



For Immediate Release

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**Uniform Code Council, VICS, ECCC, and UCCnet to
Support Major Initiative to Reduce Supply Chain Costs and
Improve Collaborative Commerce in Hardlines Industry**

*Lowe's, Ace Hardware, and Wal-Mart Urge Suppliers to Support
Common Data Standards, Subscribe to UCCnet*

LAWRENCEVILLE, NJ June 9, 2003 — The Uniform Code Council, Inc. (UCC), leaders in facilitating efficient international business, announced they have joined forces with the Voluntary Interindustry Commerce Standards Association (VICS), the Electronic Commerce Council of Canada (ECCC), and leading retailers and manufacturers to support a new initiative aimed at reducing supply chain costs and improving collaborative business practices in the North American hardlines industry. To support this initiative, major retailers, including Lowe's Home Improvement, Ace Hardware, and Wal-Mart are urging their trading partners and suppliers to adopt and use common data standards, product registration, and data synchronization to improve the automated continuous exchange of supply chain information.

An industry study conducted by A.T. Kearney estimated that \$40 billion, or 3.5 percent of total sales, are lost each year due to supply chain information inefficiencies. During the fall of 2002, A.T. Kearney conducted another study of three suppliers and three retailers that resulted in the conclusion that financial benefits could be realized in the neighborhood of 10 basis points or 0.1% of sales dropping to EBIT (Earnings Before Interest and Tax). The benefits were the result of business process changes adopted by

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the retailers and separately by the suppliers who have implemented UCCnet industry utilities.

As the foundation of this effort, which began in the American Hardware Manufacturers Association (AHMA), Lowe's, Ace, and Wal-Mart are now asking their suppliers to join the UCC or the ECCC (for Canadian-based vendors), and implement the global standards of the EAN.UCC System. Currently used by nearly one million companies conducting business in over 140 countries, the EAN.UCC System provides 23 major industries with standards to uniquely identify products, assets, locations, and logistics units, as well as corresponding electronic communications.

The Global Trade Item Number (GTIN), one of the most implemented standards of the EAN.UCC System, allows trading partners to uniquely identify trade items across the global supply chain. The use of GTIN enables trading partners to streamline and simplify supply chain practices and improve inventory management and replenishment processes.

Ace Hardware is among those industry leaders who have requested its suppliers support this initiative. In January 2003, they issued a letter to their 2,400 suppliers asking them to join the UCC. They have also requested suppliers subscribe to UCCnet, a not-for-profit subsidiary of the UCC, to begin the process of implementing UCCnet's product registration service.

"The first step to improving all around operating efficiencies is for all trading partners to speak the same business language," said Greg Lenard, Director of Inventory Control for Ace Hardware. "By implementing the standards of the EAN.UCC System, our industry will build the foundation to collectively improve our common business practices," he said.

UCCnet Provides Foundation for Collaborative Commerce

Hardlines industry leaders agree that collaborative commerce is a critical business priority. UCCnet, the global, standards-based subsidiary of the UCC, provides a common means for companies and industries to exchange and communicate data that is accurate, up-to-date, and standards-compliant. In Canada, ECCC put in place a sub-committee for hardlines Canadian suppliers and retailers to insure that Canadian requirements are integrated and consistent with UCCnet. By subscribing to UCCnet, trading partners can be assured that they are communicating "clean" supply chain data, enabling them to reduce costly administrative errors in invoice pricing, purchase orders, product delivery and scanning. In addition, trading partners increase the speed of getting new products to market and facilitate changes to existing product information.

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Wal-Mart, who has been using UCCnet's standards-based GLOBALregistry® and synchronization services since 2002, has more than 75 suppliers that have implemented UCCnet's services. "By utilizing UCCnet, we are able to trade more accurate item information, in a quick, normalized, and cost effective manner that eliminates the need for manual forms that have proven to be slow and error-prone," said Bruce Hawkins, Sr. Strategic Architect of Merchandising Systems for Wal-Mart. According to Randy Salley, Vice President of Merchandising Services for Wal-Mart and a member of the VICS Board of Directors, by using UCCnet services, Wal-Mart was able to address the data accuracy of the items they synchronized, reduce item maintenance from 15 to 30 days to one day, and demonstrate market share increases with the early arrival of new items. UCCnet is currently conducting a series of web-based seminars with Lowe's, Ace, and Wal-Mart, to educate their suppliers on the benefits of implementing UCCnet to improve supply chain efficiency and collaborative business processes.

Benefits of Collaborative Commerce

By implementing the standards of the EAN.UCC System and subscribing to UCCnet, companies will also reduce the workload of its employees. Lowe's Home Improvement Warehouse estimates it will save 44,400 hours handling merchandising activities, 17,543 hours on payables activities, and 5,200 hours on marketing activities annually. "It is our hope that by developing and implementing a common approach for electronically synchronizing product content information within our industry, Lowe's and its vendors will save both time and money while improving service levels for our mutual customers," said Matt Deeter, Vice President of Merchandising Operations for Lowe's Home Improvement Warehouse.

For additional information on becoming either a UCC or ECCC member and implementing the global standards of the EAN.UCC System, visit www.uc-council.org (U.S.-based companies), or www.eccc.org (Canadian-based companies). For information about becoming a member of VICS or participating in one of its other Board Committees, such as VICS CPFRR®, Floor-Ready Merchandise, or Logistics, please visit www.vics.org. For more information about UCCnet's GLOBALregistry, please visit www.uccnet.org.

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About the Uniform Code Council

The Uniform Code Council, Inc. (UCC) is a not-for-profit organization dedicated to the development and implementation of standards-based, global supply chain solutions. Under its auspices, the UCC operates two wholly owned subsidiaries, UCCnet and RosettaNet, and it co-manages its global EAN•UCC System

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with EAN International. UCC-based solutions, including business processes, XML standards, EDI transaction sets, and the bar code identification standards of the EAN.UCC System are currently used by more than one million member companies worldwide. For more information about the Uniform Code Council, please visit www.uc-council.org.

About UCCnet

UCCnet is a not-for-profit, tax-exempt neutral organization that provides item registry and data synchronization based on industry-developed standards. UCCnet provides a foundation for electronic commerce and cost effective transaction of data among partners. Through its support of global EAN•UCC standards, UCCnet delivers an open platform for collaborative commerce services, including compliance verification, synchronization of product information, registry and lifecycle management of synchronized products, user locations and user trade capabilities. As a subsidiary of the Uniform Code Council, Inc., the global standards organization, UCCnet leverages its position to enable the rapid, clear development of industry Internet standards and practices. In addition, UCCnet certifies technology solution providers and provides implementation methodology, allowing small, medium and large enterprises to implement item registry and data synchronization services into their business in a swift and efficient manner. For more information, visit www.UCCnet.org.

About the Voluntary Interindustry Commerce Standards (VICS) Association

The mission of the VICS Association is to take a global leadership role in the ongoing improvement of the flow of product and information about the product throughout the entire supply chain in the retail industry. The Association's overall global objective is to improve product availability to the consumer by providing leadership and encouragement in the identification, development and implementation of volunteer standards, protocols, guidelines, and other mechanisms, which when properly utilized, are expected to lead to better anticipation of, and reaction to, changes in consumer demand for these products with the subsequent optimization of production and carrying costs. For additional information, visit www.vics.org.

About the Electronic Commerce Council of Canada (ECCC)

The Electronic Commerce Council of Canada is the not-for-profit, industry led organization that promotes and maintains global standards for the identification of goods, locations and related e-commerce communication such as bar code issuance and maintenance. As an EAN International Member Organization, ECCC represents Canada in the continuing development of the global language of business. Full members of ECCC receive exclusive rights to a globally-unique Company Prefix, an essential component to creating industry-compliant bar codes (also known as UPCs or GTINs). ECCC also offers ECCnet, Canada's National Product Registry, for synchronized data exchange. Product listing through ECCnet is already a standard term and condition of trade in the Canadian Grocery and Pharmacy Sectors. In addition, the Foodservice Sector amended its standard term and condition of trade, effective December 31, 2003, to include ECCnet. ECCC also has other service offerings such as [Image & Dimension Services](#), [Bar Code San Verification](#), and the [Workplace Hazardous Material Information System Service](#). Membership with ECCC includes industry education and toll-free assistance for these service offerings. For more information on ECCC, please visit www.eccc.org.