA, the exporter must certify that the product qualifies and document this annually to Best Buy. Eligibility for USMCA is based primarily on where the product “originated.”

When goods sold to Best Buy are USMCA eligible, vendors must provide a valid blanket USMCA Certificate of Origin (USMCA CO) that is part specific and will be easy to cross reference with the goods listed on the commercial invoice for each shipment.

Best Buy Global Import Compliance (GIC) will reach out to vendors that have previously imported goods from a USMCA originating country by the end of each calendar year to request a blanket USMCA certificate for the following calendar year (01-01-20xx-12-31-20xx). If the goods are USMCA eligible, please complete the forms and return the valid USMCA certificate to the requestor.

The USMCA CO must be completed and signed by the exporter of the goods. Exporters that complete a USMCA CO must notify Best Buy of any change that could affect its accuracy or validity. The form template can be accessed at: <https://www.cbp.gov/document/guidance/certification-origin-template>

Transportation

4.0 Shipment Information

If Incoterms® of FCA are negotiated; Best Buy and their carriers will move shipments from the product delivery point to Canada. Penalties will be imposed if outside carriers are used.

4.1 GNFR Purchase Orders

The Global Business Services group is responsible for GNFR procurement for Best Buy, Corporate Head Office (CHQ) and our distribution centres. GNFR goods may be destined for new store openings, projects, or maintenance of existing stores. A GNFR Order is a *Maintenance Order* or an *NSO/Project Order* that:

- Is generated from MyStore (PO# 1000xxxxxx) and sent by GNFR_Orders@bestbuycanada.ca
- Is created by GBS Procurement (PO# 61xxxxx) and sent by PORequest@bestbuycanada.ca.

4.2 GNFR Shipping Instructions

If shipping instructions are included in the order, they must be followed. Typically, goods are shipped by the preferred courier (UPS) or the approved cartage vendor. Vendors are asked to contact Best Buy in advance for approval from the Buyer if alternate shipping arrangements are required.

Communications regarding orders and updates are to be discussed directly with the Procurement team by email or telephone. Orders are to be confirmed via email to the Buyer who sent you the purchase order (PO) or Logistics Coordinator, confirming with ready ship date(s).

4.2A BBYC Preferred Carriers Matrix

For GNFR Purchase Orders only as defined in Section 4.1, refer to this matrix to determine which Carrier to use for each Pick-up Request:

NSO / Projects (for New Store Opening, Reno, Relo, etc.)			
WEIGHT < 120 LBS	UPS Account Number:	A5319W	
	Email Tracking Info to:	Transportation:	CHQTransportation@bestbuy.com
		PO Request:	porequest@bestbuycanada.ca
WEIGHT > 120 LBS (palletized shipment)	Contact:	Transportation:	CHQTransportation@bestbuy.com
MAINTENANCE AND/OR MYSTORE (for Existing Stores)			
WEIGHT < 120 LBS	UPS Account Number:	94E19R	
	Email Tracking Info to:	Transportation:	CHQTransportation@bestbuy.com
		Yishan Zhan:	yzhan@bestbuycanada.ca
WEIGHT > 120 LBS (palletized shipment)	Contact:	Transportation:	CHQTransportation@bestbuy.com
		Yishan Zhan:	yzhan@bestbuycanada.ca

4.2B Pickup Request Form

All vendors who receive a GNFR PO from Best Buy Canada Ltd (BBYC) which requires a pick-up by BBYC's preferred Carrier (Other than UPS) must complete the **BBYC GNFR Order Pick-Up Request Form** (next page).

Instructions on how to fill out the Form:

1. Review the **BBYC Preferred Carriers matrix/guide** (located at the top of the Form or in Section 4.2A) to determine the correct/preferred Carrier to use, based on the type of Order being shipped.
 - a. If you determine that the Order can be shipped via UPS, you do not need to fill-out the Form. (Note: If you do not have a UPS solution, please contact CHQTransportation@bestbuy.com)
 - b. If you determine UPS is not the correct/preferred Carrier, please proceed to Step 2 (please see sample Form on next page).
2. Please select only one Order Type:
 - a. Select NSO if the order is for a new store. Then select either EAST or WEST, and enter the Province and Store# (this information can be found from the PO copy).
 - b. Select MAINTENANCE if the order is for an existing store.
3. Fill out all the remaining fields in the Form, and then email the completed Form to the designated recipients, as indicated in the *matrix/guide*.
4. Once the Carrier receives your completed Form, they will be contacting you to arrange the pick-up of the Order.
 - a. The designated BBY carrier should provide the vendor/shipper with a bill of lading (BOL) after the designated BBY carrier has arranged pick-up with the vendor.
 - b. When the carrier arrives to pick-up the order, the vendor/shipper needs to match the details on their copy of the BOL to the copy of the BOL provided by the driver. The following details have to be cross-referenced to ensure the correct PO is being dispatched and to reduce delays at the border:
 1. BOL reference number
 2. BBY PO reference number
 3. Ship-to address
 4. Carrier information
 5. In case of any discrepancies, the vendor/shipper needs to contact the carrier and/or the buyer for clarification.

BBYC GNFR ORDER PICK-UP REQUEST FORM

BBYC PREFERRED CARRIERS <i>(refer to this matrix guide to determine Carrier to use for this Pick-up Request)</i>		
ORDER TYPE	NSO / PROJECTS <i>(for New Store Opening, Reno, Relo, etc.)</i>	MAINTENANCE <i>(for Existing Stores)</i>
Weight < 120 lbs	<i>UPS Account Number: A5319W and send tracking info to Rob and Chad @ CHQTransportation@bestbuy.com</i>	<i>UPS Account Number: 94E19R and send tracking info to Rob and Chad (CHQTransportation@bestbuy.com) & Yishan Zhan (yzhan@bestbuycanada.ca)</i>
Weight > 120 lbs <i>(palletized shipment)</i>	<i>Rob and Chad (CHQTransportation@bestbuy.com) & Yishan Zhan (yzhan@bestbuycanada.ca)</i>	

Please Select only one Order Type	NSO	EAST	PROVINCE:	STORE #:
	or	WEST		
	MAINTENANCE <i>(orders for existing Stores)</i>			

PO#:	Declared PO Value:
-------------	---------------------------

SHIP FROM	
<i>Vendor Name:</i>	<i>Contact Person:</i>
<i>Pick-up Address:</i>	<i>Email:</i>
	<i>Tel #:</i>
	<i>Fax #:</i>
PICK-UP DATE	TIME:

SHIP TO	
<i>Location Name / Store#:</i>	<i>Contact Person:</i>
<i>Delivery Address:</i>	<i>Email:</i>
	<i>Tel #:</i>
	<i>Fax #:</i>
<i>Special Instructions:</i>	

Pick-up / Release Number:

Shipping Hours: OPEN: _____ CLOSE: _____

	Length "(INCHES)	Width "(INCHES)	Height "(INCHES)	Pcs/Ctn	Weight (lbs)
1					
2					
3					
4					
5					
6					

Please ensure that all guidelines regarding documentation in Section 3 are followed regardless of method of shipment. Should you have any other questions regarding this **GNFR Order Pick-Up Request Form**, please email Purchasing@bestbuycanada.ca.

4.2C UPS Shipping

When vendor initiates a shipment via UPS, vendor must choose the correct billing terms to avoid delays and billing issues. Contact the Buyer or Logistics Coordinator to determine the correct UPS account to use for the shipment and use the chart below to choose the correct billing terms:

Incoterms®2010	Bill Transportation	Bill Duty and Tax to
Delivered at Place (DAP)	Shipper or Vendor	Receiver (*Do not choose 3rd party or input an account #)
Free Carrier At (FCA)	3 rd Party Receiver (Best Buy Canada)	Receiver (*Do not choose 3rd party or input an account #)

When shipping via UPS WorldShip® and preparing your invoice using this system: under the documents tab, please ensure that you click the "Importer (Sold to) Same as ship to" box. A new dialogue box will open and the shipper will provide the following Best Buy address.

Best Buy Canada Ltd.
425 West 6th Ave, Ste 102
Vancouver, BC V5Y 1L3

The Best Buy PO# must be shown on this document. In addition, if a 3rd party is going to be the actual shipper, this requirement, as well as actual transaction value, must be communicated to the 3rd party.

If you are not creating an invoice using UPS WorldShip®, please ensure that you have chosen the appropriate billing terms as shown above.

4.3 Carrier Process for Truck Shipments

The carriers must supply the following shipment information to **Expeditors Canada Inc.**, the Customs broker listed on the commercial invoice. The carrier must provide one cargo document/PARS per Bill of Lading (BOL).

<u>Pre-Arrival</u>	<u>Post-Arrival</u>
PARS (Pre-Arrival Review) barcode number	Cargo control document (A8A or manifest)
Intended port of entry (border crossing)	Port of clearance
Estimated time of arrival at border	Sufferance warehouse location code

The carrier must submit the required shipping documents listed in Section 3.2 and carrier information listed in Section 4.3 to both Expeditors Canada Inc., the Customs broker listed on the commercial invoice (yvr-traffic@expeditors.com), and to CAimportcompliance@bestbuy.com:

Via email or fax during regular business hours, 8:00 am to 5:00 pm, Monday thru Friday

Expeditors Canada Inc.
Attn: Winnie Liu
200 - 21320 Gordon Way
Richmond, BC V6W 1J8, Canada

Upon receipt, both the Customs broker and Best Buy Canada Import Compliance team will verify the documents and if no document discrepancies exist, the Customs broker will submit an entry for clearance within four hours of receipt of the documents.

CBSA allows pre-arrival entry or clearance of air or truck shipments as long as the carrier or sufferance warehouse is capable of electronically "arriving" the shipment. The broker must receive required information and documents at least **four hours prior to arrival for Pre Arrival Release (PARS)**. On average, the CBSA processes PARS within one hour of submission and returns an accepted message to the Customs broker. Carriers are encouraged to check their PARS prior to arriving by calling Expeditors Canada Inc. For Post Arrival Release, documents may be submitted via email, fax or hard copy and entry will be based on receipt. Upon release, the sufferance warehouse will receive a Release Notification Message directly from the CBSA. **Please Note ** Shipments arriving without proper notification and outside of the hours listed above may not be released until the next business day ****

4.4 Third Party Drop Shipments

If Best Buy places a Purchase Order with a company based in Canada, the expectation is the shipment will move wholly within Canada. If the Canadian vendor employs a third party and the third party engages in a drop shipment originating outside Canada, Best Buy Canada's vendor will be responsible for all obligations to Canada Border Services Agency (CBSA), including being the Canadian Importer of Record on the Customs Entry.