

## Expansion of the Frustration-Free Packaging Incentive Program

Date of Letter: 6/1/2021

Hello,

As a founding member of The Climate Pledge, we are working toward meeting our commitment to be net zero carbon across our business by 2040, 10 years ahead of the Paris Agreement.

In order to reach that goal, we are continuously expanding our Frustration-Free Packaging (FFP) programs by collaborating with Vendors around the world to grow the proportion of packaging that is easy-to-open, 100% recyclable, and can be shipped without adding protective packaging to yours.

Since 2015, we have reduced the weight of outbound packaging per shipment by more than 36%, and eliminated more than 1 million tons of packaging materials.

Encouraged by our results and positive customer feedback, we are expanding the opportunity to innovate with you on Frustration-Free Packaging.

Under the expanded program, newly certified FFP and Tier 2 Ship in Own Container (SIOC) packages that maintain or reduce dimensional volume will be eligible for incentives ranging from \$0.08 to \$6.49 for each unit received. The incentive amount is determined by SIOC or FFP certification and the overall volume reduced from the starting package size. ASINs that have been converted to SIOC/FFP will receive incentives based on units received at fulfillment centers from October 1, 2021 through December 31, 2022.

### Eligibility:

- Packaging must meet minimum dimension requirements of at least 6 inches (longest side) x 4 inches (median side) x 0.375 inches (shortest side).
- **Eligible Sort:** Packages greater than 80 cubic inches in volume or between 5lbs – 20lbs in weight, with dimensions less than (or equal to) 18 x 14 x 8 inches.
- **Eligible Non-Sort:** Packages between 20lbs – 50lbs in weight or at least one dimension that exceeds the 18 x 14 x 8 inches thresholds for Sort, less than 18,000 cubic inches in volume, and less than 108 inches in length.

Our current chargeback of \$1.99 per unit for uncertified Non-Sortable ASINs will remain in place. We are not expanding chargebacks to Sortable ASINs at this time.

We hope you will take advantage of this incentive by participating in our expanded FFP program, which includes the following benefits:

- Enhance brand equity by meeting customers' requests for less packaging waste, while enjoying the convenience of online shopping
- Contribute to your own sustainability goals
- Elimination of FFP/SIOC Chargebacks for Non-Sortable ASINs and reduction or elimination of Prep chargebacks
- Lower packaging costs and inbound transportation costs
- Lower damage rates and fewer returns, which in turn will accelerate topline growth

To further simplify the testing process, you will be able to take an online training course to complete the self-testing drop sequence for non-fragile (fragile: glass, ceramic, porcelain, clay, liquid) products that weigh less than 50lbs, and then submit the results to Amazon for validation. Our Amazon Packaging Lab is now available to test any products that are fragile and weigh less than 50lbs. For packaging that weighs more than 50lbs, continue to leverage our Amazon Packaging Services and Suppliers (APASS) network to assist with converting to FFP/SIOC.

Our dedicated Amazon packaging [website](#) offers step-by-step instructions for the FFP/SIOC certification process, a new incentive calculator, case studies, and many other resources.

For more information on ASIN certification, incentive payments and eligibility, sign into Vendor Central and go to Help > Frustration-Free Packaging program incentive expansion [FAQ](#).

We are excited to continue collaborating with you on behalf of our customers, our communities, and our planet.

*The Amazon Customer Packaging Experience team*

### **Frustration-Free Packaging Program Incentive Expansion - Vendor Central Help Content**

A key part of meeting Amazon's Climate Pledge includes the continued expansion of our Frustration-Free Packaging (FFP) and Ship in Own Container (SIOC) programs, to develop product packaging that is ready to ship to customers without an additional box.

The **Frustration-Free Packaging program incentive expansion** offers payments for ASINs certified as FFP or SIOC, which maintain or reduce their overall packaging dimensions between October 1, 2021 and December 31, 2022.

#### **Program eligibility**

The program is eligible for all uncertified Sortable and Non-Sortable ASINs with dimensions equal to or greater than 6 x 4 x 0.375 inches. This means that the longest side is a minimum of 6 inches, the median side is a minimum of 4 inches, and the shortest side is a minimum of 0.375 inches.

The box must also be less than 108 inches in length, weigh less than 50lbs, and have a minimum volume of 80 cubic inches and a maximum volume of 18,000 cubic inches.

- **Eligible Sort:** Packages greater than 80 cubic inches in volume or between 5lbs – 20lbs in weight, with dimensions less than (or equal to) 18 x 14 x 8 inches.
- **Eligible Non-Sort:** Packages between 20lbs – 50lbs in weight or at least one dimension that exceeds the 18 x 14 x 8 inches thresholds for Sort, less than 18,000 cubic inches in volume, and less than 108 inches in length.

#### **Requirements**

All products eligible for the incentive program must meet the minimum criteria and, after qualifying for SIOC or FFP, maintain or reduce the dimensional box volume of the ASIN.

To receive the incentive, you must submit images of the previous packaging and compare it to the new packaging, showing clearly the change in dimensions.

To enroll an ASIN for certification, use **Contact us > Amazon Packaging Certification > Enroll and certify ASINs**. Make sure to provide a completed test report, an ASIN enrollment form, product size images, and all vendor codes for which the ASIN should be certified. It typically takes three weeks to process an enrollment request.

Once an ASIN is certified, you will receive confirmation of the packaging certification type (SIOC or FFP) and, if eligible, receive an incentive amount that corresponds to the volume reduction achieved.

New ASINs are also eligible to receive the incentive after SIOC or FFP certification, and able to demonstrate a reduction of overall packaging dimensions compared to a previous version of the product.

#### **Reduction levels per incentive**

Newly-certified SIOC or FFP packages that maintain or reduce dimensional volume between October 1, 2021 and December 31, 2022 will be eligible for incentives ranging from \$0.08 to \$6.49 per unit received. The incentive amount is determined by the starting size of the package and how much dimensional volume is reduced.

The table below shows Amazon's incentive ranges for volume reductions. The incentive you receive equals the number of units you send to Amazon between October 1, 2021 and December 31, 2022, multiplied by your incentive per unit. Your incentive per unit is the sum of the SIOC certification incentive, the cube (box volume) reduction incentive, and the FFP incremental incentive, if applicable.

Size range	SIOC incentive	FFP incentive	Incentive per cubic inches box volume reduction
Eligible Sort	\$0.0810	\$0.0810	\$0.0011
Eligible Non-Sort	\$0.5450	\$0.5450	\$0.0006

**Note:** Our incentive range for a Sort volume reduction is 1 to 1000 cubic inches

Our incentive range for a Non-Sort volume reduction is 1 to 9000 cubic inches

Go to [Frustration-Free Packaging Program Incentive Expansion FAQ](#).

For more information about the chargeback for uncertified Non-Sortable ASINs, go to [About Frustration-Free Packaging/Ships In Own Container chargeback](#) [About Frustration-Free Packaging/Ships In Own Container Chargeback](#).

You can review incentive payments in the Operational Performance dashboard, alongside our recommendations to avoid chargebacks.

For more information about incentives and the certification process, review our [packaging website](#)

### **Frustration-Free Packaging Program Incentive Expansion – Vendor FAQ**

Newly certified Frustration-Free Packaging Program or Ship in Own Container packages that maintain or reduce dimensional volume will be eligible for incentives for each unit received between October 1, 2021 and December 31, 2022.

#### **How does Amazon determine which ASINs are eligible for the FFP program incentive expansion?**

The list of eligible ASINs (Sort and Non-Sort) that meet requirements is available to download via **Reports > Operational Performance**, by clicking on Ship in Own Container. This includes ASINs from both FFP and SIOC. If you believe your ASIN was incorrectly included or excluded from this list, use **Contact Us > Amazon Packaging Certification** to update your item dimensions.

#### **How do I determine if my ASIN is Sort or Non-Sort?**

The minimum dimensions to qualify as FFP or SIOC are 6 x 4 x 0.375 inches. Any packaged item with its longest side at a minimum of 6 inches, median side at a minimum of 4 inches, and shortest side at a minimum of 0.375 inches. All products eligible for the incentive program must meet these minimum criteria while maintaining or reducing the dimension cube of the ASIN after qualifying for SIOC or FFP.

- **Eligible Sort:** Packages greater than 80 cubic inches in volume or between 5lbs – 20lbs in weight, with dimensions less than (or equal to) 18 x 14 x 8 inches.
- **Eligible Non-Sort:** Packages between 20lbs – 50lbs in weight or at least one dimension that exceeds the 18 x 14 x 8 inches thresholds for Sort, less than 18,000 cubic inches in volume, and less than 108 inches in length.

#### **How do I certify my ASIN?**

Take an online training course via our [packaging website](#) to complete the self-testing drop sequence for non-fragile (fragile: glass, ceramic, porcelain, clay, liquid products) that weigh less than 50lbs, and then submit the results to Amazon for validation.

Fragile items and liquids will still require a complete ISTA-6 SIOC test including both the drop and vibration testing sequences. For fragile products that weigh less than 50lbs, the Amazon Packaging Lab is now available to complete the ISTA-6A testing method. For packaging that weighs more than 50lbs, continue leveraging our Amazon Packaging Services and Suppliers (APASS) network to assist with converting to FFP/SIOC.

More information on testing with Amazon can be found via [ISTA](#) or on our [packaging website](#) under APASS.

To enroll an ASIN for certification, use **Contact us > Amazon Packaging Certification > Enroll and certify ASINs**. Make sure to provide a completed test report, an [ASIN enrollment form](#), product size images, and all vendor codes for which the ASIN should be certified. It typically takes three weeks to process an enrollment request.

## What do I need to provide in order to receive an incentive payment?

To receive the incentive, you must submit images of the previous packaging and compare it to the new packaging, showing clearly the change in dimensions.

Once an ASIN is certified, you will receive confirmation of the packaging certification type (SIOC or FFP) and, if eligible, receive an incentive amount that corresponds to the volume reduction achieved.

## What happens if I certify an ASIN as SIOC or FFP between October 1, 2021 and December 31, 2022?

If you certify an ASIN as SIOC/FFP during this incentive window, you will receive incentive payments from the time the ASIN is SIOC/FFP certified until December 31, 2022. For example, if you certify an ASIN as SIOC/FFP in February 2022, you will receive 10 months of incentive payments from February until December 31, 2022.

## Can you give examples of incentive payments?

Sort plus FFP certification and Cube Compression: ASIN with outer packaging dimensions of 15 inches x 13 inches x 5 inches (975 cubic inches) falls within Sort as each dimension is equal to or below 18 inches x 14 inches x 8 inches and equal to or greater than 80 cubic inches. Re-designed packaging is certified SIOC and FFP, with dimensions reduced to 15 inches x 12.9 inches x 4 inches (774 cubic inches), for total cube reduction of 201 cubic inches. Incentive savings: SIOC incentive: \$0.0810 + Cube reduction incentive: \$0.2211 + FFP incremental incentive: \$0.0810 = \$0.3831 per unit received for one year. The ASIN ships 10,000 units in the next 12 months, and the total incentive earned is \$3,831.

Non-Sort plus Cube Compression: ASIN with outer packaging dimensions of 19 inches x 13 inches x 2 inches (494 cubic inches) is Non-Sort, as it exceeds at least one Sort size threshold. This ASIN incurs a \$1.99 chargeback per unit today. Re-designed packaging is certified SIOC only (no FFP), with dimensions reduced to 19.0 inches x 13.0 inches x 1.7 inches (420 cubic inches), for total cube reduction of 74 cubic inches. Incentive savings: SIOC incentive: \$0.5450 + Cube reduction incentive: \$0.0444 + Chargebacks avoided: \$1.9900 = \$2.5794 per unit received for one year. The ASIN ships 10,000 units in the next 12 months, and the total incentive earned is \$25,794.

Non-Sort w/Cube Increase: ASIN with outer packaging dimensions of 17 inches x 15 inches x 6 inches (1,530 cubic inches) is Non-Sort, as it exceeds at least one Sort size threshold. This ASIN incurs a \$1.99 chargeback per unit today. Re-designed packaging is certified SIOC only (no FFP) by applying a 1/8 inches corrugated box around the existing packaging, with new dimensions of 17.3 inches x 15.3 inches x 6.5 inches (1,721 cubic inches). Non-Sort ASIN is certified SIOC and no longer incurs a chargeback (\$1.99), but is not eligible for a cube reduction incentive as cube increased by 191 cubic inches or 11.1%, which exceeds the allowed 10% cube threshold increase for Non-Sort ASINs. The ASIN ships 10,000 units in the next 12 months, and there is no SIOC or FFP incentive, but \$19,900 in fee avoidance.

## Are new ASINs eligible to receive an incentive?

Yes, new ASINs are eligible to receive an incentive during the incentive period if they are certified as SIOC or FFP, and maintain or reduce packaging volume compared to a previous version of the ASIN.

## My ASIN is currently certified as SIOC. Can I reduce packaging to earn an incentive?

Yes. As long as your re-designed package also passes SIOC certification, you will be eligible to receive FFP and cube reduction incentives, but not the SIOC incentive for changes made.

## What happens if my ASIN gets decertified?

If a certified ASIN exceeds damage rates guidelines, Amazon will automatically decertify the ASIN and begin shipping in Amazon packaging. Units will not receive an incentive while the ASIN is decertified. If the ASIN is recertified between October 1, 2021 and December 31, 2022, it will continue to earn an incentive until the incentive window closes. More details can be found at [Reports > Operational Performance](#).

## Are secondary ASIN certifications eligible for the incentive payment?

Yes, as long as secondary ASINs (defined as color, flavor, or scent variants of the Primary ASIN) are enrolled at the same time as the primary reference ASIN. Learn more about secondary [ASIN certifications rules](#).

## How will I receive my incentive payments?

Beginning October 1, 2021 until December 31, 2022, incentive payments will be paid directly via invoices every other week. Payments will be visible in the SIOC tile of your Operational Performance dashboard.

**Will Amazon institute a chargeback for Sort ASINs?**

Currently, there is no chargeback for Sort ASINs. Existing SIOC chargeback for larger Non-Sort ASINs will remain in place. We reserve the right to modify our chargeback plan at any time.

**What if I intend to certify my ASIN but increase the dimensional box volume of the product?**

Sort ASINs that increase the dimensional box volume will not be eligible for an incentive. Non-Sort ASINs will qualify as long as the dimensional box volume increase does not exceed 10%.

**How long will this incentive be offered?**

The window for incentive payments is between October 1, 2021, and December 31, 2022. You can certify ASINs any time after June 1, 2021, but incentives will be paid only for received units between October 1, 2021 and December 31, 2022. Amazon reserves the right to modify or cancel the program at any time.

**What happens if I certify an ASIN as SIOC or FFP before October 1, 2021?**

If you certify an ASIN as SIOC/FFP before October 1, 2021, Amazon customers will benefit from the SIOC/FFP conversion at that time. However, incentive payments will only be made between October 1, 2021 and December 31, 2022.